

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Monday, July 21, 2025 at 6:00 PM at the Freeport Council Chamber located at 430 North Brazosport Blvd. , Freeport Texas for the purpose of considering the following agenda items:

City Council: Mayor Jerry Cain
Councilman Jeff Pena
Councilman Jarvis Davis
Councilman George Matamoros- Absent
Councilman Winston Rossow

Staff: Dan Pennington, Interim City Manager
Clarisa Fernandez, City Secretary
Ashlee Hurst, Finance Director
Toby Cohen, IT Manager
Donna Fisher, Human Resource Director
Holden Ezell, Building Inspector
Jennifer Howell, Police Chief
Chris Motley, Fire Chief
Rudy Ragle, Public Works Director

Visitors:	David McGinty	Kenneth Hayes
	Sam Reyna	Melanie Oldham
	Manning Rollerson	Carol Parker
	Linda Marshall	Mark Parker

Call to Order:

Call to Order - Jerry Cain, Mayor

Mayor Cain called the regular scheduled meeting of the Freeport City Council to order at 6:00P.M. on Monday, July 21, 2025, declaring that a quorum was present.

Invocation - Councilman

Councilman Rossow led the Invocation.

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

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

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

Kenneth Hayes resides at 414 Mystery Harbor. He addressed the Council about two issues: the act Mr. Pena pulled in the last meeting, specifically the repeated use of vulgar language, after being told to stop—stating it was unacceptable, and he should be kicked out if repeated. He also objected to the consideration of rehiring Chris Duncan as City Attorney, referencing past Council decisions and stating there was a reason for his previous dismissal beyond personal issues.

Manning Rollerson addressed the Council with two main concerns. First, he questioned the \$500,000 invested in the new soccer field, stating it was voted to be placed in Lincoln Park, which does not exist on Fourth Street, and that infrastructure for a community was also voted on but never built after three years. He demanded the lock on the soccer field gate be removed since it was funded by taxpayers, warning of a possible lawsuit. He spoke about the unsafe condition of an EDC property in Yellowstone, raising liability concerns if a child is hurt there. Second, he condemned the lack of transparency about toxic water in Freeport, noting that four people died over three years from cuts sustained in the Brazos River, and that the City failed to warn the public, especially with rising tourism. He emphasized the May to October period as the most dangerous for bacteria per the State and criticized the City's handling of safe water, housing, and industrial expansion. He urged caution about approving the diesel plant, stating 17 industries have poisoned the community without accountability.

David McGinty addressed the Council regarding the workshop being back on the agenda. He stated the workshop, if used correctly, is the voice of the citizens to be heard via City Councilmen, specifically Jeff Pena as his representative. He respectfully asked the Council to use the workshop as intended: (1) to address specific issues brought by constituents, (2) to make public announcements about events or issues in the wards and City, and (3) to give praise, offer positive comments or solutions, and celebrate accomplishments with citizens. In closing, he emphasized the workshop as the citizens' voice through the Council's voice and implored the Council to use it positively to make Freeport the best Freeport.

Sam Reyna resides at 2002 North Avenue G. He addressed the Council about several concerns involving Chris Duncan. He stated Cathy Ezell reviewed financial documents with the EDC board and found the Duncan law firm had overbilled on an unapproved contract. He said Mr. Duncan emailed Cathy Ezell that it was not her job to question invoices, only to cut checks as requested. He repaid \$1,600 after being caught. Mr. Reyna also said Mr. Duncan wrote another check for rent that he did not resolve until the DA got involved. Mr. Duncan is representing Jeff Pena on short-term rental permit charges and is also supposed to represent the City, which Mr. Reyna stated there is a conflict of interest. Mr. Duncan's work with the EDC was illegal and not board-approved. Mr. Reyna shared a personal legal dispute: 15 years ago, he remodeled Stacy Miller's apartment, gave her a discount, and did free work. She refused to pay the remaining \$3,800, and in court, Mr. Duncan represented her. Mr. Reyna showed extensive proof of completed work, while Duncan presented a misleading photo suggesting a cabinet door was missing. The judge determined the door was present and ruled on Mr. Reyna's favor, but he was never paid. Mr. Reyna said Mr. Duncan should not represent the City or be in Freeport at all. He presented a copy of the hot check and referenced another case involving Pedro Garza.

Melanie Oldham resides at 1206 West Broad Street. She expressed appreciation that the Council is ahead of schedule on the budget and welcomed the opportunity for public input. She responded to Mr. Sam Reyna's earlier comments, stating they were not completely true. She said she has attended EDC meetings for a long time and reads all the minutes. The audit Mr. Reyna referenced covered both the City and EDC, which are separate components. The major discrepancy noted was with the mowing company due to poor internal financial review, which the auditor instructed Cathy and the EDC to fix. She acknowledged a small discrepancy involving Chris Duncan's paycheck, calling it a slight mistake and not significant. She disagreed with Reyna's portrayal of Mr. Duncan as a bad attorney, stating Mr. Duncan is a very good attorney, even if she has not always agreed with him in the past. She thanked the Council for listening on the

budget.

Consent Agenda:

Action regarding Minutes, July 7, 2025 - Clarisa Fernandez, City Secretary

Action approving Monthly Financials through June 30, 2025- Ashlee Hurst, Finance Director

A motion was made by Councilman Davis to approve the Consent Agenda, seconded by Councilman Pena with all present and voting "Aye" 4-0. The Council unanimously approved the motion.

Proclamations - Presentations and Updates

Presentation of the Investment Report for Quarter Ending June 30, 2025- Ashlee Hurst, Finance Director

Finance Director Ashlee Hurst presented the investment report for the quarter ending June 30, 2025.

Presentations of the Proposed Budget Fiscal Year 2025-2026-Ashlee Hurst, Finance Director

Finance Director Ashlee Hurst presented the attached presentation titled "Exhibit A" to the Council on the Proposed Budget Fiscal Year 2025-2026. Ms. Hurst acknowledged the budget cycle had been different from usual given recent changes. She emphasized this was preliminary and would be on file by the 31st, with continued work through August and September meetings.

Upcoming Events -Freeport Historical Museum, Shark Exhibit, May 24 - August 13.

Interim City Manager Dan Pennington gave updates on upcoming events.

Public Hearings

Public Hearing: Proposed Budget Fiscal Year 2025-2026.

Mayor Cain opened the Public Hearing at 6:50P.M.

Finance Director Ashlee Hurst said the preliminary proposed budget for 2025–2026 was developed after departments submitted operating costs to maintain current service levels. Additional items were submitted as supplemental requests and discussed with the Council and the Mayor in early July budget meetings. The preliminary proposed budget does increase the City's reserves. Now is the time for City Council to provide staff with additional project suggestions and guidance on funding or allocating excess revenues. After tonight's discussion, any changes by the Council will be made, and a new proposed budget will be distributed. Further discussions will occur on August 4th and August 18th meeting. Staff recommend public hearings on the budget and tax rate be held on September 2nd, with adoption also taking place then. If not adopted on September 2nd, it must be done by September 15th to comply with the City Charter and Texas tax code. Currently, the preliminary proposed budget includes no tax rate increase and no water and sewer rate increases. The EDC board approved their portion of the budget on July 8th, and it will be included in the City's budget for Council adoption in September.

Melanie Oldham stated she could not see the screen and requested a paper copy of the proposed budget, as was provided in past years. She expressed concern over the budget's negative \$1.1 million starting point and noted that she had previously advised former City Manager Petty to focus on increasing revenue through means such as hiring at least a PRN grant writer. She emphasized the importance of industrial district agreements, referencing the Freeport LNG agreement that expired in 2024, and spoke about City Manager

Kelty for renegotiating without help, suggesting more money could have been secured. She urged that negotiations with industries like Dow and BASF involve skilled attorneys and called for better leadership in these dealings. She supported the new Interim City Manager Pennington and reiterated the value of grants. She spoke about the previous exclusion of Veolia from the meter system bidding process, suggesting a lower cost might have been possible. Ms. Oldham asked what the \$113,000 street increase was for? Finance Director Ashlee Hurst said it was for the Street Department, not projects. She stressed the public's priority for infrastructure and called for all departments to focus strictly on needs. She questioned the \$212,000 golf course budget increase? Ms. Hurst said both revenue and expenses were updated to reflect actuals, so they both increased. Councilman Pena said the Golf Course brought in \$1 million but is still operating at a \$400–\$500K loss. Ms. Oldham noted the limited usage by residents and said it should be reviewed. She asked if the \$515,000 figure was the department's total wish list increase? Ms. Hurst said it reflected overall day-to-day expenditure increases. She said the City must prioritize infrastructure, roads, and essential services and tighten budgets. Regarding the EDC budget, she acknowledged it is a separate component but mentioned past audit concerns about lack of internal controls, especially with a large over payment to a mowing company. She urged the Council to review it. She clarified Mr. Johnson works for the EDC board. Ms. Oldham requested a paper copy of the budget. She said a few months back she was out of the Country, and she was watching the meeting and former CFO Ezell was at the meeting that she interpreted as approving budget padding by department heads. She described a scenario where a department might budget for 13 employees knowing they would only hire 5–6 and use the leftover funds without Council approval. She referenced former Police Chief Ty Morrow refusing to pad his budget and being fired. She stated that this is wrong and illegal, and that the budget should be developed with public input as well as from the Council.

Councilman Pena said he had a couple of questions and comments in response to Ms. Oldham's earlier points, stating they were good. He reflected on last year's discussion of needing a conservative budget and emphasized that this year's \$1.1 million deficit made it even more critical to aim for a balanced budget next year. Philosophically, he compared City budgeting to financing a car to get to work—suggesting that it is acceptable to run a deficit temporarily if it is part of a responsible strategy for long-term growth. He stressed that being in the red is justifiable if the spending is smart and not wasteful. He warned against padding numbers, referencing past years when that occurred, and supported tightening up on them. He also favored pursuing grants and considered the idea of hiring a grant writer. Councilman Pena proposed involving the seniors to volunteer for grant writing, with a potential reward of 5–10% of the funds they help raise allocated to the senior department's budget which is around \$17,000. On another point, he questioned how much industrial tax revenue might be left on the table and suggested reviewing contracts. Finance Director Ashlee Hurst said the contracts are up for negotiation and use Hugh Landram as the company to negotiate them.

Councilman Davis asked if the City had been in contact with them? Police Chief Jennifer Howell said that a meeting was scheduled—not the coming week, but the week after with Clute and Lake Jackson just to kind of get the fill in on what has been going on since we have not been a part of those. Councilman Davis expressed he had some concerns as some people from other cities were saying that the City was not really in the meetings and was glad Chief Howell checked on that. Chief Howell said they had already pulled up all the contracts and got Mr. Pennington filled in on that as well. Councilman Davis said as far as this budget with a million down and plus, like that but is glad Finance Director Ashlee Hurst is taking it in a different direction and thanked her for everything that she has doing because last year was his first year and told the Council it looked like it was Chinese. He said he appreciated the clarity now. He said he knows there are many more meetings to go and is starting to understand, and he will be vocal this year. He said he has to take any accountability for last year budget they were all in it together, but it was not really all in it, and it was not enough. He said he was not going to harp on the last year and is going to be positive and move forward. Councilman Davis said he sees what is happening this year, and he knows that the numbers are going to change because they are all going to come together and are going to make sure that they do the right thing for the City this year because it is transparency. He said they are communicating, putting their ideas in, and working together. Councilman Davis concluded by thanking Chief Howell for the emails that

were sent out. Councilman Davis said he sees the transparency coming in that is the key that is going to change this whole situation around.

Melanie Oldham said she used to attend BWA meetings 10 years ago about the diesel plant and if she understands 50 years ago BWA signed contracts with the seven Cities requiring them to take a set amount about 20 million gallons per day. She noted that rates can not be increased for various reasons, but like her Councilman said, if we are smart and sell that water when we do not need it, it could be beneficial. She warned that during a future drought all that water may be needed and added, water is liquid gold and other cities would want it. She emphasized the importance of monitoring usage. She said Finance Director Ashlee Hurst and others got to keep an eye on how much water is being used, referencing a presentation by Mr. Matamoros, where usage spiked due to a water leak in Gladio. She said there is always a reason and pointed out to Mr. Hayes that, under the 50-year contract, each City has to take a certain amount of water, but you can sell it.

Mayor Cain said to the Council he was going back to the department budget requests that they have, and looking over this, understand the requests from the departments come to a total of \$3.6 million. He said Finance Director Ashlee Hurst said she feels confident that we can go 1.8. Mayor Cain stated he has heard over and over that this is going to be a work in progress and something we are going to have to keep a real close eye on. He said although Ms. Hurst said we could go 1.8, if we were to go 0.8 and leave one there, then six months down the road, we look like we are better than what we anticipated then consider doing something with that extra million. He said this was just a thought, but thinks it would be best spent taking care of the City's finances.

Mayor Cain closed the Public Hearing at 7:15P.M.

Public Hearing: Consideration and possible action approving Re-Plat of lots 1 thru 12 and lots 16 thru 24, including a portion of lots 13 thru 15, all in blocks 735 and a portion of Stratton Street (abandoned R.O.W) of Velasco Township as recorded in volume 32, page 14 of the Brazoria County deed records in the Alexander Calvit Survey abstract 49 City Of Freeport Brazoria County, Texas.

Mayor Cain opened the Public Hearing at 7:16P.M.

Building Inspector Holden Ezell stated that the replat discussion had been tabled at the last council meeting and is now being revisited. He emphasized that the council is strictly discussing the replat, not the proposed business, which could change at any time depending on ownership. He clarified that the replat was submitted to Planning and Zoning in April, and under the local government code (not the Texas municipal code as he previously said), they had 30 days to bring it before the board. Failure to act within that timeframe results in "active approval." Since their ordinance requires plats with over four or five lots to go to council, an additional 30-day window applied—bringing the deadline to May. Because it was sent back to Planning and Zoning instead, no formal approval, conditional approval, or denial occurred. Therefore, under Chapter 212 of the Local Government Code regarding municipal regulations of subdivisions and developments, the replat is considered approved by default.

Mayor Cain confirmed that this is a formality, stating that this conclusion was reached after lengthy discussions the other night.

Melanie Oldham stated that she had posted the replant on the former CCF site on the "Residents of Freeport" forum and encouraged Council members to read the public discussion. She expressed concern that the former City Manager and property owners may have made a deal without wider awareness. She questioned how the City missed the deadline for both Planning Commission and City Council to add protective conditions—especially given that the proposed truck stop would be located across from a daycare. While acknowledging there are differing public opinions, she emphasized that Council members still have options

even if the replat must be adopted. Building Inspector Holden Ezell commented on a publication error, explaining that the Building Department failed to post a required notice, partly due to the timing of an employee picnic. As a result, the meeting was improperly canceled due to not meeting the 72-hour posting requirement.

Mayor Cain closed the Public Hearing at 7:21P.M.

A motion was made by Councilman Pena to table this item with discussion that followed.

Councilman Pena stated that the questions asked at the last meeting still have not been answered. One of those questions, he recalled, was the requirement that the owners be present, so the Council could ask them directly about the business and the layout. He said if the owners were present, it would be appreciated to have that conversation. He further stated that, as he mentioned previously, he is placing his faith and confidence in the leadership of the City, specifically the City Manager. At the time of the last meeting, there was no Interim City Manager, and there was also no attorney. He emphasized the importance of those individuals—who are wholly responsible at the top—being the ones to determine whether the City is in compliance or whether their hands are tied. He added that the Council should be advised by those individuals rather than relying on staff for legal advice, which has, at times, proven to be incorrect. He pointed out that there were misstatements made earlier. For those reasons, Councilman Pena concluded by stating that he would like to table the item.

Building Inspector Holden Ezell stated he had a copy of the Local Government Code for every Council member if they would like to have it in their possession. Councilman Pena said that it would have been great to have that included in the packet beforehand.

Mayor Cain called for a second. The motion failed due to a lack of a second.

A motion was made by Mayor Cain to approve the Re-Plat of lots 1 thru 12 and lots 16 thru 24, including a portion of lots 13 thru 15, all in blocks 735 and a portion of Stratton Street (abandoned R.O.W) of Velasco Township as recorded in volume 32, page 14 of the Brazoria County deed records in the Alexander Calvit Survey abstract 49 City Of Freeport Brazoria County, Texas, seconded by Councilman Rossow with discussion that followed.

Jill Crawford introduced herself as representing DDMBB Investments, the property owners, and stated that all they want to do is replat the 24 different zones or lots into one. She emphasized that any future development would still have to go before the Fire Marshal and Building Inspector. She noted that her boss may change his mind and decide not to do a gas station but a bakery instead, and reiterated that the purpose of the meeting was just to replat the lots into one continuous lot. She confirmed that they own the entire property and agreed that any business development would have to come back before the appropriate authorities. When asked if the project would be a truck stop, she explained that was the current idea being discussed, but nothing was set in stone. She clarified that the sign on the property is just an idea of what might come, and the area is not zoned for an actual truck stop—only a convenience store. Ms. Crawford added that Swift Truck Stop, the company they are working with, has over 400 locations in the Houston-Galveston area, not all of which are truck stops. She cited an example in Alvin that is just a convenience store, while others in North Houston operate 24 hours and include showers. She also mentioned that in the July 7th meeting, the Fire Marshal pointed out the informal plans did not show a bathroom. Ms. Crawford said that this was not going to be a formal truck stop and reiterated that her boss could change his mind and want to do a bakery or restaurant instead. She concluded by stating that the sole objective for the day is to

replat the property as one lot.

Mayor Cain said he would echo what she just said. They acknowledged hearing that the particular lot, according to its zoning, cannot be a truck stop. Jill Crawford noted that the sign says "Swift Truck Stop" and that is because it is the company's name. Mayor Cain said if the owners wanted to proceed with making it a truck stop, they would have to jump through a lot of hoops. Ms. Crawford said she agreed with Councilman Pena's earlier comment that another session would be needed to determine what business would go into the location, and emphasized that today's objective is just the replat. Mayor Cain affirmed that the City still has control over what will be placed on that property, and stated a truck stop is not what the City wants.

Building Inspector Holden Ezell said that a truck stop by definition with a shower and everything is not allowed in that zone. The specific zone is C1, which is for commercial properties. He explained that allowed uses are determined by the land use table passed by Planning and Zoning, and that all new businesses and residential builds follow that table. Mr. Holden stated that although the name is Swift Truck Stop, they have seen one in West Columbia on Highway 35 and clarified that it is strictly a gas station. He explained that there are no spots for trucking or anything like that—it is simply a gas station with the name Swift on it. He compared it to how Shell or H-E-B branding is used, stating it is just the name. He emphasized that the property is not zoned for an official truck stop, and it will not become one unless the owners go through multiple processes that the City has established in order to allow it.

Councilman Pena stated that at the last meeting, staff were asked to include the renderings of the space, but they were not in the packet. He also noted that additional information is now being provided that was not included in the packet. He said he just wants to make a clear decision, especially since residents who attended the previous meeting had expressed concerns. These concerns included the daycare across the street, the children, neighborhood residents' worries about traffic, and street erosion caused by truck traffic all of which, they stated, still have not been addressed or answered. He added that if these hurdles or risks were not present, they would support moving forward, saying, "Yeah, let's plat this and we'll figure it out and spitball it later." However, due to the presence of these issues, particularly the daycare. Councilman Pena expressed a desire to still receive that information and stated their appreciation for the investment interest in Freeport. While they hoped the project would move forward with the right business plan, he said that as of today, he did not have enough information. If a clear plan were provided showing what the actual structure would be, he would support greenlighting and fast-tracking it—but for tonight, he could not support it and wanted to be upfront about that.

Councilman Davis stated that he wanted to make sure the citizens—or anyone who had concerns about the truck stop and the daycare in the area understood what was being voted on. He clarified that, to his understanding, this is just a replat. He added he was not going to even think about letting the truck stop coming in there. He can make a regular store or he can make anything else he wants to make, but so if you ever come back in here with a truck stop plan he is not going for a truck stop plan.

Mayor Cain said he believes Planning and Zoning share the same sentiments on this of it not being a truck stop. Mayor Cain stated that the Council is not voting on whether to allow a truck stop in town. He explained that he was going to call the vote on whether to proceed with the replat, which would allow the owners to use the entire properties they own as one business entity.

Mayor Cain called the motion to a vote with all present and voting "Aye" 3-1. The Council approved the motion. Councilman Pena voted "Nay".

Business

Consideration and possible action approving Resolution No. 2025-2937 to amend Texas Gulf Bank

Signatories.

Finance Director Ashlee Hurst stated that the list of authorized signatories for the City's Texas Gulf Bank account requires updating to reflect Mr. Dan Pennington, the Interim City Manager, as a signatory. She explained that the bank requires a resolution designating which City officials are authorized to open accounts, execute wires, and conduct other transactions for City funds. Currently, the authorized officials on the account are Mr. Jerry Cain, the Mayor, former City Manager Lance Petty, and herself, Ashlee Hurst, Finance Director. She added that a resolution is needed to remove Mr. Petty and replace him with Mr. Pennington as the signatory.

A motion was made by Councilman Pena to approve updating the accounts with Mr. Pennington as the Interim City Manager signature signatory and to remove Lance Petty, seconded by Councilman Davis with all present and voting "Aye" 4-0. The Council unanimously approved the motion.

Consideration and possible action approving Resolution No. 2025-2938 to amend TexPool signatories.

Finance Director Ashlee Hurst said that the resolution would remove former City Manager Mr. Petty and replace him with Mr. Dan Pennington, the Interim City Manager. She added that it would still leave herself and the Mayor on the account as signatories.

A motion was made by Councilman Pena to approve Resolution No. 2025-2938 to amend TexPool signatories, seconded by Councilman Rossow with all present and voting "Aye" 4-0. The Council unanimously approved the motion.

Consideration and possible action approving Resolution No. 2025-2939 to amend Texas Class signatories.

Finance Director Ashlee Hurst stated that this resolution is the same thing, replacing former City Manager Mr. Petty with Mr. Dan Pennington, the Interim City Manager for the Texas Class account.

A motion was made by Councilman Pena to approve Resolution No. 2025-2939 to amend Texas Class signatories, seconded by Councilman Davis with discussion that followed.

Councilman Rossow asked how many signatures are required. Finance Director Ashlee Hurst and Mayor Cain said two signatures are needed.

Mayor Cain stated that when payroll checks go out and bills need to be paid, he receives an email and spends about 20 minutes signing. He described his hands cramping up and forgetting how to sign his name. He expressed appreciation to the Council for passing these items.

Councilman Pena asked whether all required signatures must be wet signatures, electronic, or stamps, seeking clarification on what format is acceptable. Finance Director Ashlee Hurst said that all three are acceptable by the bank. Mayor Cain said that his signature will always be wet. Councilman Pena inquired whether it could be required to always have wet signatures. Ms. Hurst said that Texas Gulf Bank has strong positive pay internal controls, which include submitting check reports and verifying discrepancies by phone. Councilman Pena expressed concerns due to previous issues with the use of stamps.

Mayor Cain called the motion to a vote with all present and voting "Aye" 4-0. The Council unanimously approved the motion.

Work Session:

Councilman Pena Ward A announcements and comments.

Councilman Pena said that he appreciated everyone coming out to the meeting, including those speaking publicly and those watching from home. He encouraged continued public participation and voicing of concerns. He began by welcoming Dan Pennington as the Interim City Manager, and had reviewed Mr. Pennington's credentials during an executive session held a few meetings prior. He stated that Mr. Pennington answered all of their questions very thoroughly and possesses very strong credentials. He welcomed him and expressed that he was glad he was there. He then noted that Councilman Davis had recently celebrated a birthday, turning 50, jokingly referring to him as a "senior citizen" and stating he just wanted to embarrass him a little, without requiring a group sing-along. Councilman Pena moved on to discuss constituent concerns, particularly from Ward A and Citywide, including questions regarding the TIRZ (Tax Increment Reinvestment Zone). He asked the City Manager and legal staff look into the matter to determine whether the TIRZ should reside with the EDC or the City Council. He also requested an update on the streetlights from CenterPoint, explaining that residents across several wards had asked about them and that although plans had been in place for over a year, many lights had not yet been installed. Councilman Pena highlighted the ice cream socials he has been hosting at both the splash pad downtown and at the beach, and they had been well-received and generated positive feedback. He announced his intention to continue hosting these events weekly, alternating between the beach and splash pad. He questioned whether there were splash pads in Wards C and D, expressing concern that families in those areas might not have walkable access to similar recreational opportunities. He suggested the City consider expanding those amenities. He shared feedback from the most recent beach event, stating that 100% of the attendees were from out of town, with visitors ranging from nearby Rosharon to as far as Wisconsin. He noted that the only local attendee was Rudy, a City staff member, who stopped by with his son. Councilman Pena remarked that it emphasized the value of having City staff living within the City, as those who live and work in the community tend to take better care of it. He stated he had a positive conversation with Mr. Rudy about his enjoyment of the beach and his ideas for improving it, and suggested the City explore incentives to encourage staff to live locally. He inquired whether all City boards had completed their internal elections, stating that this question had been brought to his attention and requested a report from City staff on the matter. As an additional note, Councilman Pena mentioned that the recent ice cream social had inspired local residents to plan a beach reunion event, with more information expected to be released soon. He emphasized that small events and renewed attention to the City's parks and beach had led residents to engage with local amenities. Under general housekeeping, he pointed out overgrown grass near the EDC building and adjacent to Old White's Café, suggesting that EDC staff or code enforcement should address the issue. He also cited high grass near Second and Park Avenue, which he believed to be owned by Mr. Royal, and requested that it be taken care of as well. Lastly, he raised concerns about the ongoing paving on 288 Brazosport Boulevard, specifically about whether drainage considerations were being addressed. He acknowledged that it was a TxDOT roadway, meaning the City had limited control, but stressed that the drainage from the road directly affects City residents. He asked that staff to continue to monitor the project, especially in light of hurricane season and potential flash floods, to ensure the area does not experience avoidable flooding issues.

Councilman Davis Ward B announcements and comments.

Councilman Davis said that he was thankful the item had been placed back on the agenda. He welcomed Mr. Dan Pennington as Interim City Manager and he had a solid track record and expressed excitement about working with him. Councilman Davis agreed with a citizen who previously spoke regarding the need for a workshop and emphasized the importance of using it appropriately. He said he was encouraged by the changes in the City over the past month, particularly the increased transparency. He commended Finance Director Ashlee Hurst for her work and leadership, and also praised Police Chief Howell for being responsive and detailed. Councilman Davis stated that department heads seemed energized and ready to collaborate, and that he believed transparency would continue to improve. He also spoke about attending a community prayer walk, where participants prayed over City officials, including himself and others. He said this showed the community's support and faith in the City's direction. Councilman Davis went on to say that he has recently received multiple complaints from his ward, specifically about the public swimming pool being closed for nearly two years and then reopening only shortly before the end of the season. He noted that senior citizens

were especially impacted and had to travel to Lake Jackson to swim. He emphasized the need to address the pool's issues during the upcoming budget process. He also expressed concern that staff were allegedly told not to contact other cities for help or guidance with operating the pool. Councilman Davis also brought up a resident's water bill, stating that an 89-year-old woman had received a bill for over \$600 despite no visible signs of excessive water usage or leaks. He indicated that he would follow up on the matter personally and expressed confidence in Finance Director Hurst to help resolve it. He concluded by acknowledging that things have been difficult but stated his belief that the City is headed in the right direction. He emphasized the importance of teamwork and transparency and said that the community must come together to rebuild Freeport for the good of all residents.

Councilman Matamoros Ward C announcements and comments.

Councilman Rossow Ward D announcements and comments.

Councilman Rossow said he was a safety man at the county for 21 years and emphasized the dangers of working in the heat, including heat exhaustion, heat stress, and heat stroke. He warned that August was the hottest month and urged caution, noting he had worked with people who suffered from heat stroke. He thanked Mayor Cain for bringing the item back up so the Council could talk to the people and congratulated Mr. Pennington. He mentioned that the rollup door at RiverPlace had finally been replaced and looked nice. He announced a riverboat trip to Didos scheduled for September 22nd as part of the Senior Citizens Harvest Fest on October 13th. He said participants must be 55 years old or older and that the cost is \$50, reduced from \$65. The event will include a meal, and the bus will leave from RiverPlace. He said there are only about 38 spots available and emphasized it is first come, first served. Councilman Rossow said Ward D is in good shape and likely to have the most new homes in Freeport, with one just finished and another coming out of the ground. He said he wants to see rooftops and more people living in Freeport. He commented that many people leave at 3:30 or 4:00 to drive toward Pearland and said the City needs to retain those residents. He agreed with Councilman Davis that good things were happening and said he was not blaming any one person but wanted everyone to work together. He said he loves the City of Freeport and believes it will be all right.

Mayor Jerry Cain announcements and comments.

Mayor Cain said he would like to start by thanking Mr. Pennington, saying he believes Mr. Pennington is the right person to help continue the momentum the City has had and possibly even improve on it. He wished him the best of luck. He gave full disclosure about the work session, explaining that he took it off the agenda about six months ago because it had become disruptive. He said while people at home drinking beer and eating popcorn enjoyed the show, the meetings featured Council members arguing with citizens, calling out City employees, and fighting among themselves, making for a good show on YouTube but a bad meeting environment. Mayor Cain said he believes the work session is a valuable tool and should not be limited to minor issues like potholes it is a tool to voice constituent concerns and follow up on previous meeting topics. He disclosed that Councilman Davis and Councilman Pena requested the work session be added back to the agenda, and he agreed. He said that if the work session can be used properly, it will stay, but if it reverts to throwing stones, it could be removed again. He expressed hope that it does not return to that point and believes the audience and viewers at home understand what he means. He also mentioned that several citizens asked about the Kids Fest. He confirmed it will happen this year but will be held later than usual due to past heat concerns. Previously, it was held just before school started, but last year it was moved because of Hurricane Beryl and ended up being cooler with a great turnout. This year, Wade Dillon is organizing the event, and it is scheduled for the first weekend of September, specifically September 6th. He encouraged everyone to bring kids and enjoy the free event. He ended by thanking the Council for behaving during the meeting, saying he did not want to sound like a babysitter but genuinely appreciated it.

City Manager announcements and comments.

Interim City Manager Dan Pennington said he appreciated the Council's and some citizens' comments and

support. He said he would do everything he can to live up to that and would work hard. He acknowledged that people have heard that before but emphasized that he will work hard to gain their confidence and, as stated, continue moving the City forward. He added that he has been very impressed with much of the staff he has met so far. Reflecting on his time in Freeport about eight years ago, he said the staff has definitely elevated since then. He told the Council they should be very proud of the staff they have, describing them as very professional, hardworking, and conscientious.

Councilman Davis said just one thing real quick he forgot to thank Interim City Manager Dan Pennington. He said he heard Mr. Pennington hit the yard running on the first day and went out to visit with the Senior Citizens at the bingo event emphasizing that on his first day on the job, despite having meetings all day, Mr. Pennington still made time to get out and get into the City.

A motion was made by Mayor Cain to include, if necessary, Ms. Donna Fischer from HR and Chris Duncan, seconded by Councilman Pena with all present and voting "Aye" 4-0. The Council unanimously approved the motion.

Executive Session

Executive Session regarding a.) Texas Government Code, Section 551.074: Personnel Matters: to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee; Legal Services.

The Regular Session closed at 8:10P.M. and the Council entered into the Executive Session.

Reconvene into Open Session:

Take any action resulting from Executive Session.

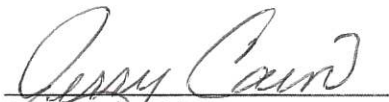
Executive Session ended at 9:48P.M. and the Council went back into Regular Session.

There was no action from Executive Session.

Adjournment

Adjournment – Jerry Cain, Mayor

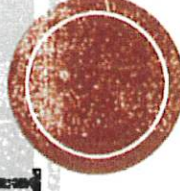
A motion was made by Councilman Pena to adjourn the meeting, seconded by Councilman Davis with all present and voting "Aye" 4-0. Mayor Cain adjourned the meeting at 9:48P.M.


Jerry Cain, Mayor


Clarisa Fernandez, City Secretary

"EXHIBIT A"

CITY OF FREEPORT FY2025-2026 PROPOSED BUDGET



Presentation prepared for Mayor & Council for 7/21/2025 meeting

Prepared by: Ashlee Hurst, CGFO

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GENERAL FUND -- OVERALL SUMMARY

	FY2022-2023 ACTUALS	FY2023- 2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET
REVENUE TOTAL	\$21,413,066	\$21,458,191	\$19,476,665	\$22,042,573	\$21,115,145
EXPENDITURES TOTAL	16,976,689	20,054,342	18,788,140	17,253,992	19,303,755
BEG. FUND BALANCE	5,496,040	6,933,321	7,340,233	6,533,030	10,759,946
REVENUE LESS EXPENDITURES	4,436,377	1,403,849	798,525	4,788,581	1,811,390
NET TRANSFERS	(2,999,095)	(1,804,141)	(561,665)	(561,665)	150,000
ENDING FUND BALANCE	6,933,321	6,533,030	7,577,094	10,759,946	12,721,335
90 DAY RESERVE	4,198,867	4,896,541	4,669,535	4,308,404	4,825,939
AVAILABLE FUND BALANCE	\$2,734,454	\$1,636,489	2,907,559	6,451,542	7,895,397

GENERAL FUND -- REVENUE SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
Industrial Districts	\$8,954,728	\$9,423,021	\$9,389,300	\$10,545,561	\$10,475,000	\$1,085,700
Property Tax	3,167,166	3,397,417	3,370,000	3,455,000	3,415,000	45,000
Sales Tax	2,471,744	2,649,294	2,450,000	2,495,000	2,680,000	230,000
Charges for Service	2,306,951	2,444,863	2,224,200	2,752,400	2,575,250	351,050
Franchise & Other Taxes	724,988	713,297	715,000	696,000	689,000	(26,000)
Intergovernmental	1,756,606	633,846	152,000	564,312	165,000	13,000
Fines & Forfeits	191,086	233,483	222,600	251,050	230,050	7,450
Miscellaneous Income	759,070	1,254,199	215,000	581,050	268,500	53,500
Lease Income	60,876	17,012	175,765	173,000	134,545	(41,220)
Investment Earnings	481,374	553,846	300,000	370,000	330,000	30,000
License and Permits	538,477	137,913	262,800	159,200	152,800	(110,000)
Revenue Total	\$21,413,066	\$21,458,191	\$19,476,665	\$22,042,573	\$21,115,145	\$1,638,480



GENERAL FUND - REVENUE CHANGES

- Industrial District revenue was adjusted to proper allocation amounts
- Property Tax revenue is based on actuals with no tax increase
- Sales Tax was increased by 2% per Comptroller data *(City gets 1.5% and EDC gets .5%)*
- Charges for Service revenue was increased by 16% *(Golf & Ambulance biggest contributors)*
- Franchise & Other Taxes revenue decreased by 4% based on actuals
- Miscellaneous Income increased by 25% based on actuals
- Fines & Forfeits increased by 3% based on actuals
- Lease Income decreased by 23% to reflect the loss of the City Hall tenant
- Intergovernmental increased by 9% based on actuals for EMS Interlocal
- License and Permits decreased by 42% based on actuals
- Interest Income increased by 10% based on actuals *(Combined with the decreasing interest rates)*

Overall Revenue increased \$1,638,480 over the FY2024-2025 Adopted Budget

GENERAL FUND – EXPENDITURE SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	Increase / (Decrease)
Administration	\$2,398,690	\$2,804,664	\$2,091,359	\$1,946,642	\$2,134,700	\$43,341
Information Technology	521,163	416,857	493,358	396,550	307,150	(186,208)
Municipal Court	278,525	249,065	260,830	269,336	257,180	(3,650)
Police / Animal Control	4,949,804	5,864,196	6,086,942	5,174,378	6,470,092	383,150
Fire	1,498,388	1,503,133	1,717,303	1,455,931	1,751,076	23,773
EMS	909,426	993,214	1,152,227	1,048,371	1,077,560	(74,667)
Streets / Drainage	1,447,827	1,454,419	1,456,908	1,436,699	1,570,205	113,297
Service Center	202,594	464,614	214,666	196,041	220,940	6,274
Beach Maintenance	30,745	7,959	42,850	26,694	42,850	-
Garbage	747,174	763,915	775,000	747,000	755,000	(20,000)
Building / Permits	278,817	279,323	478,502	411,325	491,859	13,357
Code Enforcement	452,232	399,495	356,227	334,729	420,740	64,513
Library	36,451	26,445	51,850	34,059	42,200	(9,650)
Parks	1,191,375	1,227,823	1,316,140	1,035,632	1,266,715	(49,425)
Recreation	350,601	329,216	525,869	349,686	489,381	(36,488)
Sr. Citizen's Commission	7,588	17,182	17,500	16,500	18,000	500
Golf Course	1,382,506	1,486,179	1,324,854	1,357,581	1,537,473	212,619
Historical Museum	292,785	211,006	343,230	262,899	332,419	(10,811)
Main Street	-	113,757	72,525	13,700	118,215	(45,690)
Emergency Mgmt	-	4,576	-	500	-	-
Hurricane Beryl	-	1,437,304	-	740,239	-	-
Expenditure Total	\$16,976,689	\$20,054,342	\$18,788,140	\$17,253,992	\$19,303,755	\$515,615

GENERAL FUND - EXPENDITURE CHANGES

- 3% cost of living raise was included for all departments *(PD Matrix also)*
- .09% increase in retirement benefits beginning 1/1/26
- 15% increase in group benefits based on consultant advice
- 5% increase for Property/General Liability insurance *(estimated increase)*
- ***No budget requests have been accounted for until Council submits their approvals*
- ***There is an estimated \$1,811,390 available to allocate for requests*

Overall Expenditures increased \$515,615 over the FY2024-2025 Adopted Budget



GENERAL FUND – CAPITAL EXPENDITURES VEHICLE & EQUIPMENT

- This will be represented by a transfer from the General Fund, if Council wishes to approve any projects.



GENERAL FUND – CAPITAL EXPENDITURES

STREETS & DRAINAGE

- This will be represented by a transfer from the General Fund, if Council wishes to approve any projects.



DEPARTMENT BUDGET REQUESTS

- Administration
 - Finance – Move financial software to cloud hosting - \$27,221
 - Finance – Project accounting module - \$3,470 (only available if we move to cloud)
 - HR – TMRS Certifications for 2 employees - \$3,000
 - HR – Personnel policy consultant - \$3,000
 - Admin/PD – JustFOIA public info software - \$10,314 + \$1,007 one-time (Will be split between Admin/PD budgets)
- Building
 - Advertising line increase - \$3,000
- Information Technology
 - No requests
- Police / Code
 - Combine PD and Code budget
 - 5.5% COLA - \$175,000
 - Overtime increase - \$120,000
 - Microsoft Office 2022 update - \$11,670
 - Replace PD building camera storage - \$12,000
 - Server relocation - \$28,000
 - Replace office chairs - \$10,000
 - 5 vehicle replacements (3 patrol, 1 CID, 1 animal control) - \$475,000
 - Remove tower and surge protection - \$30,000
 - Replace jail cameras - \$5,000
 - Beach buggy replacement - \$32,000 (possible grant)
 - LPR cameras - \$63,000 + \$84,250 (possible grant)
- Main Street
 - No requests
- Golf Course
 - Annual cart path repair - \$10,000
 - Pump station platform - \$10,000
- Water / Sewer
 - No requests

DEPARTMENT BUDGET REQUESTS

- Fire / EMS
 - Training overtime (Fire & EMS each) - \$12,000
 - Tire replacement – fire engines - \$13,000
 - 3 EMS personnel - \$212,080
 - 3 firefighters/medics - \$253,800 (billable revenue of \$168,000)
 - New ambulance - \$4,000 + \$400,000
 - New fire engine - \$7,000 + \$980,000
- Streets
 - Concrete saw - \$6,256
 - Vibratory plate compactor - \$1,595
 - Jumping jack - \$2,998
 - 15' batwing mower - \$29,000
 - Zero turn mower - \$14,000
- Service Center
 - No requests
- Parks
 - Gator (ATV) - \$15,000
 - Riverplace exterior metal coating - \$30,000
 - Repair playground equipment - \$20,000
 - Border and mulch playgrounds - \$10,000
- Recreation Center
 - Annual pool contract - \$10,000
 - Splash pad replacement - \$10,000
 - Rec center exterior metal coating - \$30,000
- Museum
 - Museum manager raise - \$10,000
 - Museum staff raises above COLA - \$10,000
 - Advertising line increase - \$9,000
 - Generator - \$5,000
 - Central dehumidifier - \$5,000
 - Renovate museum storage room - \$15,000
 - Fire suppression system - \$45,000

BUDGET REQUESTS

	Recurring:	One-Time:
Grand Total of All Requests:	\$929,885	\$2,346,776
Available Resources to Allocate:		<u>\$1,811,390</u>



WATER/SEWER – OVERALL SUMMARY

	FY2022-2023 ACTUALS	FY2023- 2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET
REVENUE TOTAL	\$8,992,824	\$10,502,689	\$7,950,000	\$10,357,375	\$7,407,880
EXPENDITURES TOTAL	7,578,353	7,505,561	7,846,078	10,328,442	7,779,671
BEG. FUND BALANCE	5,011,419	8,422,932	11,951,130	11,951,130	11,528,413
REVENUE LESS EXPENDITURES	1,414,471	2,997,128	103,922	28,933	(371,791)
NET TRANSFERS	(390,725)	531,070	(451,650)	(451,650)	(791,039)
ENDING FUND BALANCE	8,446,050	11,951,130	11,603,402	11,528,413	10,365,583
90 DAY RESERVE	2,315,002	2,451,425	2,589,206	2,459,244	2,567,291
AVAILABLE FUND BALANCE	6,131,048	9,499,705	9,014,196	9,069,168	7,798,291

WATER/SEWER – REVENUE SUMMARY

	FY2022- 2023 ACTUALS	FY2023- 2024 ACTUALS	FY2024- 2025 ADOPTED BUDGET	FY2024- 2025 ESTIMATE	FY2025- 2026 PROPOSED BUDGET	INCREASE / (DECREASE)
INTERGOVERNMENTAL	1,048,606	2,092,254	4,000	3,107,475	30,000	26,000
MISCELLANEOUS INCOME	1,936,879	14,600	127,000	147,400	147,300	20,300
BOND PROCEEDS	-	-	-	-	-	-
INVESTMENT EARNINGS	20,074	38,227	15,000	15,000	15,000	-
WATER & SEWER SERVICES	7,926,352	8,357,607	7,804,000	7,087,500	7,215,580	(588,420)
REVENUE TOTAL	10,931,911	10,502,689	7,950,000	10,357,375	7,407,880	(542,120)



WATER/SEWER – REVENUE CHANGES

- Water and sewer revenue were adjusted based on actuals
- Water and sewer do not have a good baseline with new meters yet, they do seem to be trending upwards so far though
- If revenues continue to trend upwards, this could close our deficit by the end of the budget year
- Since we are starting with a budget deficit; my personal suggestion is bi-monthly or quarterly, at least, we meet internally to review the budget as we proceed forward. This will help ensure we are monitoring the budget closely and making the best decisions for the City



WATER/SEWER – EXPENDITURE SUMMARY

	FY2022-2023 ACTUALS	FY2023-2024 ACTUALS	FY2024-2025 ADOPTED BUDGET	FY2024-2025 ESTIMATE	FY2025-2026 PROPOSED BUDGET	INCREASE / (DECREASE)
REVENUE TOTAL	\$10,931,911	\$10,502,689	\$7,950,000	\$10,357,375	\$7,407,880	\$(542,120)
SALARIES	100,584	120,943	204,932	118,610	158,380	(46,552)
BENEFITS	52,108	62,493	82,676	55,071	78,741	(3,935)
SUPPLIES	33,202	27,290	58,700	35,600	40,500	(18,200)
SERVICES	6,142,994	6,404,863	7,340,270	7,197,275	7,456,100	(146,970)
MAINTENANCE	58,587	100,096	115,000	15,100	14,000	(101,000)
SUNDRY	627,684	712,875	44,500	30,600	31,950	(12,550)
DEBT SERVICE	91,397	76,369	-	-	-	-
CAPITAL OUTLAY	-	633	-	2,876,186	-	-
TRANSFERS	390,725	(531,070)	451,650	451,650	791,039	337,189
EXPENDITURE TOTAL	7,497,280	6,974,491	8,297,728	10,780,092	8,570,710	(240,307)



WATER/SEWER – EXPENDITURE CHANGES

- Veolia services increased by 1% for anticipated overages
 - BWA increased by \$262,800 due to rate increase from \$4.60 to \$4.96
 - Supplies, services, and maintenance lines decreased by as much as possible to lessen the overall budget deficit
 - Transfers increase to include the payment of the water meter loan for \$337,189
-
- **Expenditures are higher than revenues by \$1,162,830**



DISCUSSION

