



**AGENDA
REGULAR MEETING
AND
JOINT MEETING WITH PLANNING COMMISSION
FREEPORT CITY COUNCIL
MONDAY, JUNE 1, 2020 at 6:00 P.M.**

Mayor:
Brooks Bass

Council Members:
Ken Green
Jerry Cain
Sandra Loeza
Roy Yates

City Manager:
Timothy Kelty

THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, WILL MEET ON MONDAY, THE 1ST DAY OF JUNE 2020, AT 6:00 P.M., AT THE FREEPORT, POLICE DEPARTMENT, MUNICIPAL COURT ROOM, 430 NORTH BRAZOSPORT BOULEVARD FREEPORT TEXAS

BECAUSE OF THE PUBLIC HEALTH THREAT, SEATING WILL BE POSITIONED TO MEET THE REQUIREMENTS OF THE CDC, AND ATTENDEES WILL BE REQUIRED TO WEAR A FACE MASK.

OR YOU MAY JOIN THE PUBLIC MEETING REMOTELY BY TELECONFERENCE BY DIALING:

(425) 436-6312 AND USING ACCESS CODE 5678901#

OR

AUDIO VISUAL CONFERENCE CALL USING:

PCs, Macs®, Chromebooks™, iOS and Android™ phones and tablets.

International dial-in numbers: https://fccdl.in/i/city_council_060120

For users wanting to view and listen to the council meeting via a web browser go to https://join.freeconferencecall.com/city_council_060120

enter access code 5678901# and the online meeting code is: city council 060120.

OR

Visit the App Store or Google Play to download FreeConferenceCall. Enter the phone number, access code and online code listed above to view the meeting.

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)

JOINT MEETING WITH PLANNING AND ZONING COMMISSION:

A.) Call Open of Meeting.

B.) Discuss and take possible action by the Planning Commission regarding creation of DT-1 ZONE.

ADJOURN PLANNING AND ZONING COMMISSION.

CITIZENS' COMMENTS:

Members of the public are allowed to address the City Council at this time. *Note*, comments must be submitted electronically, and must include name and address 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. Emergency management briefing COVID-19. **(Motley/Garivey)**
2. Whitley Penn Audit Presentation for Fiscal Year 2018-2019. And consideration of Engagement Letter to conduct audit for FY2019-2020. **(Russell)**
3. Freese and Nichols Presentation for the Wastewater Treatment Plant. **(Kelty)**

COUNCIL BUSINESS – REGULAR SESSION:

4. Consideration and possible action on the approval of City Council meeting minutes from May 18, 2020. **(Wells)**
5. **Public Hearing:** Public Hearing and possible action of approving Ordinance No. 2020-2601 on creating the DT-1 Zone. **(Shoemaker)**
6. Consideration and possible action awarding Request for Proposals (RFP) #2004 for financial software to Tyler Technologies. **(Russell)**

7. Consideration and possible action approving Resolution No. 2020-2630 to approve submission to the GLO Beach Maintenance Reimbursement (BMR) Program. And designating the Assistant City Manager as the official with full authority to act for the purposes of the program. **(Russell)**
8. Consider the approval of Resolution No. 2020-2631 -- A Resolution by the City Council of the City of Freeport, Texas, Authorizing Publication of Notice of Intention to Issue Certificates of Obligation; Authorizing the Preparation of a Preliminary Official Statement and Notice of Sale; and Providing for Other Matters Incidental Thereto. **(Russell)**

WORK SESSION:

9. **The City Council may deliberate and make inquiry into any item listed in the Work Session.**
 - A. Mayor Brooks Bass announcements and comments.
 - B. Councilman Green Ward A announcements and comments.
 - C. Councilman Cain Ward B announcements and comments.
 - D. Councilwoman Loeza Ward C announcements and comments.
 - E. Councilman Yates Ward D announcements and comments.
 - F. City Manager Tim Kelty announcements and comments.
 - G. Updates on current infrastructure.
 - H. Update on reports / concerns from Department heads.

CLOSED SESSION:

10. Executive Session regarding a.) Deliberation about Real Property. b.) Economic Development (Discussion Easy Street) in accordance with Vernon's Texas Government Code Annotated, Chapter 551, Sections 551.071, 551.087.

COUNCIL BUSINESS – REGULAR SESSION:

ADJOURNMENT:

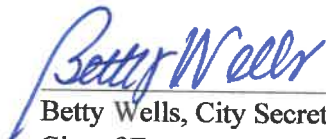
11. Adjourn.
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Items not necessarily discussed in the order they appear on the agenda. The Council at its discretion may take action on any or all of the items as listed. This notice is posted pursuant to the Texas Open Meeting Act. (Chapter 551, Government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



Betty Wells, City Secretary
City of Freeport, Texas



City Council Agenda Item # 2

Title: Receive for filing the Audited Annual Financial Report and Auditor's Opinion for the Fiscal Year ended September 30, 2019 and Consideration of Engagement Letter to Conduct audit for FY2019-2020.

Date: June 1, 2020

From: Stephanie Russell, Assistant City Manager/Finance Director

Staff Recommendation:

Formally receive for filing the Audited Annual Financial Report (AFR) and Auditor's Opinion for the Fiscal Year ended September 30, 2019 and approve Engagement Letter to Conduct the FY2019-2020 Audit.

Item Summary:

As required by Local Government Code 103.001, an independent audit has been completed by the certified public accounting firm of Whitley Penn, LLP for the year ended September 30, 2019. Annual financial statements have been prepared based on the audit, including the auditor's opinion.

Due to COVID-19, presentation of the audit has been delayed, however; the audited financial statements were previously provided to the Mayor and City Council and provided to the City Secretary for filing.

The timing of next year's audit will be scheduled for performance and completion as follows:

Document internal control and preliminary tests	July 2020
Perform year-end internal control testing and substantive audit procedures	January 2021
Issue audit report	March 2021

Background Information:

The AFR consists of a comprehensive summary of the City's finances and other relevant information for the audit year, including economic overviews, financial analyses, financial statement note disclosures, budgetary and other compliance schedules, and other statistical data. The AFR is prepared in conformity with accounting principles generally accepted in the United States of America and is audited by the City's independent auditor.

Special Considerations: N/A

Financial Impact: The fee for the audit services will be based on the amount of time required and the difficulty of the work involved which is estimated to be \$45,000 – the same amount as

last year. Funding is available under Professional Services for the interim review – funding for the final audit will be included in the FY2020-2021 Budget.

Board or 3rd Party recommendation: N/A

Supporting Documentation:

- A complete copy of the Annual Financial Report for Fiscal Year ending September 30, 2019 was previously shared with Council and is available online:
https://www.freeport.tx.us/page/finance_budget
- Engagement Letter from Whitley Penn



Audit Results for the Year Ended September 30, 2019



Engagement Team

- Christopher L. Breaux, CPA – Engagement Partner
- Tom Pedersen, CPA – Concurring Partner
- Nathan Johnson, CPA - Manager
- Corbitt Nixon, CPA – Senior Associate
- Cynthia Guerra- Associate

Required Communications



- **Auditors' Responsibility Under Generally Accepted Auditing Standards**
 - The financial statements are the responsibility of management.
 - Our audit provides reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.
 - As a part of our audit, we obtained an understanding of internal control sufficient to plan our audits and to determine the nature and extent of testing performed.
- **Significant Accounting Policies**
 - The City's accounting policies and methods are appropriate and in accordance with industry standards.

Required Communications

- Accounting Estimates
 - The preparation of the financial statements requires that certain estimates and judgments be made by management. These judgments and estimates include:
 - Management has estimated the allowance for uncollectable taxes receivable, useful lives of capital assets, and capital assets
 - TMRS has provided the City with the net pension liability, total other post-employment benefit liability, deferred inflows and outflows of resources, pension expense, and other post-employment benefit amounts

Required Communications

- Difficulties Encountered in Performing the Audit
 - We encountered no difficulties in dealing with management in performing and completing our audit.
 - Great improvement over the prior year even with the shortended turn around from last audit process.
- Corrected or Uncorrected Misstatements
 - We made several adjustments relating primarily to capital asset, pension and OPEB activity. Management reviewed and agreed with the adjustments we proposed.
 - There was one reclassification entry between expenditure categories regarding certain lease payments in the general fund that was not made. The adjustment was not deemed material to the financial statements and we concurred with management's decision for the adjustment not being posted.

Required Communications

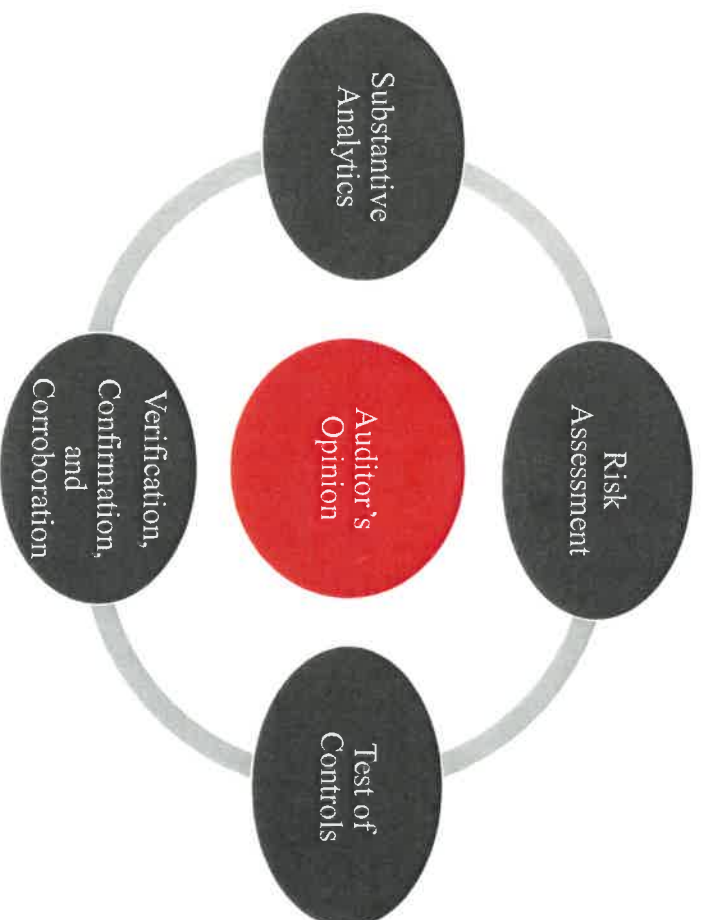


- **Disagreements with Management**
 - We had no disagreements with management over the application of accounting principles or management's judgments about accounting estimates.
- **Independence**
 - We confirm we are independent of the City's management and those charged with governance.
- **Management Representations**
 - We have requested certain representations from management
- **Consultation with Other Accountants**
 - We are not aware of any situations in which management consulted with other accountants on accounting or financial reporting matters.
- **Major Issues Discussed with Management Prior to Retention**
 - We discussed the application of accounting principles and auditing standards, however, our responses were not a condition to our retention.

Audit Approach

- Team – Active participation from all levels
- Approach – Risk Based Methodology
- Communications – Frequent, Formal and Informal

Audit Approach



The City's Unmodified Opinion

Unmodified (BEST)

- Clean Opinion
- Highest Level of Assurance

Modified

- Qualified - Scope Limitation or departure from GAAP
- Adverse Opinion - Scope Limitation or departure that is very material and could mislead users

Disclaimer (Worst)

- Cannot express an opinion
- No assurance

Recommendations for Improvement



- **#2018-009 State Compliance – Procurement** During our review of selected vendors with \$50,000 or more in the aggregate spent during the fiscal year. There were several instances where proper procurement was not taking place. The form 1295 was also not being obtained for any vendors contracted with the City.
- **Partially Resolved:** Management has started the process of reviewing all large vendor contracts with the City to ensure they are following the new formal purchasing policy adopted during the fiscal year.
- **Estimated Completion Date:** Management expects to have this remediated by September 30, 2020.

Recommendations for Improvement



- **#2018-011 Cash Collection – Reconciliation Cash from Off-Site Locations** During our review it was noted that the systems being used at off-site locations did not interface with the City's financial system. The cash collected at these off-site locations was not being properly reconciled to the systems where the cash was being collected.
- **Partially Resolved:** City staff has been in the process of developing new procedures to reconcile cash from the offsite locations on a monthly basis and Management is designing a formal cash collection policy.
- **Estimated Completion Date:** Management expects to have this remediated by September 30, 2020.

Improvements! Corrections since July 1, 2019



#2018-001 Internal Control over Financial Reporting – Inadequate Segregation of Duties and Reconciliation of Accounts

- **Resolved:** City management implemented new processes to properly segregate the duties between the departments. Additionally, cross training has been implemented to ensure second review of all accounts payable, purchasing, and payroll functions.

#2018-002 Internal Control over Financial Reporting – Duplicate Vendors

- **Resolved:** Staff has reviewed and cleaned up the vendor inventory. Additionally, the Accounts Payable Specialist does not enter or edit vendors to ens on. A W-9 is now required for all new vendors.



Recommendations for Improvement (continued)



#2018-003 Internal Control over Financial Reporting – Year-End Close Procedures

- **Resolved:** Management has developed year-end financial close processes and procedures which include performing reconciliations as property tax and capital assets.

#2018-004 Internal Control over Financial Reporting – Council Oversight

- **Resolved:** The Finance Director, now Assistant City Manager, implemented and provided monthly financial reporting to the City Council which includes the budget to actuals for the major general and enterprise funds.

#2018-005 Internal Control over Financial Reporting – Payroll

- **Resolved:** New procedures were implemented for across the board pay increases. Additionally, any changes now require a completed Personnel Status Change Form.

Recommendations for Improvement (continued)



#2018-006 Control Activities – Accounts Payable

- **Resolved:** Management developed and implemented a new purchasing policy that addresses approval levels and required documentation. The new accounts payable specialist has also established a consistent system to maintain the supporting documentation

#2018-007 Control Activities – Procurement Cards

- **Resolved:** The new purchasing policy implemented by Management includes a formal procurement card process. The support related to these charges is now reviewed by each supervisor and then verified by accounts payable prior to payments being made.

Recommendations for Improvement (continued)



#2018-008 Control Activities – Purchasing

- **Resolved:** Management implemented new controls and procedures related to the purchasing processes which are outlined in the new formal purchasing policy adopted by the City.

#2018-010 State Compliance – Public Funds Investment Act (PFIA)

- **Resolved:** Management adopted a new Investment Policy which is in compliance with the Public Funds Investment Act (“PFIA”) on April 1, 2019. The Finance Director, now Assistant City Manager, now performs quarterly investment reports, which are presented to City Council, to be in compliance with this policy and the PFIA.

Statement of Net Position – Amounts in (000's)



	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 11,883	\$ 12,349	\$ 748	\$ 1,095	\$ 12,631	\$ 13,444
Capital assets	17,998	17,316	8,615	8,265	26,613	25,581
Total Assets	29,881	29,665	9,363	9,360	39,244	39,025
Deferred Outflows of Resources	2,050	1,026	25	13	2,075	1,039
Current and other liabilities	1,177	919	536	884	1,713	1,803
Long-term liabilities	10,099	8,181	94	68	10,193	8,249
Total Liabilities	11,276	9,100	630	952	11,906	10,052
Deferred Inflows of Resources	106	585	1	7	107	592
Net position:						
Net investment in capital assets	15,803	14,447	8,615	8,265	24,418	22,712
Restricted	978	265	-	-	978	265
Unrestricted	3,768	6,294	142	149	3,910	6,443
Total Net Position	\$ 20,549	\$ 21,006	\$ 8,757	\$ 8,414	\$ 29,306	\$ 29,420

Cash and Investments

	<u>Carrying Value</u>
Governmental Activities	
Cash on hand	\$ 1,589
Cash deposits	3,349,161
Total cash	<u>3,350,750</u>
Investments:	
Local Government Investment Pools:	
TexPool	<u>6,331,718</u>
Total Governmental Activities	<u>9,682,468</u>
Business-type Activities	
Cash on hand	180
Cash deposits	11,203
Total Business-type Activities	<u>11,383</u>
Total Cash and Investments	<u><u>\$ 9,693,851</u></u>

Long Term Liabilities



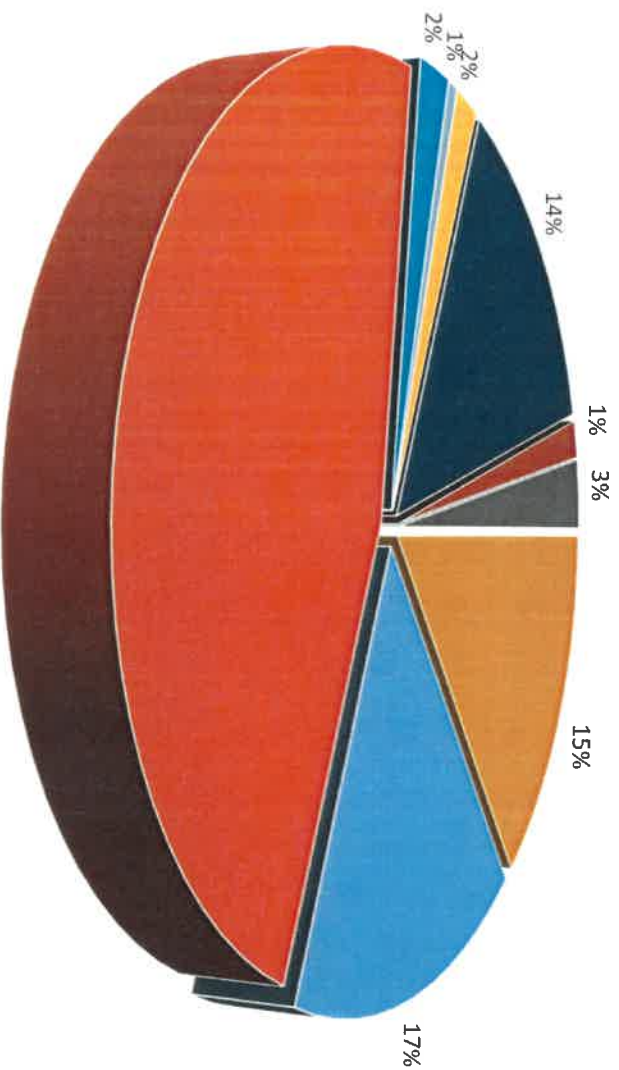
	2019	2018
Certificates of Obligation	\$ 1,080,000	\$ 1,797,000
Notes & Capital Leases Payable	1,114,756	1,072,609
Accrued Compensated Absences	468,755	316,414
Net Pension Liability (TMRS)	6,719,871	4,633,434
Net OPEB Liability (TMRS)	307,011	318,964
Net OPEB Liability Retiree Health Care	502,717	495,578
	<u>\$ 10,193,110</u>	<u>\$ 8,633,999</u>

Statement Activities - Amounts in (000's)



	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenue:						
Charges for services	\$ 2,500	\$ 3,125	\$ 4,844	\$ 4,836	\$ 7,344	\$ 7,961
Operating grants and contributions	224	136	276	104	500	240
Capital grants and contributions	294	-	-	-	294	-
General revenues:						
Property taxes	3,124	2,676	-	-	3,124	2,676
Industrial payments	7,533	5,971	-	-	7,533	5,971
Sales and use taxes	3,280	3,275	-	-	3,280	3,275
Franchise taxes	615	611	-	-	615	611
Unrestricted investment earnings	249	177	2	6	251	183
Miscellaneous	444	6,062	-	-	444	6,062
Total Revenues	18,263	22,033	5,122	4,946	26,979	26,979
Expenses:						
General government	2,160	2,164	-	-	2,160	2,164
Public safety	8,061	7,006	-	-	8,061	7,006
Streets and drainage	1,851	1,865	-	-	1,851	1,865
Sanitation	900	962	-	-	900	962
Culture and recreation	3,701	3,407	-	-	3,701	3,407
Service center	222	168	-	-	222	168
Economic development	383	296	-	-	383	296
Interest on long-term debt	115	155	-	-	115	155
Water and sewer	-	-	5,738	5,294	-	-
Total Expenses	17,393	16,023	5,738	5,294	23,131	21,317
Increase in net position before transfers	870	6,010	(616)	(348)	254	5,662
Transfers	(959)	(503)	959	503	-	-
Change in net position	(89)	5,507	343	155	254	5,662
Net position - beginning, as restated	20,638	15,499	8,414	8,259	29,052	23,758
Net position - ending	\$ 20,549	\$ 21,006	\$ 8,757	\$ 8,414	\$ 29,306	\$ 29,420

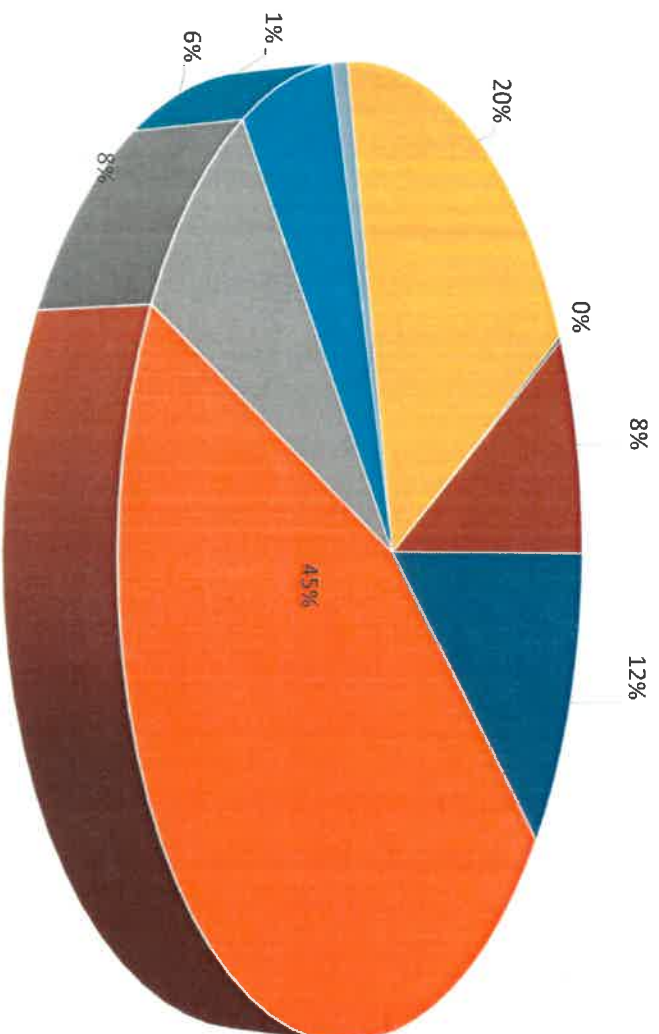
FY 2019 Actual General Fund Revenue



- Property taxes (\$2.4M)
- Sales and use tax (\$2.8 M)
- Industrial District (\$7.5m)
- Fines and forfeitures (\$0.4M)
- Licenses and permits (\$0.1M)
- Intergovernmental (\$0.3M)
- Charges for Services (\$2.4 M)
- Investment Earnings (\$0.2M)
- Other (\$0.5M)

FY 2019 Revenues = \$16.6M

FY 2019 General Fund Expenditures

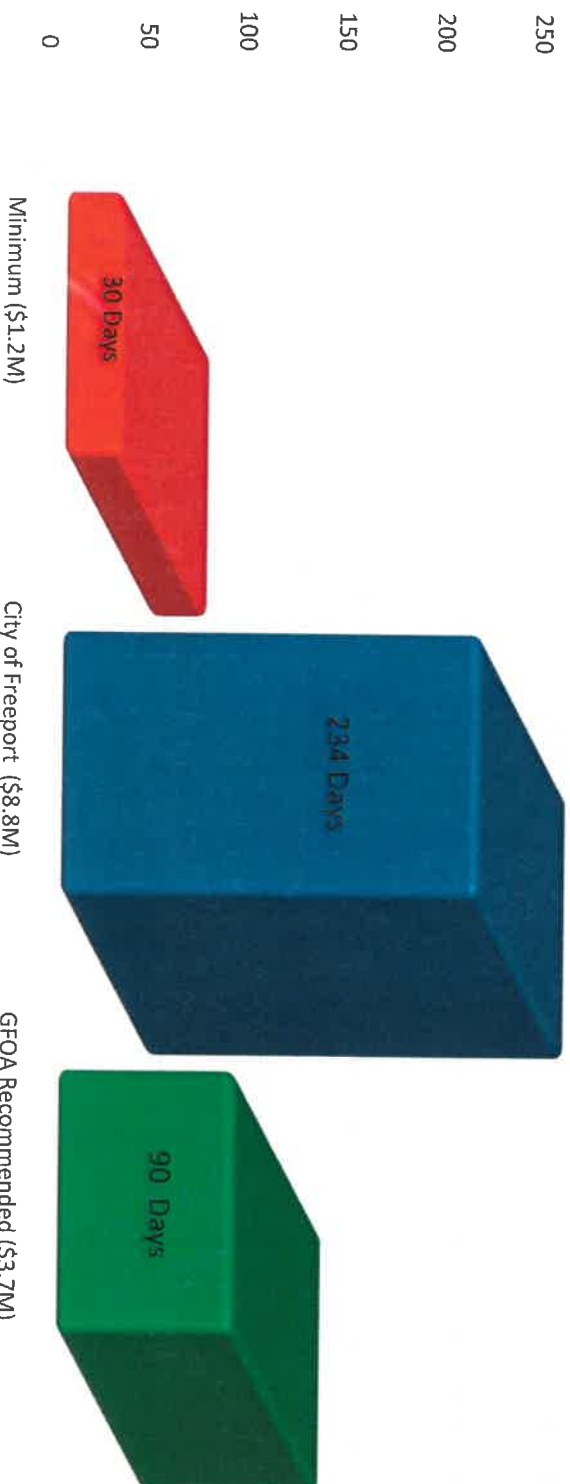


- General Government (\$1.7M)
- Public Safety (\$6.8M)
- Streets and Drainage (\$1.1M)
- Sanitation (\$0.9M)
- Service Center (\$0.2M)
- Culture and Recreation (\$2.9M)
- Economic Development (\$0.02M)
- Debt Service (\$1.3M)

FY 2019 Expenditures = \$15.0M

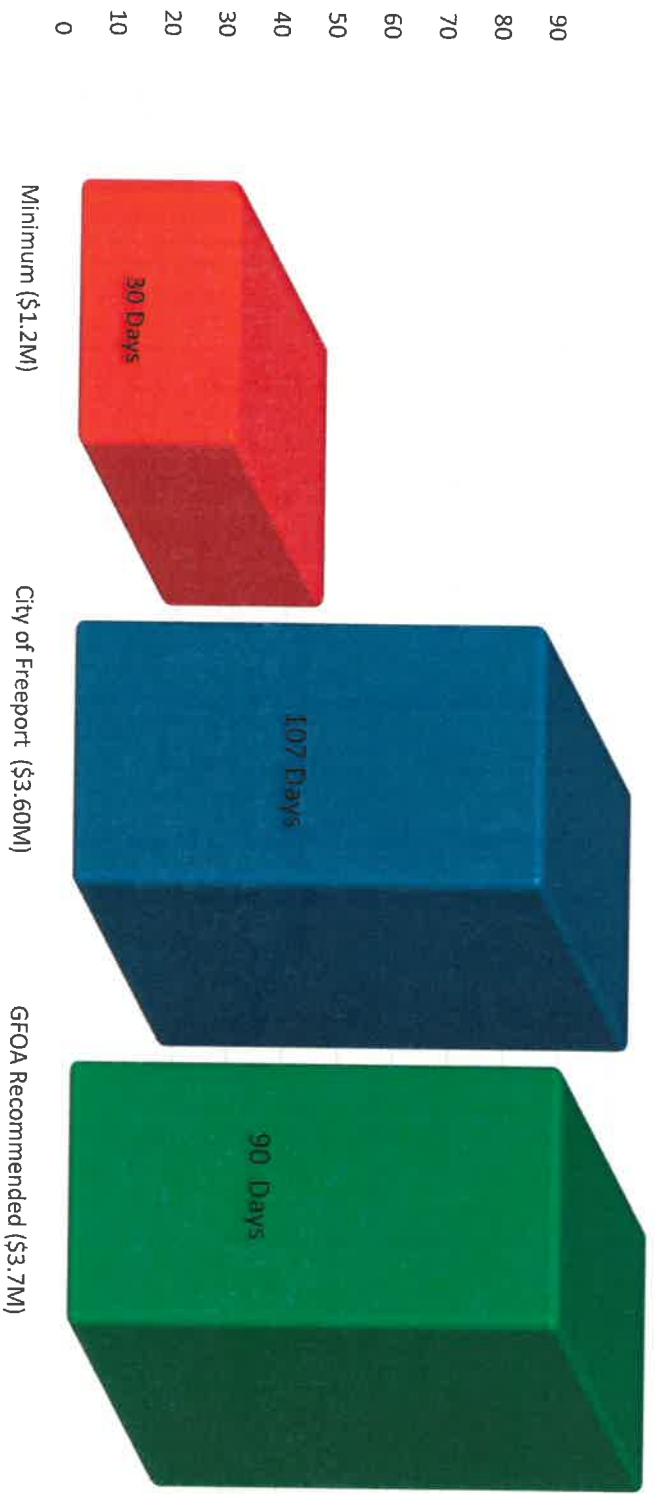
Excludes \$3.2M in capital outlay

Unassigned General Fund Balance (in Days of Expenditures)



The City has 107 days in general fund working fund balance when the \$5.2M Dow Subsurface lease revenue is removed as shown on the next slide.

Unassigned General Fund Balance Excluding the \$5.2M from Dow Subsurface Revenue Received in FY18 (in Days of Expenditures)



Statement of Revenues, Expenses, and Changes in Net Position



	Business-type Activities	
	Water and Sewer	
Operating Revenues		
Charges for services	\$ 4,843,887	
Total Operating Revenues	<u>4,843,887</u>	PY \$4.8M
Operating Expenses		
Personnel services	125,512	
Supplies	24,526	
Contracted services	2,695,782	
Other	127,776	
Water purchased	2,281,123	
Depreciation	483,264	
Total Operating Expenses	<u>5,737,983</u>	PY \$5.3M
Operating income (loss)	<u>(894,096)</u>	
Non-Operating Revenues (Expenses)		
Interest and investment revenue	2,009	
Operating grants and contributions	275,594	
Total Non-Operating Revenues (Expenses)	<u>277,603</u>	
Income (loss) before transfers	<u>(616,493)</u>	
Transfers in	<u>959,159</u>	
Change in net position	<u>342,666</u>	
Net position - beginning	<u>8,414,011</u>	
Net position - ending	<u>\$ 8,756,677</u>	



May 12, 2020

To the Honorable Mayor, Members of
City Council and City Administrator
City of Freeport, Texas

The following represents our understanding of the services we will provide City of Freeport Texas (the "City").

You have requested that we audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and for the year then ended and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit.

Accounting principles generally accepted in the United States of America require that required supplementary information (RSI) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- 1) Management's discussion and analysis
- 2) Budgetary comparison information
- 3) Required pension supplementary information
- 4) Required other post-employment benefit supplementary information

Supplementary information other than RSI will accompany the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- 1) Combining and individual fund statements and schedules

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- 1) Introductory section
- 2) Statistical section

The Objective of an Audit

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in accordance with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

General Audit Procedures

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Internal Control Audit Procedures

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS.

In making our risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

Compliance with Laws and Regulations

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit; and
 - iii. Unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.
- d. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by the City's auditor;
- e. For identifying and ensuring that the City complies with the laws and regulations applicable to its activities; and
- f. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Reporting

We will issue a written report upon completion of our audit of the City's basic financial statements. Our report will be addressed to the governing body of the City. We cannot provide assurance that unmodified opinions will be

expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

Timing and Fees

The timing of our audit will be scheduled for performance and completion as follows:

Document internal control and preliminary tests	July 2020
Perform year-end internal control testing and substantive audit procedures	January 2021
Issue audit report	March 2021

Christopher Breaux, CPA is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Whitley Penn, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fee for the audit services will be based on the amount of time required and the difficulty of the work involved which we estimate to be \$45,000.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation and payment is due in Brazoria County. You agree to pay reasonable attorney fees and collection costs incurred relating to collection of fees for services performed under the terms of this engagement. In accordance with Whitley Penn, LLP policy, work may be suspended if your account becomes 30 days or more past due and will not resume until your account is paid in full. In addition, invoices not paid in full by the last day of the month will be assessed interest at a rate of one percent per month. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been complete even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. Our final auditors' report will be released upon final payment of any outstanding invoices.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We would like to make the following comments regarding the fee estimates:

- 1) Our fee estimates have not considered the effects of any changes to auditing standards and accounting principles, which may be promulgated by the AICPA, Congress, or any other regulatory body in the future and are unknown to us at this time. If significant additional time is necessary resulting in increased fees, we will endeavor to notify you of any such circumstances as they are assessed.
- 2) The City's personnel is responsible for the preparation of all items requested in the Prepared by Client ("PBC") listing and received by the date requested. Any delays caused by not preparing the items when requested may result in additional fees, as well as the possibility of postponing our fieldwork. The PBC listing will be provided to you during the planning process of the engagement.

- 3) Time incurred for audit adjustments identified during our audit and the related additional testing required has not been considered in our fee estimates. Prior to performing any additional testing, we will notify you of the exceptions and obtain approval for any additional fees which may be incurred.
- 4) Our fee estimates are based on all general ledger sub ledgers being reconciled to the general ledger balance and any adjustment necessary should be recorded to the general ledger prior to our fieldwork start date.

The ethics of our profession prohibit the rendering of professional services where the fee for such services is contingent, or has the appearance of being contingent, upon the results of such services. Accordingly, it is important that our bills be paid promptly when received. If a situation arises in which it may appear that our independence would be questioned because of significant unpaid bills, we may be prohibited from issuing our auditors' report.

In the unlikely event that differences concerning our services or fees should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense of both parties, the City and Whitley Penn, LLP agree not to demand a trial by jury in any action, proceeding or counterclaim arising out of or relating to our services and fees for this engagement. Any controversy, dispute, or questions arising out of or in connection with this agreement or our engagement shall be determined by arbitration conducted in accordance with the rules of the American Arbitration Association, and any decision rendered by the American Arbitration Association shall be binding on both parties to this agreement. The costs of any arbitration shall be borne equally by the parties. Any and all claims in arbitration relating to or arising out of this contract/agreement shall be governed by the laws of the State of Texas and to the extent any issue regarding the arbitration is submitted to a court, including the appointment of arbitrators or confirmation of an award, the District courts in Brazoria County shall have exclusive jurisdiction. Any action arising out of this agreement or the services provided shall be initiated within two years of the service provided.

This letter replaces and supersedes any previous proposals, correspondence and understanding, whether written or oral. The agreements contained in this engagement letter shall survive the completion or termination of this engagement.

To ensure that Whitley Penn, LLP's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The audit documentation for this engagement is the property of Whitley Penn, LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to various regulators pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision Whitley Penn, LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the applicable regulator. The regulator may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

With respect to any nonattest services we perform, the City's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. Nonattest services include the preparation of the financial statements based on the City-provided trial balance and assistance with government-wide journal entries based on City-provided documentation.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the City's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Whitley Penn LLP

To the Honorable Mayor, Members of
City Council and City Administrator
Page 7

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of City of Freeport, Texas by:

Management Signature: _____

Title: _____

Date: _____

Governance Signature: _____

Title: _____

Date: _____



Report on the Firm's System of Quality Control

July 19, 2018

To the Partners of Whitley Penn LLP and
the National Peer Review Committee.

We have reviewed the system of quality control for the accounting and auditing practice of Whitley Penn LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, audits performed under FDICIA, an audit of a broker-dealer, and examination of service organization (SOC 1 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Whitley Penn LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Whitley Penn LLP has received a peer review rating of *pass*.

Olsen Thielen & Co., Ltd.

Olsen Thielen & Co., Ltd.



City Council Agenda Item # 3

Title: Presentation Regarding Wastewater Treatment Plant Condition Assessment

Date: June 1, 2020

From: Stephanie Russell, Assistant City Manager/Finance Director

Staff Recommendation:

N/A

Item Summary:

Freese and Nichols conducted an assessment of the City's Wastewater Treatment plant. During the meeting they will present an overview of treatment plant, summary of the risk-based assessment, and review the estimated cost of proposed improvements.

Background Information:

The City's original Wastewater Treatment Plant was built in the 1960s with a capacity of 0.65 Million Gallons per Day (MGD). A Steel Package Plant was added in 1997 with a capacity of 1.6 MGD. Total plant capacity is 2.25 MGD.

Special Considerations:

N/A

Financial Impact:


The cost estimates identified in this assessment will be utilized to secure future funding.

Board or 3rd Party recommendation:


N/A

Supporting Documentation:


Presentation by Freese & Nichols



City of Freeport
WWTP Condition Assessment
CITY COUNCIL PRESENTATION



May 18, 2020



1

Meeting Agenda

1. Overview of Treatment Plant
2. Risk Based Assessment and Summary
3. Alternatives and Estimated Cost of Improvements

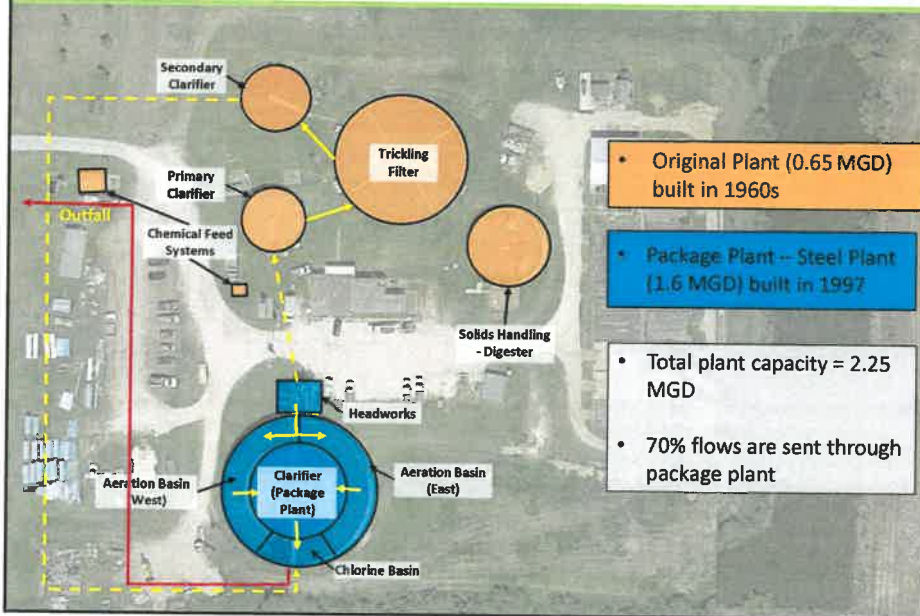
2

Freeport WWTP Location



3

Freeport WWTP Overview



4

Meeting Agenda

1. Overview of Treatment Plant
2. Risk Based Assessment and Summary
3. Alternatives and Estimated Cost of Improvements

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Risk Based Assessment

Determining *Criticality* & *Condition* for Asset Risk

$$\text{Risk} = f(\text{Criticality}) \times \text{Condition}$$



What is the *Consequence* of Asset Failure?



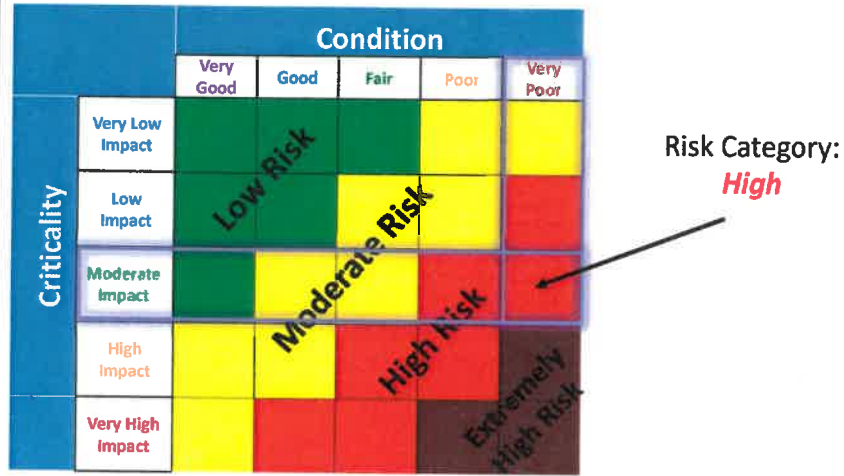
What is the *Likelihood* of Asset Failure?



6

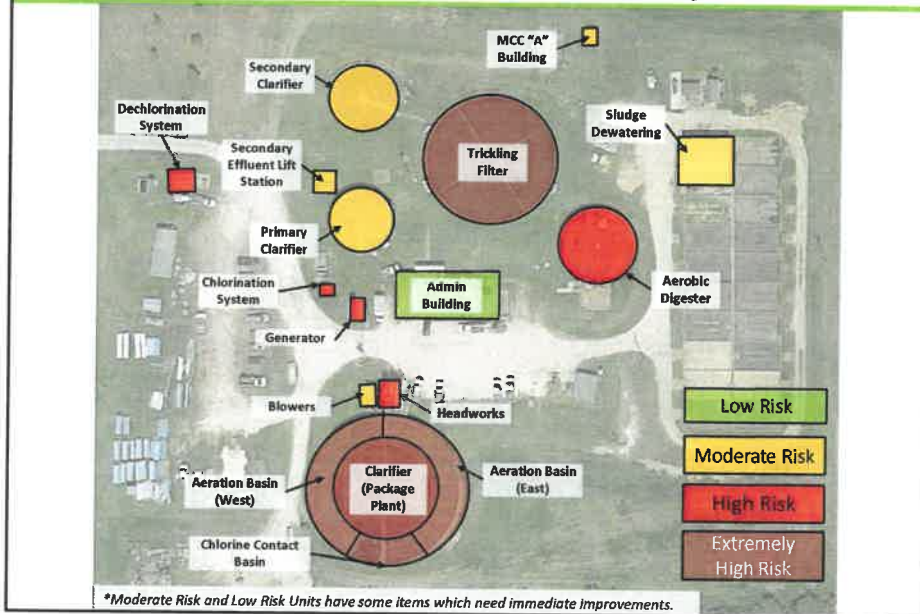
Risk Assessment Matrix

Example of Risk Rating



7

Risk Assessment Summary



8

Risk Rating Summary

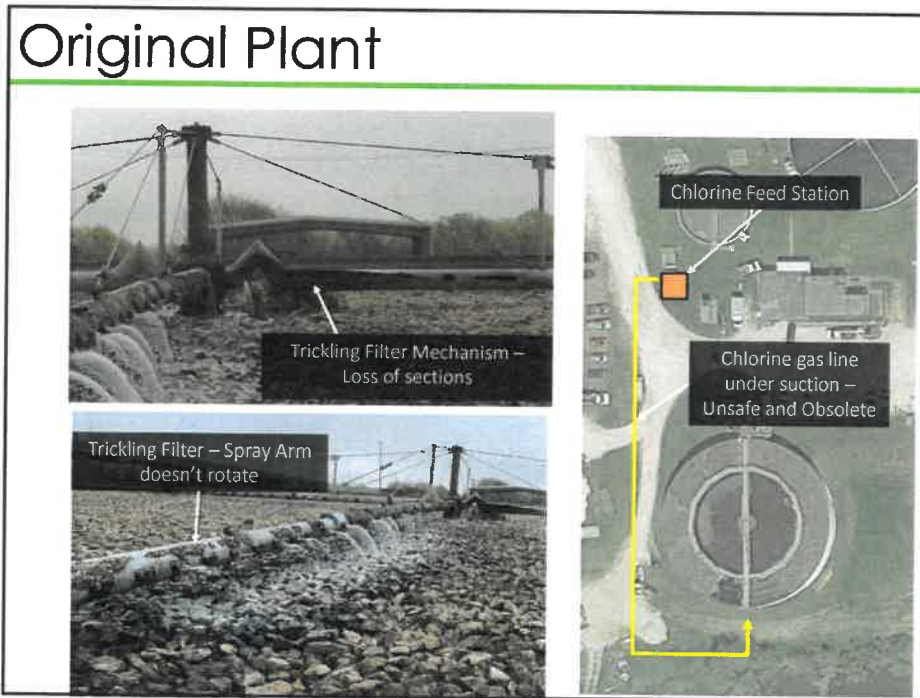
Risk Based Assessment Summary			
Facility	Condition Rating	Criticality Rating	Risk Category
Aeration Basin (Package Plant)	Very poor	High Impact	Extreme
Clarifier #1 (Package Plant)	Very poor	Moderate Impact	Extreme
Trickling Filter	Very poor	High Impact	Extreme
Chlorination System	Poor	High Impact	High
Dechlorination System	Very poor	Moderate Impact	High
Headworks	Very poor	Moderate Impact	High
Chlorine Contact Basin (Package Plant)	Poor	Moderate Impact	High
Secondary Effluent Pump Station	Poor	Moderate Impact	High
Generator	Fair	Low Impact	High
Acrobic Digester	Poor	Low Impact	High
Clarifier #2 (Primary Clarifier)	Fair	Low Impact	Moderate
Clarifier #3 (Secondary Clarifier)	Good	Moderate Impact	Moderate
Blowers	Fair	Low Impact	Moderate
Sludge Dewatering	Very Poor	Low Impact	Moderate
MCC-A Building	Fair	Low Impact	Moderate
Administration Building	Good	Very Low Impact	Low
MCC-B	Very good	Low Impact	Low

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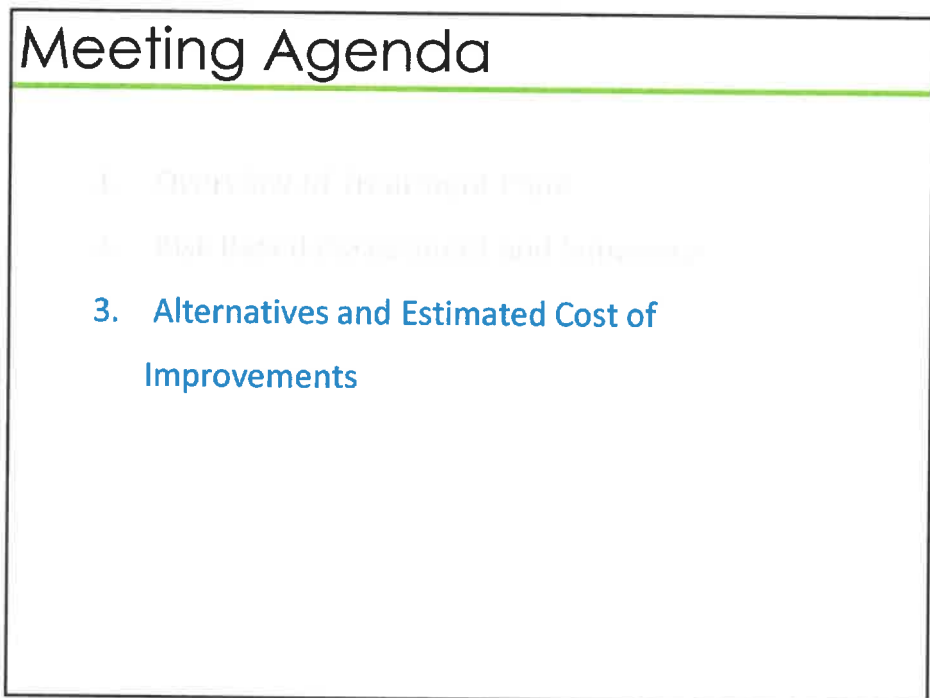
Package Plant



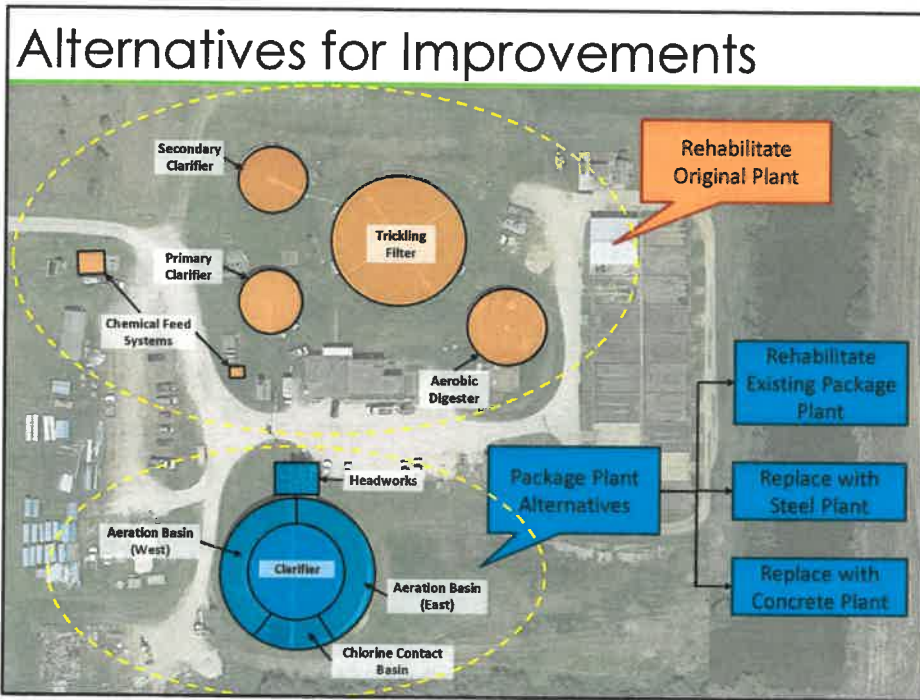
10



11



12



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Rehabilitate Original Plant

Units	Critical Improvements (Due in 1-2 years)	Moderate Improvements (Due in 3-5 years)
Headworks - Screens	\$303,600	\$27,800
Primary Clarifier	\$326,200	\$254,200
Tricking Filter	\$341,600	\$33,500
Secondary Clarifier	--	\$38,900
Secondary Effluent Pump Station	\$313,000	---
Chlorination System	\$229,300	\$19,100
Dechlorination System	\$246,400	---
Aerobic Digester	\$215,700	\$43,900
Dewatering Belt Filter Press	---	\$370,600
Generator	\$127,100	---
MCC "A" Building	\$4,300	\$17,000
Administration Building	\$15,900	---
Civil Sitework and Yard Piping	---	\$105,900
Estimated Cost of Improvements	\$2,124,000	\$911,000
Total Estimated Cost* = \$3,035,000		

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Option 1 – Rehab Package Plant

Pros

- ✓ Lower initial capital cost

Cons

- ✗ Plant nearing its life expectancy
- ✗ Differential soil settlement could still pose problems.
- ✗ Construction phasing challenges
- ✗ Tank will not be fully replaced

Plant Component	Option 1 (Rehab Package Plant)
Trickling Filter Plant (Rehab)	\$2,124,000
Package Plant (Rehab)	\$4,360,000
Estimated Cost of Improvements	\$6,468,000



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Option 2 – Replace with Steel Package Plant

Pros

- ✓ Longer term solution
- ✓ Easier operation and maintenance
- ✓ Simplifies construction phasing

Cons

- ✗ Higher initial capital cost
- ✗ Susceptible to corrosion in coastal environment
- ✗ On-going maintenance requirements

Plant Component	Option 1	Option 2
Trickling Filter Plant (Rehab)	\$2,124,000	\$2,124,000
Package Plant (Rehab)	\$4,360,000	-
Package Plant (Replacement)		\$5,331,000
Estimated Cost	\$6,484,000	\$7,445,000



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Option 3 – Replace with Concrete Plant

Pros

- ✓ Best suited to coastal environment
- ✓ Lowest life cycle cost
- ✓ Easiest operation and maintenance

Cons

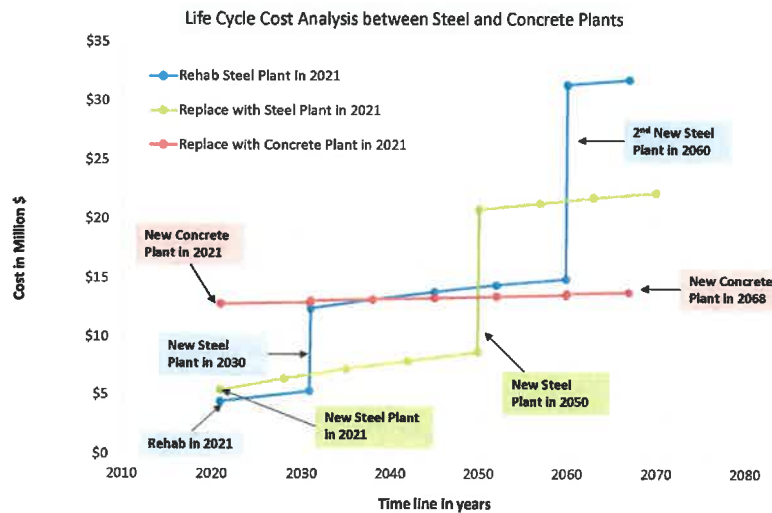
- ✗ Highest initial capital cost



Plant Component	Option 1 (Rehab Package Plant)	Option 2 (Replace w/ Steel Package Plant)	Option 3 (Replace w/ Concrete Plant)
Trickling Filter Plant (Rehab)	\$2,124,000	\$2,124,000	\$2,124,000
Package Plant (Rehab)	\$4,360,000	-	-
Package Plant (Replacement)	-	\$5,321,000	\$12,800,000
Estimated Cost of Improvements	\$6,484,000	\$7,445,000	\$14,924,000

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Life Cycle Cost Analysis



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Next Steps

- 1) Work with Staff to determine recommended alternatives on WWTP Condition Assessment
- 2) Evaluate and rank overall priorities and costs of selected alternatives
- 3) Implement highest priority improvements
- 4) Develop a plan for implementing long term improvements

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MEETING MINUTES



Innovative approaches
Practical results
Outstanding service

PROJECT: Freeport Central WWTP Risk-Based Condition Assessment

NAME OF MEETING: Condition Assessment Workshop

RECORDED BY: David Hunn (FNI) and Banshi Khajuria (FNI)

DATE: May 07, 2020

LOCATION: Skype Call

DATE SENT FOR APPROVAL: May 13, 2020

DATE FINALIZED: --

ATTENDEES:

<u>City of Freeport</u>	<u>FNI</u>
Tim Kelty	Ron Bavarian
Stephanie Russell	David Hunn
Lance Petty	David Munn
	Will McDonald
	Banshi Khajuria

The following reflects our understanding of the items discussed during the subject meeting. If you do not notify us within five working days, we will assume that you are in agreement with our understanding.

ITEM	DESCRIPTION	PRESENTER
1.	a. David H. discussed the meeting agenda, which included: <ol style="list-style-type: none"> 1. Results from the condition assessment of Freeport WWTP performed by FNI on March 11, 2020 2. Alternatives and Cost Estimation alternatives for the plant 	David Hunn
2.	a. Banshi presented the criticality and condition assessment methodology and discussed associated weightings. b. The City asked FNI to combine slide 8 and 9 for Council Presentation. c. David H. presented the risk rating summary for all units at the WWTP. <ol style="list-style-type: none"> 1. Tim asked to provide justification of Primary Clarifier and Aerobic Digester being High Risk. FNI will modify risk rating and/or provide justification to current rating. 2. Tim asked what does the "Trickling Filter Plant" include in its recommendations. FNI suggested to change the name of TF Plant since it includes conventional 	All

	<p>treatment plant's many components and not just the Trickling Filter Plant.</p> <ul style="list-style-type: none">d. Tim asked if Option 2 for Package Plant includes demolition and disposal costs. FNI will confirm if demolition is included or not. If its not included, FNI will include demolition and disposal costs.e. Ron Bavarian asked us to add a slide for how the treatment plant works and how the flows are split to let the City know that there are two separate trains.f. Tim asked to separate out critical and mid-term costs for Trickling Filter Plant. FNI will include critical improvements only for City Council presentation.g. FNI will make Life Cycle Analysis visually easier.h. Stephanie asked to add the unit wise costs to Risk Assessment Slide in thousands unit.i. Tim asked what the year in which sludge dewatering building was built. FNI will find out and let the City know.j. City asked FNI to add discussion of Belt Press – if its in poor condition because it was not maintained or was it because it stopped working.k. Tim asked if costs of repairing roof leaks in admin building are included in cost estimates or not. FNI has included costs to repair the roof as an urgent item.l. City wants a high level presentation to Council by Wednesday 05/13.	
3.	<p><u>Future Projected Flows</u> – Tim asked whether future population growth and flow projections were included in current expansion/rehabilitation proposal in recommended alternatives.</p> <p>FNI responded that the future projected flows are not studied and included as a part of the scope. The plant receives flows much lesser than permitted flow of 2.25 MGD (i.e. around 1 MGD) and it hasn't violated 75/90 rule by TCEQ.</p>	

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Monday, May 18, 2020 at 6:00 p.m. at the Freeport Riverplace, 733 Mystery Harbor Lane, Freeport Texas for the purpose of considering the following agenda items:

City Council:

- Mayor Brooks Bass
- Councilman Jerry Cain
- Councilman Ken Green
- Councilwoman Sandra Loeza
- Councilman Roy E. Yates

Staff:

- Tim Kelty, City Manager
- Stephanie Russell, Assistant City Manager
- Betty Wells, City Secretary
- Laura Tolar, Assistant City Secretary/ Special Projects Coordinator
- Chris Duncan, City Attorney
- Brenda Miller-Ferguson, Human Resource Director
- LeAnn Strahan, Freeport Destination Director
- Chris Motley, Freeport Fire Chief
- Ray Garivey, Freeport Police Department Chief
- Billy Shoemaker, Director for Building and Code via teleconference
- Lance Petty, Freeport Public Works Director
- Courtland Holman, Freeport Economic Development Corp., Director
- Jason Schneider, Freeport Fire and Ems

Visitors:

Ty Morrow	Jerry Meeks (Veolia)
Ted Dahl	Nick Irene (Facts Newspaper)
Nicole Mireles	Melanie Oldham
David Towers	Sam Reyna
Jeff Pena	

Visitors, Via Teleconference:

Manning Rollerson	Mehran Bavarian
Vander Williams	Jessie Parker
Lila Diehl	Eric Hayes

Call to order.

Mayor Brooks Bass called the meeting to order at 6:03 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Invocation was a moment of silence for the people that have contracted the disease, and for the families of those that have lost family to the disease. The Pledge of Allegiance was conducted by Mayor Bass.

Citizen's Comments

Ted Dahl spoke to council about the re-zoning. He said that he made an agreement with the city, and that he owns the majority of Lot 48. He also said that Dow made an agreement with some waterfront property with paving Casco Road. He said that he sent a copy of this email to several people including the Mayor.

Nicole Mireles spoke to council about the gunfire on her street on North Ave G. She commended the Freeport Police Department and the Freeport Police Chief on their response to the call. Mayor Bass called Police Chief Garivey up and acknowledged his award for 100 Club Officer of the Year.

Melanie Oldham thanked City Manager Tim Kelty and Assistant City Manager Stephanie Russell for having the agenda and all the supporting documents on the website.

Jeff Pena asked what will happen to the VIC building since they have relocated to the downtown area. Mr. Pena also thanked the PD for their social media. Mr. Pena said that he would like to discuss item #7, Mayor Bass said that we would discuss this item once it has been presented.

Manning Rollerson said that he has concern about a request that he has emailed, and no one has gotten back to him. He also asked why Veolia let the water run for so long when the line was broken.

Jessie Parker asked how she can have a conversation with her Councilman? Councilman Green gave Ms. Parker his email address.

Edmeryl Williams said that she has concern about the water that comes into her yard now when it rains. She said that it does not drain. Her address was given so that Public Works Director, Lance Petty so that he can meet with her, and get the problem resolved.

Jerry Meeks with Veolia spoke to council about the water line break. He said that a fire hydrant was hit, and the line blew up under the street. He said that his crew was called out to repair the break. Mr. Meeks said that the fire hydrant has not been repaired yet. Mayor Bass asked what size pipe this was, Jerry Meeks said that it is a six-inch pipe. Mayor Bass said that the city will be getting the individual that struck the fire hydrant and caused the damage to pay for the damage. The city will be seeking reimbursement for these damages. Jerry Meeks said there will be an invoice prepared by Veolia and submitted to the city. Councilwoman Loeza asked if the test results from the water have come back yet? City Manager Tim Kelty said that the test results came back on the water, on Monday morning, and the boil notice was lifted..

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

Emergency management briefing COVID-19.

Freeport Fire Chief, Chris Motley said that the city is still having the conference calls on Monday, Wednesday and Friday with the County Judge. He said that his department is preparing for the Memorial Day weekend, and that all the personnel are back to one station. He also spoke about Setrac, which is the hospital side of EMS. This is where they get information for medical issues and medical response policy. Chief Motley said that they received the decontamination machine, and there will be training this week for other departments on the use of the machine. He expressed again, the importance of social

distancing, face masks and washing hands with soap and water. Chief Motley made the reminder that hurricane season begins on June 1. Councilwoman asked if there were any more active cases in the City of Freeport. Assistant City Manager Stephanie Russell said that there have been no more confirmed positive cases.

Freeport Police Chief, Ray Garivey said that all the PD employees are safe and healthy. He said that the supplies are good. He said that the doors have been opened back up to the public, he just asks that they wear face mask and use hand sanitizer that is available at the door before they enter. Chief Garivey said that the beach is open, and people are social distancing. Mayor Bass if Chief Garivey could tell what happened at Crystal Beach. Chief Garivey said that it got very crowded. There was the Topless Jeep Weekend. He said that folks just were not obeying the rules.

City Manager Tim Kelty said that the Rec Center and the Golf Course departments are busy with making improvements. He said that there have been face shields placed to protect our employees and the public, so that they can reopen to the public soon. He also said that the drive thru is open at City Hall to take court and water payments.

Mayor Bass said that COVID-19 has not gone away. He said as of today the largest increase in Brazoria County was this weekend with positive cases. He said that what we are doing is to protect our parents, our grandparents and our small children. Mayor Bass said that we all must be responsible.

REGULAR SESSION

Consideration and possible action on the approval of City Council meeting minutes from May 4, 2020

On a motion by Councilwoman Loeza, seconded by Councilman Green, with all present voting "Aye" 5-0 Council unanimously approved the meeting minutes from May 4, 2020.

Consideration of approving Ordinance No.2020-2600 for proposed 2019-2020 budget amendment # 3.

Assistant City Manager Stephanie Russell presented to council proposed Ordinance No. 2020-2600 for 2019-2020 budget amendment #3, Ms. Russell said that the amendment includes a reduction of revenue and expenditures to the general fund. She said that the net impact to the general fund is a net revenue less expenditures and transfers of \$185,275. Ms. Russell said that she proposes that we move capital expenditures out of the general fund. Mayor Bass asked if these are steps that have not been taken in the past. Ms. Russell said she believes years ago it looks as if there were separate funds, and just over the years they went away. Melanie Oldham said that we have a revenue loss of \$729,000.00. Ms. Oldham asked about the reduced salaries of \$181,000.00 based on vacancies savings. She asked if the city hired the Public Works Director. Mayor Bass introduced Lance Petty the Freeport Public Works Director. Mayor Bass said that there are some reorganization happening, and these will be presented to council. Melanie Oldham said that she wants to compliment City Manager Tim Kelty, and Assistant City Manager Stephanie Russell for dividing up the funds.

On a motion by Councilman Yates, seconded by Councilman Cain, with all present voting "Aye" 5-0 Council unanimously approved Ordinance No.2020-2600 for proposed 2019-2020 budget amendment # 3.

Consideration and possible action of approving Resolution No. 2020-2629 for a proposed amendment to the Freeport Personnel Policy Handbook, regarding Weapons in the Workplace and Workplace Violence.

Freeport Human Resource Director, Brenda Ferguson presented to council Resolution No. 2020-2629 for a proposed amendment to the Freeport Personnel Policy Handbook, regarding Weapons in the Workplace and Workplace Violence. She said that staff recommends approving this resolution. She said

that these revisions were drafted with the assistance and approval of Freeport Fire Chief, Chris Motley and Freeport Police Chief Ray Garivey. Mayor Bass asked if Mr. Yates can carry his gun into any City building. Ms. Ferguson said no, that no weapons can be brought into any city building without written permission from City Manager or his delegate. Chief Motley said that they researched the Penal Code as well as what was passed by Legislation last September. Councilwoman Loeza asked how each employee knows of the changes made to the handbook. Ms. Ferguson said that each employee is given a copy of the change and an acknowledgement form to sign, stating that they received the policy change and they understand.

On a motion by Councilwoman Loeza, seconded by Councilman Cain, with all present voting "Aye" 5-0 Council unanimously approved Resolution No. 2020-2629 for a proposed amendment to the Freeport Personnel Policy Handbook, regarding Weapons in the Workplace and Workplace Violence.

Consideration and possible action of Freese and Nichols task authorization # 12 for the engineering design for work to be done on the stormwater pump station on Velasco Blvd.

City Manager Tim Kelty presented to council the Freese and Nichols task authorization #12 for the engineering design for work to be done on the stormwater pump station on North Velasco Blvd. Mr. Kelty said this authorization will allow the engineering to take this out for bids for the recommended work. He said that the total estimated cost for this is \$187,000.00. Mr. Kelty said that this is the pump station that handles all the water from the North Side of Velasco. Mayor Bass said that this item is something that has been discussed. Councilman Yates asked if this price is just for the electrical work for the pump station? City Manager said there is a list of things in the proposal of work that they are proposing to do, mostly electrical related. Councilman Yates asked if they were leaving the same pumps and the same generator. Mr. Kelty said yes.

On a motion by Councilman Cain, seconded by Councilman Green, with all present voting "Aye" 4-0 Council approved Freese and Nichols task authorization # 12 for the engineering design for work to be done on the stormwater pump station on Velasco Blvd. Councilman Yates voted "Ney"

Discussion and direction regarding to initiate Certificate of Obligation Bonds.

Assistant City Manager Stephanie Russell presented to council the discussion and direction to initiate Certificate of Obligation Bonds. She said that this is to start the discussion and get direction from council. She said that the city had paid off its 2003 Certificate of Bond Obligation last fiscal year. She said that this in preparation for this fiscal year, city council approved a prepayment on the city's 2008 Certificate of Obligation to keep a level debt rate. Mayor Bass asked does this affect our budget? Ms. Russell said that this will enable us to keep doing the infrastructure projects. Mayor Bass asked how will we pay it off? Ms. Russell said you pay it off by our property tax debt rate, she said that this is not proposed to change at all. The property tax rate will stay the same so residents will not see an increase in the tax rate on this portion of their tax bill. Melanie Oldham asked about the seven million dollars she said that it shows that 86% will go to infrastructure. And this will be divided between wards. She asked how this will be divided. She also asked about the interest rates on the bonds. Ms. Russell said that this will be done by categories, she said that streets and drainage will be the first, then each budget year council will decide which projects to fund. Ms. Russell said for the interest rate our Municipal Advisors will put together a packet and go out for sales for the bond.

Mayor Bass thanked staff and asked if there were any questions, or concerns.

Consideration and possible action of approving the EDC Housing Development.

Freeport Economic Development Director, Courtland Holman said that he recommends council approve the development agreement with Waterstone Development Group Housing, LLC. He said that he also recommends that the 19 acres that are bounded by Avenue J, Skinner Street, Avenue M and Varner Street be transferred to the Freeport Economic Development Corp. He said that there are claw backs in the agreement. Mayor Bass asked what the minimum house value? Mr. Holman said that they are asking for a minimum house value of \$185,000.00. He said that some will be higher, and some may be lower. Mayor Bass asked if Waterstone has approved the agreement. Mr. Holman said he knows that they have the agreement, but he is not sure if the agreement has been approved. Councilwoman Loeza asked how many houses will be built? Mr. Holman said there will be 82 homes on the main property and 5 on the secondary property. Councilwoman Loeza asked how much time they will have before they start building? Mr. Holman said that they have 30 months to complete the infrastructure, he said that we did not give them a timeline on the development of the homes. Mayor Bass said that he would feel more comfortable if the EDC Board had approved the contract, and then the signed contract brought to council. Mayor Bass said that he would like to see something that says a timeline on how long it will be before the builder begins to build the homes. Councilman Yates asked what do you call infrastructure? Mr. Holman said this is the streets, the underground infrastructure, the bridges, drainage, sidewalks and street lighting. Mr. Holman said that this is all listed in the proposal, he also said that the ditches will be improved.

Jeff Pena said that he looked at the agreement online, and his concerns are possible oversight. He said that there is an official process and procedures. He said that he is surprised that this project is being brought to council before it was approved by the EDC Board. Mr. Pena said that he recommends that we have an application process for any of our projects, we need to review their experience and credentials. He said that we need to check the financing, bonding and insurance. Mr. Pena said there needs to be a clear project and sight plan, so that there is transparency. Mr. Pena asked about the comment Ms. Russell made on the two things the city makes money from. He said one is industrial tax, and the other property tax. He said if we will be having a development project that we don't sacrifice the whole purpose of doing that project.

Melanie Oldham said that she read through the agenda packet. She said that she spoke to Mr. Kelty and Mr. Holman and they explained to her what the PID is. She asked if the city owns the land, & did they go out for bids before deciding on Waterstone. She said that she doesn't understand the deadline on completing the houses. Ms. Oldham asked about a paragraph that talks about not using the normal code enforcement process, but instead using a housing handbook, written by the company. She said that she feels this agreement is not detailed enough.

EDC Director, Courtland Holman said it is hard to find developers for small projects. He said that he had three developers and they did not work out. Mayor Bass said that there are some things that he likes. Councilman Yates asked if Mr. Holman felt that we should go forward with this project. Mr. Holman said yes. Mayor Bass said that he wants the EDC to sign this first and then bring this back to council.

On a motion by Mayor Bass, seconded by Councilman Green, with all present voting "Aye" 5-0 Council unanimously tabled this item until the first meeting in June.

Consideration and possible action adopting By-Laws of Tax Increment Revitalization Zone (TIRZ) Board.

Freeport Economic Development Director, Courtland Holman presented to council the adoption of By-Laws of Tax Increment Revitalization Zone (TIRZ). Mr. Holman said that staff recommends that council approve the By-Laws for the TIRZ Board. Mr. Holman also said that staff recommends council to appoint the Chairman of the TIRZ Board so that other members of the Board can be appointed. Mr. Holman said that the Board cannot take any action until council takes an administrative action. City Manager Tim

Kelty said that the Board met and recommended these By-Laws, and that the Chairman be appointed, and he said that Trey Sullivan has been acting as the Chairman for the EDC Board currently.

On a motion by Councilman Yates, seconded by Councilman Cain, with all present voting "Aye" 5-0 Council unanimously approved the adoption of the By-Laws of Tax Increment Revitalization Zone (TIRZ), and appointing Trey Sullivan as the President of the TIRZ Board.

Discussion for Boards and Commissions appointments and re-appointments.

Mayor Bass said that this is just discussion. This will be placed on the June 1, 2020 meeting where we will appoint and re-appoint members of the Boards. The Mayor said that on the city's website you can find the Boards and Commissions that are open. Mayor Bass said that these Boards and Commissions are sometimes hard to fill. Once these positions are filled, we will be having a meeting with every Board to discuss each Board and Commission & to explain what its purpose is.

Mayor Bass said that there is no action needed on this item.

Consideration and possible action authorizing the application process for recertification as a Texas Main Street City.

Freeport Destination Director, LeAnn Strahan presented to council the recertification as a Texas Main Street City. She said that staff recommends the Mayor to sign the Letter of Intent, so that the city can proceed with our application process to recertify Freeport. She said that this is due on May 31, 2020. She said that the deadline for the application for recertification is July 31, 2020. Ms. Strahan said there is no application fee, but there is an annual fee of \$535.00 and \$ 500.00 training fee. Councilwoman Loeza asked how long has the city been out of the program? Ms. Strahan said that it ended in 2012. Mayor Bass asked what the requirement is for the number of members on this Board? Ms. Strahan said per our ordinance we will require nine members. Ms. Strahan said that this is our Historical Commission and our MainStreet Advisory Board so there are members that are already in place. She said that there must be nine members, and five shall be residents of the city. She said that four members shall be appointed to two-year terms in odd number years. Mr. Kelty said that there are already six members that are serving on this Board and there are three vacancies on this Main Street Board. Councilwoman Loeza asked do we have to pay an annual fee to be in this program? Ms. Strahan said yes, it is \$535.00 yearly. Mayor Bass asked if Ms. Strahan can get nine people to serve, Ms. Strahan said yes, she does.

On a motion by Councilwoman Loeza, seconded by Councilman Yates, with all present voting "Aye" 5-0 Council unanimously approved authorizing the application process for recertification as a Texas Main Street City.

WORK SESSION:

Mayor Bass said that he commends the city workers, they are doing a fantastic job. He said our residents as well, the numbers are low for Freeport. Mayor Bass said that the parade has been cancelled. The Seniors will be able to have a graduation ceremony. He said on May 22, 2020 there will be a celebration at the Freeport Police Department from 6pm-8pm, the students will receive A t-shirt, Bar BQ sandwich and a few other things that were donated.

Councilman Green had no announcements or comments.

Councilman Cain said that the lift station on the end of Yaupon makes a very bad squeaking noise when the pump comes on. He said it is possibly a loose belt. Is there something we can do to check into this?

Councilwoman Loeza asked why the houses on Skinner and Ave M have stopped being built? EDC Director, Courtland Holman said that there is a violation of their agreement. Councilwoman Loeza also asked about the bulky, heavy trash pickup. She asked if this is not stacked properly will Waste Connections not pick it up? City Manager Tim Kelty said to call City Hall to let us know, because this should be picked up weekly. Ms. Loeza asked if the large project on the pool has been completed. Tim Kelty said the work has been completed and the pool is ready to open, and hopeful we will be able to open soon.

Councilman Yates had no announcements or comments.

City Manager Tim Kelty had no announcements or comments.

Update on reports / concerns from Department heads

There was no comment from Department heads.

Open session was closed at 8:12 pm and Council entered into Executive Session.

CLOSED SESSION:

Executive Session regarding a.) Attorney Consultation: Consider potential litigation regarding real property and, b). Deliberation about Real Property in accordance with Government Code Annotated, Chapter 551, Sections 551.071, 551.072.

REGULAR SESSION

Mayor Brooks Bass reconvened regular session at 8:24 P.M.

On a motion by Mayor Bass, seconded by Councilwoman Loeza, with all present voting "Aye" 5-0 Council unanimously approved that City Attorney Chris Duncan, to take legal action to secure the title to the property South of 4th Street, formally used by the railroad.

Adjourn

On a motion by Councilwoman Loeza, seconded by Councilman Cain, with all present voting "Aye", Mayor Brooks Bass adjourned the meeting at 8:33 PM.

Mayor, Brooks Bass
City of Freeport, Texas

City Secretary, Betty Wells
City of Freeport, Texas



City Council Agenda Item # 5

Title: Hold Public Hearing on Downtown Zoning District Ordinance and Consider Approval.

Date: June 1, 2020

From: Billywayne Shoemaker

Staff Recommendation:

Hold public hearing and approve Ordinance

Item Summary:

We can revitalize the Downtown by generating activity and community pride. The intention is to stimulate new ideas for using the buildings for retail, food and beverage, services, and community spaces while using the upper floors for office and residential purposes.

Background Information:

Downtown has struggled with empty storefronts and underutilized buildings. The downtown was once the hub of commerce and community activities. A full range of retail stores once occupied the street and served as the shopping center for the community.

During the 1970s, things began to change in the town. Regional shopping centers and large discount stores were being developed in larger communities to our North. With improvements in the transportation system, and increased reliance on automobile travel, Freeport consumers looked to the bigger City's down the road as the place to shop.

With these consumer changes came the demise of main street retail as it once was. Clothing, electronic, variety, jewelry and other downtown anchor stores have disappeared. Today, many small town downtowns face the same challenges:

- Growth in large-format retail.
- Remaining downtown businesses that are often limited to restaurants, taverns, salons, and city Services.
- Loss of essential retail, pharmacy, and hardware stores.
- Business operators that have no transition plan.
- Vacant real estate that is owned by absentee landlords.
- New competition from an online market.

ORDINANCE NO.2020-2601

AN ORDINANCE OF THE CITY OF FREEPORT, BRAZORIA COUNTY, TEXAS, CONTAINING A PREAMBLE; CONTAINING FINDINGS OF FACT AND CONCLUSIONS OF LAW; AMENDING CHAPTER 155 OF THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY, NOW CODIFIED AS CHAPTER 155 OF THE CODE OF ORDINANCES OF THE CITY, TO DELETE SECTIONS 155.023(B), 155.023(C) AND 155.023(E); TO ADD NEW SECTIONS, TO BE CODIFIED AS SECTION 155.049, AND WHICH SHALL BE APPLICABLE ONLY TO THE LAND LOCATED WITHIN THE HISTORIC DOWNTOWN, AS DESCRIBED IN THAT SECTION; PROVIDING REGULATIONS AND REQUIREMENTS FOR THE DEVELOPMENT OF SUCH LAND; AMENDING SAID COMPREHENSIVE ZONING ORDINANCE TO CHANGE THE CURRENT CLASSIFICATION OF ALL LAND LOCATED WITHIN THE BOUNDARY OF SUCH NEW DISTRICT, AS DESIGNATED IN EXHIBIT "A", FROM ITS PRESENT ZONING CLASSIFICATION TO SUCH NEW ZONING CLASSIFICATION OF DT-1; RATIFYING AND CONFIRMING ALL ACTIONS PREVIOUSLY TAKEN BY THE PLANNING COMMISSION OF SAID CITY OR THE CITY COUNCIL, OR BOTH; PROVIDING THAT ANY PERSON VIOLATING SAID CODE OF ORDINANCES, AS AMENDED BY THIS ORDINANCE, SHALL BE GUILTY OF A MISDEMEANOR AND ASSESSED A FINE IN ACCORDANCE WITH THE PROVISIONS OF SECTION 155.999 OF SAID CODE OF ORDINANCE AND THAT EACH DAY ANY SUCH VIOLATION OCCURS AND EVERY DAY IT CONTINUES SHALL CONSTITUTE A SEPARATE OFFENSE; CONTAINING SAVINGS CLAUSES; CONTAINING A SEVERANCE CLAUSE; AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER THIS DESCRIPTIVE CAPTION HAS BEEN PUBLISHED TWICE IN THE BRAZOSPORT FACTS.

WHEREAS, the City of Freeport, Texas ("the City"), is a "Home Rule City" and a "Home Rule Municipality" lying and situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code of Texas, respectively; and,

WHEREAS, Subchapter A of Chapter 211 of the Local Government Code of Texas and Item (g) of Section 3.07 of the Home Rule Charter of the City authorizes the City Council thereof to adopt the provisions of this Ordinance; and,

WHEREAS, the City Council of the City has determined to here now declare that it is necessary to the health, safety and general welfare of the inhabitants of the City for there to be established a new zoning classification to be known as The Downtown Zoning District-1(DT-1) District, to specify the boundaries thereof and regulations therefor, and to change the zoning classifications of all land within such new zoning district from its present zoning classification to the new zoning classification of Downtown Zoning District-1 (DT-1) District.

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

SECTION ONE--Findings of Fact and Conclusions of Law.

The City Council of the City makes the following findings of fact and conclusions of law, viz:

First, that the public hearings required by the Zoning Enabling Act of the State of Texas, codified as Chapter 211 of the Texas Local Government Code, and the present Comprehensive Zoning Ordinance of the City, codified as Chapter 155 of the Code of Ordinances of the City, have been conducted in the manner and at the time required.

Second, that not less than fifteen (15) days prior to the date of such hearings, public notice thereof was published once in the Brazosport Facts, a newspaper of general circulation in and the official newspaper of the City, stating the date, time and place of such hearings.

Third, that after considering evidence submitted at such hearings, the City Council of the City is of the opinion and finds that the health, safety, morals and general welfare of the inhabitants of the City will best be served by the creation of the new zoning classification and district, to be known as Downtown Zoning District 1(DT-1), within the boundaries and with the regulations hereinafter set forth.

Fourth, the conditions which warranted the classification of the property included within the boundaries hereinafter set forth at the time of such classification have substantially changed and conditions now exist which indicate that the present zoning classification of such property is no longer appropriate; and,

Fifth, considering the community as a whole and the present Comprehensive Zoning Plan of the City, such property should be reclassified for purposes of zoning and the zoning of such property changed to Downtown Zoning District-1 (DT-1) District.

Sixth, the health, safety, morals and general welfare of the inhabitants of the City will best be served by changing the zoning classification of all property located within such boundaries from the present zoning classification thereof to the new Downtown Zoning District-1 (DT-1) classification.

SECTION TWO--Comprehensive Zoning Ordinance Amended

The Comprehensive Zoning Ordinance of the City of Freeport, Texas, read, passed and approved as Ordinance No. 1100 on the 3rd day of April, 1964, now codified as Chapter 155 of the Code of Ordinances thereof and hereinafter called "the Zoning Ordinance," is hereby amended to add thereto new Section, 155.049, which shall read as follows:

SECTION 155.049 - DOWNTOWN ZONING DISTRICT-1 (DT-1)

(A) The City Council declares that, Freeport Historic Downtown is a unique and historic feature of the City of Freeport that must be developed in a manner that enhances to quality of life of the citizens of Freeport and represents the key to the future economic development of the City of Freeport. It is of utmost importance to the City and its citizens that development of the Freeport Historic Downtown must promote access by the general public to enjoy its beauty, balanced with development as a place of residence and commerce. The Downtown Zoning District-1 is described in Exhibit "A", attached hereto and made a part hereof as if set forth in full herein.

(B) Minimum requirements for lot area, width and setback

Lot area: 2500 square feet

Lot width: 25

Setback:

Front: 0'

Rear: 20'

Side: 0'

(1) When abutting a Residential District, the side yard setback shall not be less than 10 feet.

(2) When abutting a Residential District, the rear yard setback shall not be less than 20 feet.

(C) *Permitted Building usage within the DT-1 District.* Permitted uses shall be governed by the floor/elevation of buildings within the DT-1 District as follows:

(1) Ground Level Floor: Permitted uses of the ground level floor of any building within DT-1 shall be limited to the specific Commercial Uses set forth in paragraph (D) of this section.

(2) Upper Level Floor: Permitted uses of upper level floors, whether second level or higher shall be limited to the specific Commercial Uses, Office Uses or Residential Uses set forth in paragraph (D) of this section.

(D) *Permitted uses.*

Art, supply store, art sales, antiques, gallery or museum of fine arts or digital media.

Antique

Bakery retail.

Bank or Credit Union and ATM machines (not payday loan)

Bar or pub

Barber shop, beauty salon, nail salon or spa.

Bed and Breakfast that has bed and living quarters on second floor or above

Bicycle

Book store or library.

Brewery or brewpub

Camera or photographic supply store.

Candy, nut, confectionary store.

Caterer

Clothing including formal wear and costumes.

Coffee shop

Convenience store.

Cultural Arts display or use including digital arts, fine arts, history, nature, or literary displays.

Dental Office
Department store.
Dive Shop
Dry Cleaner
Entertainment Venue
Excursion Rentals
Florist shop.
Food or grocery store retail.
Furniture store.
Gift, novelty shop.
Hobby shop or supply store.
Hotel
Indoor Sports and Recreation
Jewelry store.
Kitchenware and Home Decor
Manufacturing of baked goods, candy, delicatessen foods and ice cream.
Medical clinic or business providing non-invasive medical care
Movie theater
Music or Video store.
Musical Instrument store
Optical goods, optician, optometrist.
Pet shop.
Pharmacy
Photographic studio or store or decorator shop.
Postal and shipping service (Non-governmental)
Restaurant or café, indoor or outdoor.
Sporting goods store.
Souvenir shop, tourist products.
Stationary store.
Studio for teaching any form of fine arts.
Tailor shop seamstress, alterations.
Toy store.
Travel Agency
Visiting Boat Slips
Waterfront Activities
Water Taxi
Wine bar
All others by Specific-Use Permit.

DT-1 Permitted Residential Uses (Second Floor and Above)

Apartment
Mixed Use Housing
Senior Housing
Live - Work Apartment Housing
Condominium

DT-1 Permitted Office Uses (Second Floor and Above)

Administrative and Business Offices
Computer IT, software and programming services and development
Dental Office
Financial Services
Medical clinic or business providing non-invasive medical care
Professional offices
Real Estate/Title Company

(E) *Height regulations.* No building shall exceed 50 feet or 4 stories in height, unless approved by City Council after public hearing.

(F) *Parking regulations.* Onsite parking shall not be required within the D-1 Zone.

BOUNDARY DESCRIPTION OF PROPOSED DT-1

BEGINNING at the Northeast Corner of the intersection of Second Street and Cherry Street, being the Southwest Corner of the established W-4 Zoning District, then proceeding East on Second Street, along the Southern Border of the established W-4 Zoning District until the intersection of Second Street and Pine Street, THENCE, proceeding South along the Western ROW of Pine Street, until intersection of Pine Street and the Railroad track, THENCE, proceeding West along the Northern boundary of the Railroad Track, until intersection of the Railroad track with Cherry Street, THENCE, proceeding North along the Eastern ROW of Cherry Street until intersection with Cherry Street and Seventh Street, THENCE, proceeding East along the Northern ROW of Seventh Street until the center point of Lot 39, THENCE, proceeding North through the centerline of Lots 39, 40, 41, and 42 until the intersection with Fourth Street, THENCE, proceeding West along the Northern ROW of Fourth Street until intersection with Oak Street, THENCE, proceeding North along the Eastern ROW of Oak Street until intersection with the low tide water line of the Old Brazos River, THENCE, proceeding East along the low tide water line of the Old Brazos River, until intersection with a point representing the continuation of the the East ROW of Cherry Street, THENCE, proceeding South along the East ROW of Cherry Street until intersection with the POINT OF ORIGIN.

This description includes the following property designated by the following blocks:

Blocks 31, 32, 33, 34, 35, 36, 37, 38, 43, 44, 45, 46, 47, and 48, and the Eastern half of blocks 39, 40, 41, 42.

SECTION THREE--Comprehensive Zoning Ordinance Amended--Sections Deleted

Sections 155.023(B) and 155.023(C) are hereby deleted from Chapter 155 of the Code of Ordinances of the City, and reserved for future use.

SECTION FOUR--Comprehensive Zoning Ordinance Amended--Section Deleted and Replaced

Section 155.023(E) is deleted and replaced with the following provisions which shall read as follows:

(E) *Zoning In the Old Brazos River* - All development over the waters of the Old Brazos River shall conform with the zoning regulations of the property immediately adjacent to such development.

SECTION FIVE--Ratification and Confirmation.

The City Council of the City of Freeport, Texas, hereby ratifies and confirms any and all action taken by the Planning Commission of said City or the City Council of said City, or both, in connection with the change in zoning classification evidenced by this ordinance, including but not limited to the calling of a public hearing required by said

Zoning Enabling Act and the Zoning Ordinance, the giving of public notice of such hearings, the giving of written notice to the owners of property which is the subject of such and to the adjoining property owners, the making of preliminary and final reports with respect to such change and the conducting of the public hearings required by said Act and the Zoning Ordinance.

SECTION SIX--Penalty

Any person violating the Zoning Ordinance, as amended by this ordinance, shall be guilty of a misdemeanor and upon conviction therefor assessed a fine as prescribed in Section 155.999 of said ordinance; and each day such violation continues shall constitute a separate offense.

SECTION SEVEN--Savings Clauses

(a) Nothing contained in this ordinance shall cause any rights heretofore vested to be altered, affected or impaired in any way and all such rights may be hereafter enforced as if this ordinance had not been adopted.

(b) This ordinance is cumulative of and in addition to all other ordinances of the City on the same subject and all such ordinances are hereby expressly saved from repeal. Provided, however, where this ordinance and another ordinance conflict or overlap, this ordinance shall prevail.

(c) No offense committed and no fine, forfeiture or penalty incurred prior to the effective date of this ordinance is to be affected by the adoption of this ordinance but the punishment for any offense committed and the recovery of any fines or forfeitures incurred prior to such date shall take place as if this ordinance had not been adopted.

SECTION EIGHT--Severance Clause.

In the event any section or provision of this ordinance is found to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction, such defective provision, if any, is hereby declared to be severable from the remaining sections and provisions of this ordinance and such remaining sections and provisions shall remain in full force and effect.

SECTION NINE--Effective Date.

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, the official newspaper of the City.

READ, PASSED AND ADOPTED this _____ day of _____, 2020.

Brooks Bass, Mayor,

ATTEST:

Betty Wells, City Secretary,
City of Freeport, Texas

APPROVED AS TO FORM ONLY:

Christopher Duncan, City Attorney
City of Freeport, Texas

EXHIBIT A

BOUNDARY DESCRIPTION OF PROPOSED DT-1

BEGINNING at the Northeast Corner of the intersection of Second Street and Cherry Street, being the Southwest Corner of the established W-4 Zoning District, then proceeding East on Second Street, along the Southern Border of the established W-4 Zoning District until the intersection of Second Street and Pine Street, THENCE, proceeding South along the Western ROW of Pine Street, until intersection of Pine Street and the Railroad track, THENCE, proceeding West along the Northern boundary of the Railroad Track, until intersection of the Railroad track with Cherry Street, THENCE, proceeding North along the Eastern ROW of Cherry Street until intersection with Cherry Street and Seventh Street, THENCE, proceeding East along the Northern ROW of Seventh Street until the center point of Lot 39, THENCE, proceeding North through the centerline of Lots 39, 40, 41, and 42 until the intersection with Fourth Street, THENCE, proceeding West along the Northern ROW of Fourth Street until intersection with Oak Street, THENCE, proceeding North along the Eastern ROW of Oak Street until intersection with the low tide water line of the Old Brazos River, THENCE, proceeding East along the low tide water line of the Old Brazos River, until intersection with a point representing the continuation of the the East ROW of Cherry Street, THENCE, proceeding South along the East ROW of Cherry Street until intersection with the POINT OF ORIGIN.

This description includes the following property designated by the following blocks:

Blocks 31, 32,33, 34, 35, 36, 37, 38, 43, 44, 45, 46, 47, and 48, and the Eastern half of blocks 39, 40, 41, 42.





City Council Agenda Item # 6

Title: Consider Awarding Request for Proposals (RFP) #2004, Integrated Municipal Financial Software System, to Tyler Technologies, Inc.

Date: June 1, 2020

From: Stephanie Russell, Assistant City Manager/Finance Director

Staff Recommendation:

Staff recommends awarding RFP#2004 to Tyler Technologies, Inc. and authorizing the City Manager to execute a contract.

Item Summary:

Staff advertised a Request for Proposals for an Integrated Municipal Financial Software System in The Facts newspaper on Monday, March 23, 2020 and Monday, March 30, 2020. Two responses were received and opened on Monday, April 13, 2020. Based on the Evaluation Criteria, the most qualified Respondent is Tyler Technologies.

The City is currently utilizing a Tyler product and has been satisfied with the company’s level of customer service. Additionally, references have recommended the new version. The upgraded platform not only integrates services into one system, it will also increase efficiencies and our capacity to be more transparent. Below is an example of the software’s transparency capabilities from the City of Jersey Village website:

<https://jerseyvillagetx.finance.socrata.com/#!/dashboard>



Background Information:

The City currently utilizes Incode Version 9 by Tyler Technologies for Accounts Payable, Check Reconciliation, Cash Collections, Court System, Fixed Assets, General Ledger, Purchase Orders, and Utility System. The City currently utilizes Paycom for timekeeping and outsourced payroll. Permits currently utilizes GovQA and Incode Cash Collections. Ideally, the City would like one system that can integrate all of these functions, increase efficiencies, and enhance our online accessibility.

Special Considerations:

N/A

Financial Impact:

The one-time cost for all proposed modules is \$164,590. Due to the high demand of this upgrade, implementation would not begin until January 2021, or next fiscal year. Thus, if approved, staff would build this cost into next fiscal year's budget.

The City currently spends over \$79,000 in recurring maintenance fees for its financial software, payroll system, and permits software. With the newly integrated system, overall recurring fees would be about \$49,000 – an annual estimated savings of \$30,000. Thus, the one-time fee would pay itself off in five and half years.

Board or 3rd Party recommendation:

N/A

Supporting Documentation:

Rating Sheet

**City of Freeport
Request for Proposals #2004
Integrated Municipal Financial Software System
Rating Summary**

Factors	Max Points	Fund View	Tyler
Public Sector Experience			
Related Experience / Background.	30	23	29
Financial & Business stability.	30	27	30
References from current/past clients.	30	22	24
Subtotal Public Sector Experience	90	72	83
Software Features & Capability			
Compatibility with the City's desired current and future technology architecture, expertise, and future strategy.	30	20	29
Software scalability, flexibility, and ease of use.	30	21	26
Compatibility and integration with existing hardware and software.	15	14	16
Ability to meet City's functional and technical requirements.	15	14	18
Subtotal Software Features & Capability	90	69	89
Capacity to Perform			
Implementation Strategy and Plan for Conversion.	30	24	28
Demonstrated understanding of scope of the projects.	30	25	30
Subtotal Capacity to Perform	60	49	58
Proposed Cost	60	26	34
Total Score	300	216	264



City Council Agenda Item # 7

Title: Consideration of approving Resolution Authorizing the Application to the Texas General Land Office (GLO) Beach Maintenance Reimbursement (BMR) Program and Designating the Assistant City Manager as the Official with Full Authority to Act for Purposes of the Program

Date: June 1, 2020

From: Stephanie Russell, Assistant City Manager/Finance Director

Staff Recommendation:

Staff recommends approval of the Resolution.

Item Summary:

The GLO Beach Maintenance Reimbursement Program is now accepting applications for Fiscal Year 2020-2021. The application requires a resolution to authorize the application for program funds and declare an official with full authority to act for purposes of the program.

Background Information:

The Beach Maintenance Reimbursement Fund Program, administered by the GLO, allocates approximately \$750,000 per year to help communities keep their beaches maintained. That's about \$8.5 million over the last 10 years. Contracts are renewable annually. The City has participated in the GLO Beach Cleaning and Maintenance Assistance Program since FY2012-2013.

Special Considerations: N/A

Financial Impact: The City has received over \$69,000 in reimbursement from the program since FY2012-2013. Last year's reimbursement was \$9,282.08.

Board or 3rd Party recommendation: N/A

Supporting Documentation:

Resolution

RESOLUTION 2020-2630

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, AUTHORIZING THE APPLICATION TO THE TEXAS GENERAL LAND OFFICE BEACH MAINTENANCE REIMBURSEMENT PROGRAM AND DESIGNATING THE ASSISTANT CITY MANAGER AS THE OFFICIAL WITH FULL AUTHORITY TO ACT FOR PURPOSES OF THE PROGRAM.

WHEREAS, the Beach Maintenance Reimbursement Fund Program, administered by the Texas General Land Office, allocates funding each year to help communities keep their beaches maintained; and,

WHEREAS, the City Council finds it in the best interest of the citizens to apply for State Assistance in Cleaning and Maintaining Public Beaches; and,

WHEREAS, the Beach Maintenance Fund Program requires a resolution authorizing the application for funds and designation of an official to act with full authority for purpose of the program.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, BRAZORIA COUNTY, TEXAS;

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. That the application for program funds for State Assistance in Cleaning and Maintaining Public Beaches is hereby authorized.

Section 3. That Assistant City Manager Stephanie Russell shall be vested with full authority to act for purpose of the Program.

Section 4. That any and all fees collected by reimbursement shall be utilized only and specifically for the program of beach maintenance.

Section 5. This Resolution shall become effective immediately upon its passage.

DULY PASSED, APPROVED AND ADOPTED on this 1st day of June, 2020.

Brooks Bass, Mayor

ATTEST:

APPROVED AS TO FORM:

Betty Wells, City Secretary

Christopher Duncan, City Attorney



City Council Agenda Item # 8

Title: Consider the adoption of a Resolution by the City Council of the City of Freeport, Texas, Authorizing Publication of Notice of Intention to Issue Certificates of Obligation; Authorizing the Preparation of a Preliminary Official Statement and Notice of Sale; and Providing for Other Matters Incidental Thereto

Date: June 1, 2020

From: Stephanie Russell, Assistant City Manager/Finance Director

Staff Recommendation:

Staff recommends approval of the Resolution.

Item Summary:

The proposed Resolution is the first step to move forward in issuing certificate of obligation bonds. If approved, the Notice of Intention will be published twice in The Facts newspaper and posted on the City’s website notifying the public of the proposed issuance and meeting date to consider authorization. The proposed meeting date following the notification period is Monday, August 3, 2020. Council will have an opportunity to review the Official Statement and Notice of Sale in July.



The proposed bond includes the construction of improvements and equipment of the following:

- Streets, sidewalks and related infrastructure;
- Drainage facilities;
- City hall;
- Parks and recreational facilities (including renovations to the Heritage House); and
- the costs of related professional services.

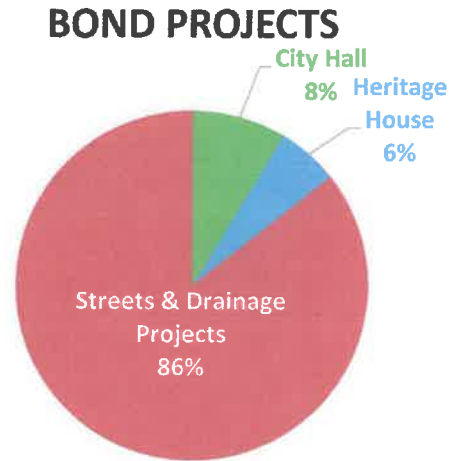
The notice includes a maximum aggregate principal amount not to exceed \$8,000,000 over a period not to exceed forty (40) years from the date of issuance. The actual sale amount and term may be less than the thresholds included in the notice but not more. The current estimated combined principal and interest required to pay the Certificates on time and in full assumes a 2.6% interest rate and is \$10,140,300.

The proposed issuance is based on the City’s existing debt rate (\$0.11 per 100 valuation) and an average annual revenue of approximately \$540,000. The City’s Financial Advisor has provided a Plan of Finance with further details that have been included as an attachment to this item.

Background Information:

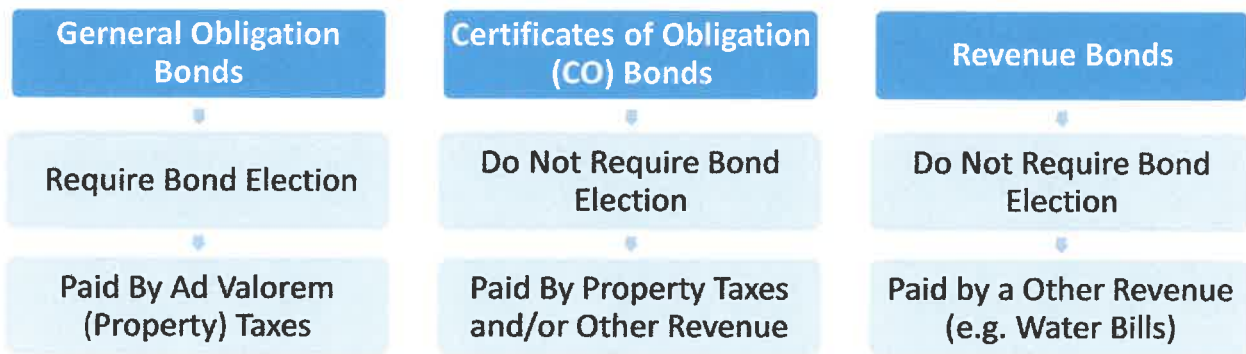
The City paid off its 2003 Certificate of Obligation bonds series in FY2018-2019. In order to maintain a level debt rate, the City advanced some of its debt service payments for its 2008 Certificate of Obligation bonds series this fiscal year. To continue maintaining a level debt rate in FY2020-2021, staff proposes issuing new debt. Based on our existing debt service rate, the City has the capacity to issue certificate of obligation bonds to fund at least \$7 million in capital projects. Staff proposes using the issuance primarily for Streets and Drainage Infrastructure projects with a small portion dedicated to the renovation of City Hall and Heritage House.

The list of specific Streets and Drainage Infrastructure projects will be developed through the budget process each year, however; the intent is that the projects will spread equitability amongst all Wards in the City.



Local governments pay for public infrastructure projects by issuing long-term debt, either through Certificate of Obligation (CO) bonds, General Obligation (GO) bonds, or through revenue bonds that must be backed by a specific revenue stream, such as Water and Sewer revenue.

GO Bonds are paid by the City’s ad valorem (property) taxes and are issued after voter approval at a bond election. COs may be paid from ad valorem (property) taxes, pledged revenue or a combination thereof. Unlike GO Bonds that always require an election, the COs do not require an election unless at least 5% of the registered voters submit a valid petition protesting the issuance. COs can be used to fund public works as part of standard local government operations.



Special Considerations: The proposed CO issuance does not interfere with the plans for Water and Sewer Projects. Staff is still moving forward with the Texas Water Development Board Application for funding of Water and Sewer Projects.

Financial Impact: The City’s Financial Advisors, Masterson Advisors, conducted a preliminary capacity analysis based on the City’s existing debt rate (\$0.11 per 100 valuation) and annual

revenue of approximately \$540,000. Based on this rate and conservative property value projections, the initial capacity to was estimated to be \$7.2 million in bonds. Since the last meeting, interest rates continue to drop – increasing the City’s capacity. Thus, a maximum of \$8 million is proposed to be included in the notice to allow the City to capitalize on a further drop in interest rates.

The cost of all services associated with the issuance (including Municipal Advisor and Bond Counsel) are included as part of the bond which will leave at least \$7 million for projects. Additionally, a Plan of Finance with further details that have been included as an attachment to this item.

Board or 3rd Party recommendation: N/A

Supporting Documentation:

Plan of Finance

Resolution



City of Freeport, Texas

Tax and Revenue Certificates of Obligation, Series 2020

Plan of Finance

June 1, 2020

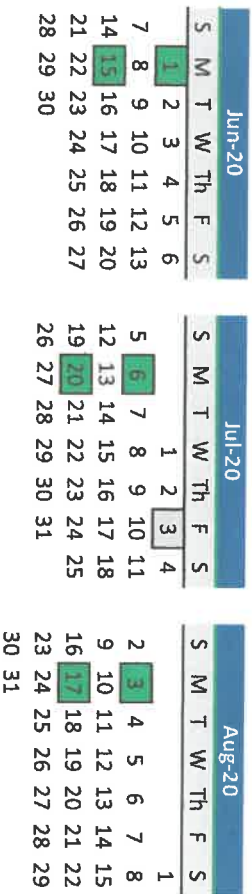
Summary of Certificates

Growth	TV	FY	2019 TAV	I&S Rate	Revenue	Current Debt Service			Series 2020	Excess Revenue
						Principal	Interest	Total DS		
0%	2019	2020	500,788,637	0.11000	550,868	255,000	39,258	294,258	525,700	256,609
0%	2020	2021	500,788,637	0.11000	550,868	-	21,224	21,224	241,400	3,944
-2%	2021	2022	490,772,864	0.11000	539,850	275,000	21,224	296,224	240,900	2,226
0%	2022	2023	490,772,864	0.11000	539,850	285,000	10,802	295,802	240,900	3,149
0%	2023	2024	490,772,864	0.11000	539,850	-	-	-	535,500	4,350
0%	2024	2025	490,772,864	0.11000	539,850	-	-	-	538,300	1,550
0%	2025	2026	490,772,864	0.11000	539,850	-	-	-	535,500	4,350
0%	2026	2027	490,772,864	0.11000	539,850	-	-	-	537,300	2,550
0%	2027	2028	490,772,864	0.11000	539,850	-	-	-	538,500	1,350
0%	2028	2029	490,772,864	0.11000	539,850	-	-	-	539,100	750
0%	2029	2030	490,772,864	0.11000	539,850	-	-	-	539,100	750
0%	2030	2031	490,772,864	0.11000	539,850	-	-	-	537,400	2,450
0%	2031	2032	490,772,864	0.11000	539,850	-	-	-	535,400	4,450
0%	2032	2033	490,772,864	0.11000	539,850	-	-	-	538,100	1,750
0%	2033	2034	490,772,864	0.11000	539,850	-	-	-	535,350	4,500
0%	2034	2035	490,772,864	0.11000	539,850	-	-	-	537,300	2,550
0%	2035	2036	490,772,864	0.11000	539,850	-	-	-	538,800	1,050
0%	2036	2037	490,772,864	0.11000	539,850	-	-	-	539,850	0
0%	2037	2038	490,772,864	0.11000	539,850	-	-	-	535,450	4,400
0%	2038	2039	490,772,864	0.11000	539,850	-	-	-	535,750	4,100
0%	2039	2040	490,772,864	0.11000	539,850	-	-	-	535,600	4,250
						815,000	92,508	907,508	10,140,300	311,080

Sources and Uses of Proceeds

Total Debt Service	10,140,300
Average Annual Debt Service	507,015
All-in True Interest Cost	2.60%
Par Amount	7,425,000
Premium	526,168
Total Sources	7,951,168
Project Fund	7,831,168
Cost of Issuance	100,000
Underwriter's Discount	20,000
Total Uses	7,951,168

Timeline

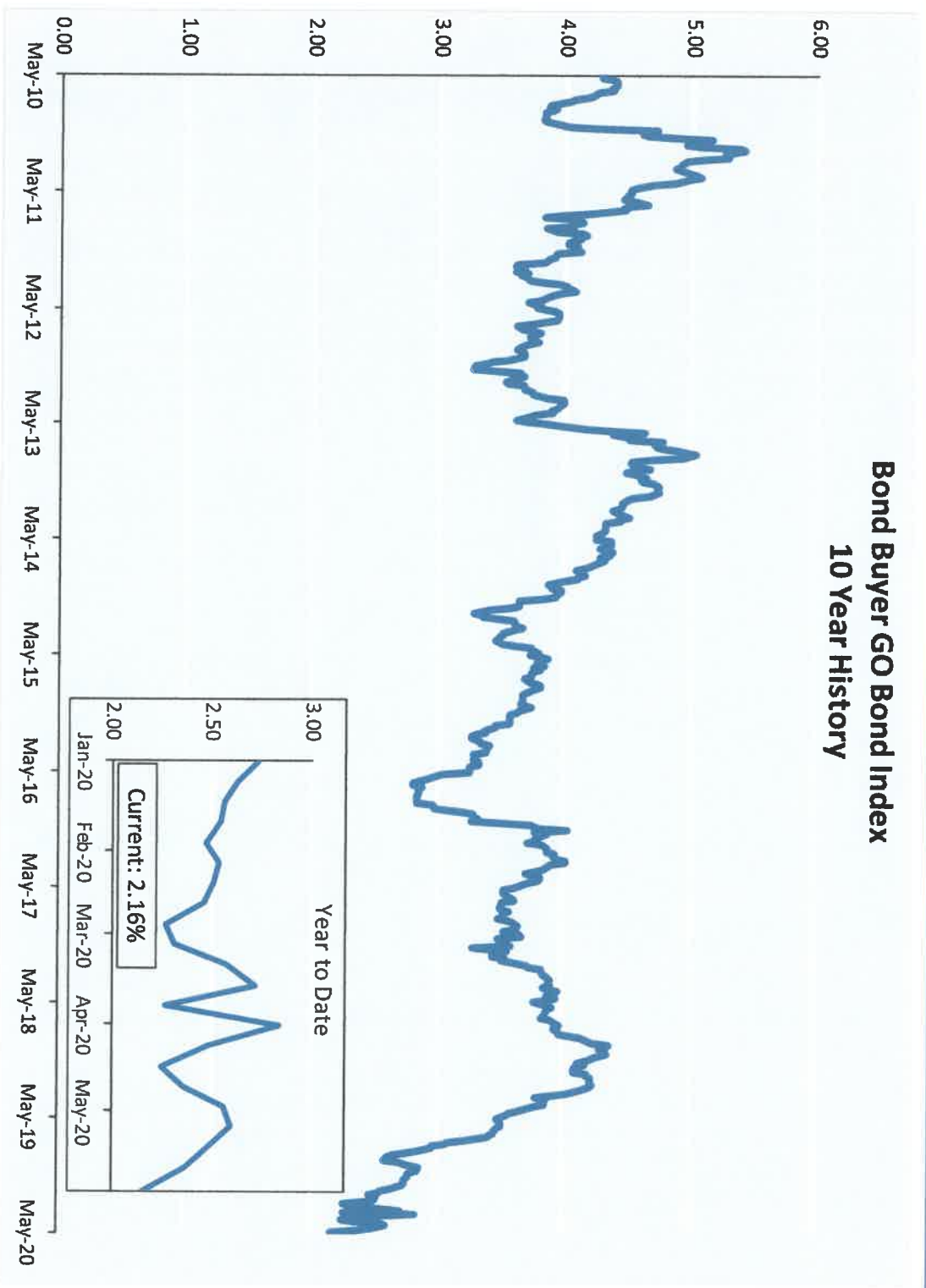


Holiday Council Meeting

Date	Action	Responsible Party
Mon - Jun 1	» City Council Meeting - Approve Publication of Notice of Intent to sell Certificates. Present Plan of Finance	City
Fri - Jun 5	» Publish 1st Notice of Intent & Post Notice to City website	City
Fri - Jun 12	» Publish 2nd Notice of Intent	City
Mon - Jun 15	» Distribute 1st Draft of Bond Documents	FA
Week of June 29	» S&P Rating Call/Meeting	City/FA
Mon - Jun 29	» Distribute Bond Documents for inclusion in Council Packets	FWG
Mon - Jul 6	» City Council Meeting - Approve Preliminary Official Statement and Notice of Sale	City
Wed - Jul 22	» Receive S&P Rating	City/FA
Thu - Jul 23	» Electronically Distribute Bond Documents	FA
Mon - Aug 3	» City Council Meeting - Adopt Ordinance and Approve Sale of Certificate	City
Mon - Aug 24	» Close	FWG

Preliminary, subject to change.

Bond Buyer Index



Preliminary, subject to change.



RESOLUTION NO. 2020-2631

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; AUTHORIZING THE PREPARATION OF A PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE; AND PROVIDING FOR OTHER MATTERS INCIDENTAL THERETO

THE STATE OF TEXAS §
COUNTY OF BRAZORIA §
CITY OF FREEPORT §

WHEREAS, the City Council of the City of Freeport, Texas (the “City”) deems it advisable to issue certificates of obligation (the “Certificates”) of the City in accordance with the notice hereinafter set forth; and

WHEREAS, the City desires to authorize the preparation of a preliminary official statement (the “Preliminary Official Statement”) and notice of sale (the “Notice of Sale”) in anticipation of its issuance of the Certificates; NOW, THEREFORE

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

Section 1. The findings, determinations, definitions and recitations set out in the preamble to this resolution are found to be true and correct and are hereby adopted by City Council and made a part hereof for all purposes.

Section 2. The City Secretary is hereby authorized and directed to cause to be published in the manner required by law and in substantially the form attached hereto as Exhibit A, a notice of the City’s intention to issue the Certificates (the “Notice”).

Section 3. The Notice shall be published once a week for two (2) consecutive weeks in a newspaper that is of general circulation in the City, the date of the first publication to be at least forty-six (46) days before the date tentatively set in the Notice for the passage of the ordinance authorizing the issuance of the Certificates. In addition, the Notice shall be posted continuously on the City’s website for at least forty-five (45) days before the date tentatively set in the Notice for the passage of the ordinance authorizing the issuance of the Certificates.

Section 4. The City hereby authorizes the preparation and distribution of a Notice of Sale and Preliminary Official Statement relating to the Certificates and authorizes the City Manager or the Assistant City Manager/Finance Director to approve the contents of and deem final such Preliminary Official Statement within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934.

Section 5. For purposes of section 1.150-2(d) of the Treasury Regulations, this Notice serves as the City’s official declaration of intent to reimburse itself from proceeds of the Certificates in the maximum principal amount and for expenditures paid in connection with the

projects, each as set forth in Exhibit A hereof. Any such reimbursement will only be made (i) for an original expenditure paid no earlier than 60 days prior to the date hereof and (ii) not later than 18 months after the later of (A) the date the original expenditure is paid or (B) the date the project to which such expenditure relates is placed in service or abandoned, but in to event more than three years after the original expenditure is paid.

Section 6. The City's financial advisor, Masterson Advisors LLC, and bond counsel, Bracewell LLP, are authorized and directed to proceed with the necessary arrangements for the sale of the Certificates in accordance with the aforesaid Notice of Sale and Preliminary Official Statement.

Section 7. The Mayor, City Manager, Assistant City Manager/Finance Director, City Secretary, and other officers and agents of the City are hereby authorized and directed to do any and all things necessary or desirable to carry out the provisions of this resolution.

Section 8. This resolution shall take effect immediately upon its passage.

[Execution Page to Follow]

PASSED AND APPROVED on this the 1st day of June, 2020 by the City Council of the City of Freeport, Texas.

Betty Wells, City Secretary
City of Freeport, Texas

Brooks Bass, Mayor
City of Freeport, Texas

[SEAL]

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Freeport, Texas (the "City"), will meet at Freeport Police Department, Municipal Court Room, 430 North Brazosport Boulevard, Freeport, Texas, 77541, at 6:00 p.m., on the 3rd day of August, 2020 (unless alternative meeting arrangements are required to address public health concerns, which meeting arrangements will be specified in the notice of such meeting posted in accordance with applicable law), which is the time and place tentatively set for the passage of an ordinance and such other action as may be deemed necessary to authorize the issuance of the City's Tax & Revenue Certificates of Obligation, Series 2020, in the maximum aggregate principal amount not to exceed \$8,000,000, payable from ad valorem taxes and from a limited pledge of a subordinate lien, which lien shall be in an amount not to exceed \$1,000, on the surplus revenues of the City's water and sewer system, bearing interest at any rate or rates not to exceed the maximum interest rate now or hereafter authorized by law, as shall be determined within the discretion of the City Council of the City at the time of issuance of the certificates of obligation, and maturing over a period not to exceed forty (40) years from the date of issuance, for the purposes of evidencing the indebtedness of the City for all or any part of the costs associated with (i) construction of improvements to and the equipment of city streets, sidewalks and related infrastructure; (ii) construction of improvements to and the equipment of city drainage facilities, (iii) the construction of improvements to and the equipment of city hall; (iv) construction of improvements to and the equipment of city parks and recreational facilities; and (v) the costs of professional services related thereto. The estimated combined principal and interest required to pay the Certificates on time and in full is \$10,140,300. Such estimate is provided for illustrative purposes only, and is based on an assumed interest rate of approximately 2.60%. Market conditions affecting interest rates vary based on a number of factors beyond the control of the City, and the City cannot and does not guarantee a particular interest rate associated with the Certificates. As of the date of this notice, the aggregate principal amount outstanding of tax-supported debt obligations of the City is \$560,000. Based on the City's expectations, as of the date of this notice, the combined principal and interest required to pay all of the outstanding tax-supported debt obligations of the City on time and in full is \$613,249.50.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY, this 1st day of June,
2020.

Betty Wells
City Secretary
City of Freeport, Texas

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
COUNTY OF BRAZORIA §

I, the undersigned officer of the City Council of the City of Freeport, Texas, hereby certify as follows:

1. The City Council of the City of Freeport, Texas, convened in a regular meeting on the 1st day of June, 2020, at the regular meeting place thereof, within said City and by telephone/video conference pursuant to the March 16, 2020 action by the Governor of the State of Texas under Section 418.016 of the Texas Government Code suspending certain provisions of the Texas Open Meetings Act, and the roll was called of the duly constituted officers and members of said City Council, to wit:

- | | |
|--------------|------------------------|
| Brooks Bass | Mayor |
| Ken Green | Council Member, Ward A |
| Jerry Cain | Council Member, Ward B |
| Sandra Loeza | Council Member, Ward C |
| Roy Yates | Council Member, Ward D |

and all of said persons were present, except the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

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was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, prevailed and carried by the following vote:

_____ Member(s) of City Council shown present voted "Aye."

_____ Member(s) of City Council shown present voted "No."

2. A true, full and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said resolution has been duly recorded in said City Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act.

SIGNED AND SEALED this 1st day of June, 2020.

[SEAL]

City Secretary
City of Freeport, Texas