



**CITY COUNCIL REGULAR MEETING
MONDAY, APRIL 3, 2023 – 6:00 P.M.
COUNCIL CHAMBERS, CITY HALL
910 S. FRIENDSWOOD DRIVE
FRIENDSWOOD, TEXAS 77546**

AGENDA

1. CALL TO ORDER

2. INVOCATION

3. PLEDGE OF ALLEGIANCE – United States and State of Texas

4. COUNCIL FOR A DAY

- A. Consider a proclamation declaring April 4, 2023, as Cline Elementary School Day in the City of Friendswood, Texas.

5. COUNCIL COMMENTS AND REPORTS

Notice is hereby given in accordance with Section 551.0415 of the Texas Government Code, the City Council of the City of Friendswood may receive reports about items of community interest from City staff and/or a member of the City Council, but no action or possible action shall be taken or discussed concerning the subject of such report.

6. PUBLIC COMMENT

In order to comply with the provisions of the Texas Open Meetings Act, the City Council may not deliberate any item not listed on the agenda, as such, the City Council will listen to public comment and may (i) refer the item to City Management for further action or (ii) direct staff for the placement of said item on a future agenda. During public comment, the public shall comply with rules of decorum.

7. APPOINTMENT OF ASSOCIATE JUDGE

- A. Consider the appointment of Judge Kathleen McCumber as an Associate Judge of the Friendswood Municipal Court to serve a term ending on June 30, 2024.

8. SPECIAL RECOGNITIONS AND ACKNOWLEDGEMENTS

- A. Present the City of Friendswood 5 Star Spirit Award for the Fourth Quarter of 2022 to Kristopher Williams in the Public Works department.

9. COMMITTEES OR SPECIAL REPORTS

- A. Receive the Keep Friendswood Beautiful Annual Report.
B. Receive the 2022 Annual Comprehensive Financial Report.
C. Receive the Fourth of July Steering Committee Annual Report.

10. WORK SESSION TOPICS

- A. Discuss the selection process for the 2023 Grand Marshal.

- B. Receive and discuss an update regarding Hunters Creek Estates.

11. CITY MANAGER'S REPORT

- A. Recognize Director of Public Works Rene Ibarra for being invited to be a panelist for the Underground Construction Technology Association for a discussion on Collection Systems.
- B. Recognize Deputy Director of Engineering Samantha Haritos for participating in a panel discussion at the Texas Floodplain Management Association conference in early March to discuss "Local Involvement in Regional Flood Planning."

12. BUSINESS ITEM

- A. Consider authorizing a Professional Services Agreement with Freese & Nichols, Inc., for the 2023 Water and Wastewater Utility Impact Fee Project (RFQ 2023-04).
- B. Consider authorizing a Professional Services Agreement with RJN Group, Inc., for the 2023 Sewer Survey Engineering Services - Wastewater Hydraulic Model Development Project.

13. PROPOSED RESOLUTIONS & ORDINANCES

- A. Consider a resolution designating Field 5 at the Corporal Steven Schulz Sportspark as "Jesse Torres Field."
- B. Consider a resolution authorizing the City Manager to execute a lease-purchase agreement with Zions Bancorporation, N.A., Salt Lake City, Utah, and approving financing terms for the purchase of an ambulance and SCBA packs for emergency medical and firefighting services within the City.
- C. Consider an ordinance amending the City's General Budget for Fiscal Year 2022-2023 by approving "Budget Amendment VI" and providing for supplemental appropriation and/or transfer of certain funds.
- D. Consider the first reading of an ordinance consenting to the rate adjustment requested by Waste Connections of Texas, LLC, d/b/a Waste Connections of Texas, to offset its increased cost in connection with performing services under the Franchise Agreement for the Collection, Hauling, Recycling and Disposal of Municipal Solid Waste and Recyclable Materials in the City of Friendswood.

14. CONSENT AGENDA

- A. Consider a resolution suspending the May 1, 2023, effective date of the proposal by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas – Texas Coast Division to implement interim grip rate adjustments for gas utility investment in 2022.
- B. Consider approving a banner permit application for Mary Queen Catholic Church to advertise its annual Mary Queen Parish Festival.
- C. Consider approving a banner permit application for The Harbor (Friendswood Community Church) to advertise its annual Easter Sunday Services.
- D. Consider authorizing a Buyout License Agreement with Janet and Ignatius Leonards for property located at 401 Richmond Lane.
- E. Consider authorizing a Buyout License Agreement with Carl J. Castoreno, II, and Rosa Maruri for property located at 5342 and 5338 Appleblossom Lane.
- F. Consider accepting the 2021-2022 Concrete Street Maintenance Program and the commencement of the contractor's one-year maintenance period.

- G. Consider authorizing the final acceptance of the Avalon at Friendswood Section 1 Public Paving and Utilities Improvements Project.
- H. Consider accepting the Bay Area Boulevard Concrete Repairs and the commencement of the contractor's one-year maintenance period.
- I. Consider accepting the Bay Area Boulevard – December 2022 Project and the commencement of the contractor's one-year maintenance period.
- J. Consider accepting the 2021-2022 Street Striping Maintenance Program and the commencement of the contractor's one-year maintenance period.
- K. Consider approving the ad valorem tax report for February 2023.
- L. Consider approving the minutes of the City Council Regular Meeting held on March 6, 2023.
- M. Consider approving the minutes of the City Council Special Meeting held on March 6, 2023.

15. EXECUTIVE SESSION

- A. Recess into and conduct an executive session pursuant to Section 551.074 "Personnel Matters" of the Texas Government Code to deliberate the annual performance evaluation of the City Manager.

16. DISCUSSION AND POSSIBLE ACTION

- A. Consider and take possible action regarding the City Manager's annual review.

17. ADJOURNMENT

PUBLIC NOTICE IS GIVEN THAT IN ADDITION TO ANY EXECUTIVE SESSION LISTED ABOVE, THE CITY COUNCIL RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME AS AUTHORIZED BY THE TEXAS GOVERNMENT CODE SECTIONS 551.071 - 551.090 TO DISCUSS ANY MATTERS LISTED ABOVE.

THE CITY OF FRIENDSWOOD IS COMMITTED TO COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT. REASONABLE ACCOMMODATIONS AND EQUAL ACCESS TO COMMUNICATIONS WILL BE PROVIDED UPON REQUEST. PLEASE CONTACT THE CITY SECRETARY'S OFFICE BY PHONE AT (281) 996-3270, FAX (281) 482-1634, OR CONTACT (281) 996-3270 VIA RELAY TEXAS AT 711 OR 1-800-735-2988 FOR TTY SERVICES. FOR MORE INFORMATION CONCERNING RELAY TEXAS, PLEASE VISIT: [HTTP://RELAYTEXAS.COM](http://RELAYTEXAS.COM).



Leticia Brysch, City Secretary
Posted in compliance with the Open Meetings Act on this
31st day of March 2023, at 3:00 p.m.



FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 02/28/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider a proclamation declaring April 4, 2023, as Cline Elementary School Day in the City of Friendswood, Texas.

Originating Department: City Secretary

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City of Friendswood's Kids' Council for a Day (the "Kids' Council") allows students to step up to the dais to replace the council and staff in order to take part in a mock governance simulation. This item will allow the selected second-grade students from Cline Elementary to participate in the Kid's Council in order to declare April 4, 2023, as Westwood Elementary School Day in the City of Friendswood, Texas.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. Cline Elementary Proclamation April 2023

PROCLAMATION
Office of the Mayor
City of Friendswood, Texas



*I, MIKE FOREMAN, by the virtue of the authority vested in me as
MAYOR of the City of Friendswood, Texas, do hereby proclaim:*

April 4, 2023

Cline Elementary Day
IN THE CITY OF FRIENDSWOOD

WHEREAS, Cline Elementary takes pride in its excellent teachers, support staff and parent volunteers that make up its learning community that celebrates each child's unique gifts; and

WHEREAS, at Cline Elementary, the learning community believes that Music, Art, Physical Education, Library, Technology, and character development are integral in developing the whole child; and

WHEREAS, education is the key to a successful life, and the staff at Cline Elementary is dedicated to providing the children of Cline Elementary with a quality education in a safe environment; and

WHEREAS, the children at Cline Elementary are engaged learners and Bucketfillers.

NOW THEREFORE, I, Mike Foreman, Mayor of the City of Friendswood, hereby declare April 4, 2023, as

Cline Elementary Day in the City of Friendswood, Texas

In testimony whereof, witness by my hand and the Seal of the City of Friendswood, this 4th day of April, 2023.

Mike Foreman, Mayor

Attest:

Leticia Brysch, City Secretary

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/22/2023

Prepared by: Karen Horner, City Attorney

Subject: Consider the appointment of Judge Kathleen McCumber as an Associate Judge of the Friendswood Municipal Court to serve a term ending on June 30, 2024.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to appoint Judge Kathleen McCumber as an Associate Judge to serve a term ending on June 30, 2024, which date is commensurate with the terms of both Judge James Woltz and Associate Judge Robert J. Brafield.

Section 4.02 (c) of the City's Charter states:

"The Council may appoint such Associate or Alternate Judges of said [municipal] court as shall be deemed necessary and appropriate by said Council. Associate or Alternate Judges shall be appointed for terms and shall possess the same qualifications as are required of the regular Judge of said court."

Judge McCumber has performed some magistrations and other judicial duties in the past for the City of Friendswood and has agreed to serve as an Associate Municipal Court Judge. She currently serves as Justice of the Peace of Galveston County Precinct 4, and the Presiding Judge of the League City Municipal Court.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 02/23/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Present the City of Friendswood 5 Star Spirit Award for the Fourth Quarter of 2022 to Kristopher Williams in the Public Works department.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City received a compliment from a resident commending Kris on his assistance with their 93-year-old neighbor with a water leak. He fixed her immediate water leak and then returned several hours later to ensure that there were no further issues. Dispatch staff further commended Kris on his performance over the most recent freeze. Dispatch was overwhelmed with water shutoff requests and Kris "He never appeared to be frustrated and we would all gladly work with him over and over again. I know we do not always get the recognition that we deserve so I wanted to take a few moments to let you know what a great employee you have with this person." During emergency events, tensions run high through the community and it is reassuring to know that our staff still delivers the highest and best service regardless.

Kris began working for the City in 2020 and is currently a Crew Leader in our Public Works department.

All of these employee's actions certainly exemplify the attributes of the Five Star Spirit Award: being Courteous, Competent, Reliable, Professional and Enthusiastic. We congratulate Kris on being the recipient of the Five Star Spirit Award and thank him for his service to our citizens!

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. 5 Star Nomination - RE_ Kris from the water department

From: [Michelle Cantu](#)
To: [Michael H. Boyett](#)
Subject: 5 Star Nomination - RE: Kris from the water department
Date: Wednesday, February 15, 2023 8:38:46 AM
Attachments: [image001.png](#)

Sorry, I meant to send this to you in December but never hit the send button.

Thank you,

Michelle Cantu
Public Works Admin Assistant
City of Friendswood
15355 Blackhawk Blvd
Friendswood, TX 77546
281-996-3381
mcantu@friendswood.com



"This e-mail contains the thoughts and opinions of Michelle Cantu and does not represent official City policy."

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From: Carol Hargis chargis@friendswood.com
Sent: Monday, December 26, 2022 10:03 AM
To: PW Admin Staff pwadminstaff@friendswood.com
Cc: Carol Hargis chargis@friendswood.com
Subject: EMPLOYEE CHRIS

I would like to acknowledge the Public Works on call person over this past weekend during the freeze. His name is Chris. Dispatch was over whelmed with water calls along with Chris and he was just so very nice and professional. We all came to know him on a first name basis and he made this situation pleasant for us and the community. He never appeared to be frustrated and we would all gladly work with him over and over again. I know we do not always get the recognition that we deserve so I wanted to take a few moments to let you know what a great employee you have with

this person.

Thanks!

Carol Hargis

Police Department Dispatch

From: Kelly L. Karas <kkaras@friendswood.com>

Sent: Monday, December 26, 2022 9:51 AM

To: PW Admin Staff <pwadminstaff@friendswood.com>

Cc: Ashley L. Hempel <ahempel@friendswood.com>; Kelly L. Karas <kkaras@friendswood.com>

Subject: Kris from the water department

Just wanted to pass on a call we received on the non-emergency number.

Linda Lambert at 4302 Saffron called to say thank you! That the City of Friendswood, specifically Kris from public works was so wonderful! He came out to assist their 93 year old neighbor who had lost her husband and son was not in the area, and was in a panic with a water leak. Kris was able to remedy this issue for her, calm her concerns and was "just so sweet". He also came back a couple of hours later to make sure it was still working.

Well done!

Kelly Karas

Dispatch

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 02/23/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Receive the Keep Friendswood Beautiful Annual Report.

Originating Department: Parks and Recreation

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to receive the Keep Friendswood Beautiful Annual Report for 2022. The report is attached to this item for your review.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. KFB 2022 Annual Report

Keep Friendswood Beautiful Annual Presentation:

I am Patty Steinke, and I currently serve as the Keep Friendswood Beautiful Chairperson. KFB is a group of 15 committee members and numerous volunteers dedicated to enhancing the aesthetic appearance of Friendswood. I would like to highlight a few of our ongoing and new projects and accomplishments.

Pollinator Garden: KFB, the Pollinator garden volunteers, student volunteers, and Wanda Murphy logged in over 3,000 hours this year which cumulatively provided \$81,600 worth of volunteer time. They weeded, planted, fertilized, and watered the area that has become a true focal point & destination, including a romantic place to propose marriage. Maroon bluebonnets from Texas A&M were planted and successfully bloomed in the garden in 2022.

Programs: Continuing programs include our \$2000 Matching Grant, which went to Quaker's Landing HOA for 2022. They used these funds to enhance their entrance. All businesses and HOAs located within the City limits of Friendswood are eligible to apply for KFB Grant Incentive Program. 2023 Applications were accepted through April 1st.

There are currently 7 Adopt a Spot beds in Stevenson Park that are maintained by groups and individuals annually. They provide regular maintenance along with adding flowers to the flower beds twice a year. This program helps save funds on the city's landscaping contract. We had three Adopt A Highway Cleanups, collecting trash from Friendswood Drive. KTB committee chair, Michael Fernandez organizes this important event for us.

Board member Mary Wise organized Fisd students to do beautification projects all over the city for the Friendswood Day of Service, which will be continued this year on April 10th. KFB will work with youth on several projects.

KFB recognized 3 Businesses for the KFB Business Beautification Award, Park Avenue Yarns, Parkwood Professional Building, and West Ranch HOA.

Education:

During the past year, our education committee conducted classes for children and their parents. The topics included leaves & fall color. We just completed a popular fairy garden workshop where children learned how to plant their own garden using succulents. KFB is also invited to local businesses, churches, and schools to provide educational information on the environment.

Fairy Trail: Our Fairy Trail has been wildly popular and serves as an educational tool. The award-winning map was designed by Katie Harris, and the trail is monitored and maintained by KFB's Shawn Potter and Parks & Rec staff. Each fairy or troll has an ecologically or socially relevant special talent, such as Apple, the Healthy Habits Fairy.

We are working with local ISD to host field trips this June, serving over 160 students, including pre-K children from Fort Bend and League City. This past summer, we dedicated a new fairy, Joy, the Wranglerettes Fairy. In return, the Wranglerettes dedicated a new bench in Stevenson Park.

Special additional characters were present in the park twice this year with their own spring & winter scavenger hunts. There is always something new on the fairy trail.

H-GAC Parks and Natural Areas Award Winner: Keep Friendswood is pleased to announce the Friendswood Fairy Trail and the Pollinator Garden in Stevenson Park were selected for recognition in the Houston-Galveston Area Council (H-GAC) annual Parks and Natural Areas Award Program.

H-GAC established the Parks and Natural Areas awards program in 2006 to highlight best practices and innovative approaches to parks planning and implementation. H-GAC honors projects in the categories of Projects Over \$500,000, Projects Under \$500,000, Planning Process/ Policy Tools, and, new in 2021, Programming.

Events:

We held our four signature **Events:**

Spring Sparkle & Fall Haul are events designed to allow residents to bring their green wastes and large trash items to Centennial Park. We offer paper shredding, metal recycling, and electronic recycling. We take donations for our biannual garage sale, with the proceeds benefiting our pollinator garden in Stevenson Park. Between the two events, 142.41 tons of trash, 5,242 lbs. of Electronics, and 13,800 lbs. of shredding were collected with 941 vehicles driving through the event. The garage sales brought in \$2,112.30. Spring Sparkle is Saturday, April 15th from 8 a.m. to 2 p.m. at Centennial Park.

At our annual Friendswood Arbor Day in January, 100 red maple, red oak, and live oaks were distributed to Friendswood residents within one hour. Planting a tree helps improve air quality, provides habitat for wildlife, provides energy savings, and reduces noise pollution.

Santa in the Park returned this year with over 8,000 people attending. The Holiday Lighted Trail returned for the third year including the letters to Santa mailbox. KFB helped write and stuff over one thousand letters from Santa which were mailed to area children.

Events:

We participated in the 4th of July Parade. Vijay Mahal organized the team to create this colorful entry for the theme "Freedom for One & All", and we won first place.

We had face painting and photo ops at Centennial Park in July for the Movie in the Park screening of Disney's "En Canto". The lead actress in the movie, Stephanie Beatriz, is a graduate of Clear Brook HS, and her parents were able to join us for the screening.

Our spring annual photo contest had over 120 entries last year making it difficult to just pick three winners. This annual event runs April 17-May 12 this year with \$850 in sponsorship prizes. 2023 photo submissions will have a wildlife theme.

GCCA Grant: We continue to work with TXDOT on our 2021 \$250K Governor's Community Achievement Award grant. We are approved for the Stevenson Park Arch, continued landscaping on Friendswood Drive from Whispering Pines to League City border, additional landscaping on Edgewood from Clear Creek to Friendswood Drive League City, and repainting of bridges including artwork. Work is scheduled to begin in August.

Figgy:

Figgy is the Keep Friendswood Beautiful mascot, a squirrel on a mission to educate everyone about keeping Friendswood beautiful and clean! Figgy is an instrumental part of the Keep Friendswood Beautiful board by participating in educational presentations, conferences, special events and is the lovable, furry face of the organization. You have probably seen Figgy at Santa in the Park, swimming lessons, and most all of our events.

Thank you:

Our committee would like to say **Thank You to the** City of Friendswood Mayor, council, and staff for your continued support. The employees of Park & Rec have been tremendous, working hard and providing creative ideas and solutions. Kimberly, James, Catherine, and Rita's diligence and professionalism are exceptional. We are especially proud that KFB coordinator Kimberly Ramirez was invited by Keep Texas Beautiful again to judge the GCAA in Austin. Due to all the effort put in this year, KFB was awarded Gold Star Status by Keep Texas Beautiful, a designation granted to 70 affiliates of KTB's nearly 300 affiliates. Gold Star recognition is the membership recognition highest status any community affiliate can achieve.

We thank you for your support, leadership, and funding, allowing us to "Keep Friendswood Beautiful".

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/21/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Receive the 2022 Annual Comprehensive Financial Report.

Originating Department: Administrative Services

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

The City Charter (Section 8.07) requires an annual audit of financial records and accounts by an independent certified public accountant. The requirement also states that the accountant provide a summary of the audit results which will be filed with the City Secretary's office for public record and in the Friendswood Public Library for public information. The annual comprehensive financial report with the auditor's opinion on the statement and the financial management practices of the City serves as the audit summary. In addition to filing the report with the City Secretary's office and at the Library, it is also submitted to the City's financial advisors, Municipal Advisory Council of Texas, bond rating agencies, bank depositories and grant funding agencies.

The annual audit and financial reporting are also a requirement by Texas Local Government Code (Section 103) and is the standard recommended by Governmental Accounting Standards Board (GASB), American Institute of Certified Public Accountants (AICPA), Government Finance Officers Association (GFOA), Generally Accepted Accounting Principles (GAAP) and Governmental Accounting, Auditing, and Financial Reporting (GAAFR). Lupe Garcia, a partner with Whitley Penn will present the 2021-2022 Annual Comprehensive Financial Report and Single Audit Report. The presentation will be a brief overview of the reports.

The City's Annual Comprehensive Financial Report for fiscal year 2021 – 2022 will be submitted to GFOA in hopes of earning the 35th consecutive Certificate of Excellence in Financial Reporting.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. City of Friendswood YE 9-30-22 ACFR Final as of 3-31-2023
2. City of Friendswood YE 9-30-22 SA Final
3. FY 2022 Audit Results (incl SAS 114) 3-21-2023



CITY OF FRIENDSWOOD, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022





CITY OF FRIENDSWOOD, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED

**Fiscal Year Ended
September 30, 2022**

Officials Issuing Report:

**Morad Kabiri
City Manager**

**Katina Hampton
Director of Administrative Services**



CITY OF FRIENDSWOOD, TEXAS

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INTRODUCTORY SECTION





CITY OF FRIENDSWOOD

March 22, 2023

The Honorable Mayor, Members of the City Council, and the Citizens of Friendswood:

The Annual Comprehensive Financial Report (ACFR) of the City of Friendswood for the fiscal year ended September 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City Charter requires an annual audit of the financial statements of all of the various funds of the City by independent certified public accountants. The accounting firm of Whitley Penn LLP has performed such an audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

Established in 1895 as a Quaker colony, the City of Friendswood is rich in heritage. The City was incorporated in 1960 and chartered a home-rule city under Texas law in 1971. The City operates under a Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and six (6) Council Members. The Mayor and Council are responsible, among other things, for passing ordinances, adopting the budget, appointing board and committee members and hiring the City Manager, City Attorney, Municipal Judge, and City Secretary. The City Manager is responsible for carrying out the policies and ordinances of the City Council and overseeing the day-to-day operations of the City government, and for appointing heads of various departments. The Mayor and Council are elected on an at-large, non-partisan basis. The Mayor and Council are elected to serve no more than four consecutive three-year terms.

The City provides a full range of municipal services including public safety (police, fire and emergency medical), maintenance of streets and infrastructure, sanitation services, maintenance of the treated waste distribution system and both sanitary and storm sewer collection transmission systems, recreational activities and cultural events as well as general administrative services.

FACTORS AFFECTING FINANCIAL CONDITION

Location

Encompassing 21 square miles, Friendswood is located in southeast Texas near the Texas Gulf Coast, between downtown Houston and Galveston, spanning across two counties – northern Galveston County and southern Harris County. The current estimated population is 42,222. Residents and visitors can access Friendswood through FM 2351, FM 518, and FM 528 (NASA Parkway). Hobby Airport and Ellington Airport are located within a 15 minute drive from Friendswood, and Bush Intercontinental Airport is just 45 minutes away. Major sectors of the area's economic base include aerospace, specialty chemicals, health care, retail, and tourism.

Community

Friendswood has been nationally recognized as one of the best places to live in the country. With low tax rates, outstanding public education, and the lowest crime rate in the region, Friendswood is the perfect place to live, work, and play. The city features beautiful parks and lush landscaping, along with a championship golf course. Children academically excel via two superior public school systems – Friendswood ISD and Clear Creek ISD. These attributes perfectly match Friendswood's affluent resident base of well-educated, high-income families. More than 50% of residents work in executive, professional, and managerial positions and generate an average household income of over \$145,000, one of the highest in the Houston area.

Business

Friendswood is the perfect choice for many types of commercial enterprises. Target markets include professional offices, retail, commercial, and light industrial developments. A key City focus is to encourage redevelopment of the downtown area and development of the City's panhandle area. City leaders have approved special tools and incentives to revitalize downtown to promote mixed-use, multi-story developments with pedestrian streetscapes and other amenities. The City offers competitive business incentives, including a municipal grant program, tax abatement that includes "green" development, freeport tax exemption, and downtown development fee waivers.

Quality Lifestyle

As with any city, the goal is planning for continued quality growth to create a well-balanced community. Friendswood offers single-family residential housing in pleasant park-like settings, tucked-away from the busy stream of vehicular traffic. Friendswood is committed to attracting more local enterprises that will complement and enhance the unique community environment that has been carefully built over the past 100 years; one that has come to be cherished by residents and business owners alike.

LONG TERM PLANNING

Budgeting Controls

The objective of the City's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by Council. The charter requires the City Manager to submit a proposed budget and an accompanying message to the City Council on or before August 1. The council shall review and revise as deemed appropriate prior to general circulation for the public hearing. The Public Notice and Hearing must be posted in the city hall and published in the official newspaper. The budget must be adopted by the 15th of September or as soon thereafter as practical. The City legally adopts annual budgets for the General, Special Revenue and Debt Service Funds. Annual and project budgets are also adopted for the Proprietary and Capital Projects Funds, respectively.

The level of budgetary control; that is, the level at which expenditures cannot legally exceed the appropriated amount, is established by department within a fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances lapse at fiscal year end, but can be re-appropriated through a budget amendment the following fiscal year. The City Manager is authorized to transfer budgeted amounts within departments in any fund, but revisions that increase the total expenditures of any fund or transfers between departments must be approved by Council.

Multi-Year Financial Planning

A Multi-Year financial plan (MYFP) was developed in 2006. Originally, staff was directed to develop a plan to forecast the City's financial condition through 2020, the projected build-out date. The first version of this plan was drafted and later reduced in scope to a five year projection.

The MYFP is based on the City's strategic planning efforts, including the Comprehensive Land Use Plan, Vision 2020 and the Capital Improvements Plan. Departmental operational plans funding requirements to provide programs and services are included in the MYFP as well. Funding needs and available resources, both current and alternative revenue enhancements, are identified. Expenditures are projected based on departmental needs assessments and are organized based on "one-time" and "on-going" expenditures. In collaboration with Council, the plan is updated at least annually and serves as the basis of budget development.

Relevant Financial Policies

As part of the annual budget process, the City adopts Financial Management Policy Statements that establish a framework for fiscal decision making and that ensure that financial resources are available to meet the present and future needs of its citizens. These statements provide guidelines for financial planning and management, addressing every major financial function and process.

Most importantly, the Financial Management Policy requires that the City maintain the General Fund unassigned fund balance at a minimum of 90 days of prior year audited operating expenditures. Any unassigned funds after the fiscal year-end audit will be allowed to accumulate to build this 90-day reserve. After the General Fund has gathered sufficient resources, additional unassigned funds will be allowed to accumulate for future General Fund capital improvements.

The Financial Management Policy also requires the minimum working capital in the Water and Sewer Fund be 90 days of prior year audited operating expenditures. Any unrestricted funds after the fiscal year-end audit will be allowed to accumulate to build this 90-day reserve. After these funds have gathered sufficient resources, additional unrestricted funds will be allowed to accumulate in working capital for future utility /operating fund capital improvements.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Friendswood for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the thirty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the annual comprehensive financial report was made possible by the dedicated service of the entire staff of the Administrative Services Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

In closing, I also express my thanks to the Mayor, members of the City Council and the City Manager for their leadership, interest and support in conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,

A handwritten signature in black ink that reads "Katina Hampton". The signature is written in a cursive, flowing style.

Katina Hampton
Director of Administrative Services

CITY OF FRIENDSWOOD, TEXAS**PRINCIPAL OFFICIALS****September 30, 2022**

Elected Officials	Position	Term Expires
Mike Foreman	Mayor	May 2024
Steve Rockey	Council Member - Position No. 1	May 2024
Sally Branson	Council Member - Position No. 2	May 2023
Trish Hanks	Council Member - Position No. 3	May 2024
Robert J. Griffon	Council Member - Position No. 4	May 2025
John H. Scott	Council Member - Position No. 5	May 2023
Brent Erenwert	Council Member - Position No. 6	May 2025

Key Staff**Position**

Morad Kabiri	City Manager
Steven Rhea	Assistant City Manager
Katina Hampton	Director of Administrative Services
Aubrey Harbin	Director of Community Development
Jildardo Arias	Director of Engineering
Matt Riley	Library Director
Brian Mansfield	Fire Marshal/Emergency Management Coordinator
Haley Brown	Director of Human Resources
James O'Brien	Director of Information Technology
Rene Ibarra	Director of Public Works
James Toney	Director of Parks and Recreation
Leticia Brysch	City Secretary
Robert B. Wieners	Police Chief
Karen Horner	City Attorney
James W. Woltz	Judge - Municipal Court



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Friendswood
Texas**

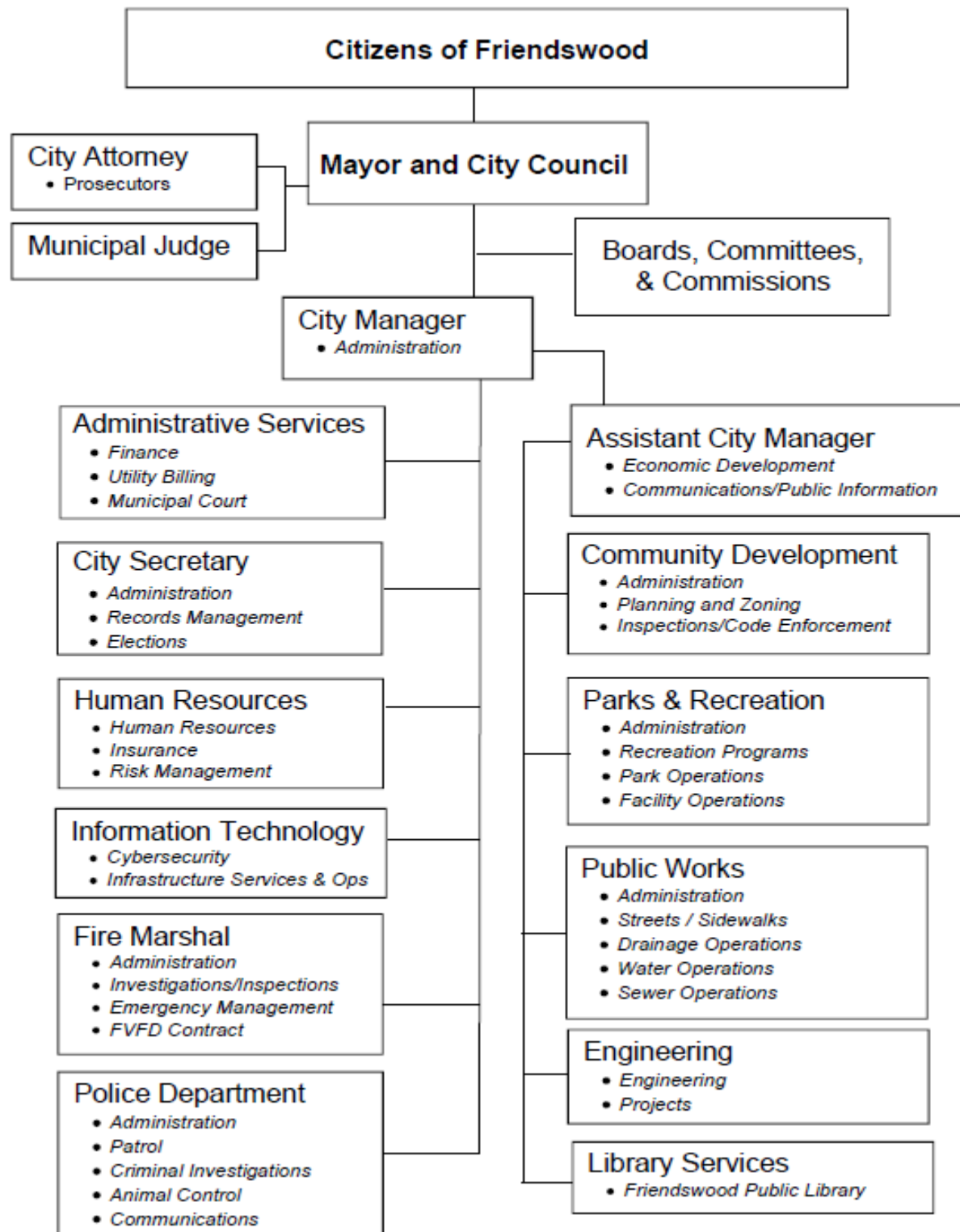
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF FRIENDSWOOD, TEXAS
ORGANIZATIONAL CHART





FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of City Council
City of Friendswood, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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 City of Friendswood, Texas (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of West Ranch Management District, a discretely presented component unit of the City, which represents 81%, 100%, and 76%, respectively, of the assets, liabilities, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it related to the amounts included for West Ranch Management District, is based solely on the report of the other auditors. The financial statements of West Ranch Management District were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, general fund budgetary comparison schedule, pension information, and other-post employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor and
Members of the City Council
City of Friendswood, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
March 22, 2023



CITY OF FRIENDSWOOD, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

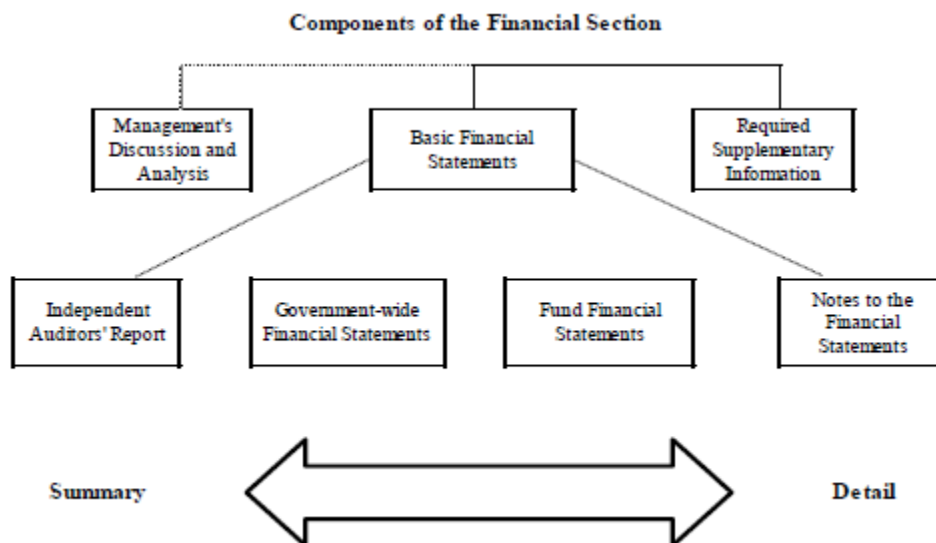
As management of the City of Friendswood, Texas ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. Please read this information in conjunction with the basic financial statements that follow this section.

Financial Highlights

Some of the City's financial highlights for the fiscal year ending September 30, 2022 include:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$138,408,783.
- The City's total net position increased during the year by \$10,173,322. The City's net pension and total OPEB liabilities were \$5.2 million and \$1.9 million, respectively. The net pension liability and total OPEB liability decreased by \$4.6 million and \$11.8 thousand, respectively, compared to the prior year.
- As of the close of the current fiscal year, the City reported unrestricted net position of \$20,445,699.
- Program revenues of \$26,019,424 reduced the net cost of the City's functions to be financed from the City's general revenues to \$24,836,928 .

Overview of the Financial Statements



This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

CITY OF FRIENDSWOOD, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Government-wide Financial Statements

The government-wide financial statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or significant portion of their costs through user fees (business-type activities).

- Governmental activities – Most of the City's basic services are reported here including general government (mayor and council, city secretary, city manager, administrative services, human resources, and information technology); public safety (police and fire marshal); engineering (capital projects administration); public works (streets and drainage); community development (building inspection and planning and zoning); parks and recreation (parks, facility operations and community activities) and library. Interest payments on the City's debt and internal lease payments are also reported here. Property tax, sales tax, franchise taxes, municipal court fines and permit fees finance most of the activities.
- Business-type activities – Services involving a fee for those services, which include the City's water and sewer system are reported here.
- Component Units – Activities of the West Ranch Management District and Friendswood Downtown Economic Development Corporation.

Fund Financial Statements

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City uses two fund types – governmental and proprietary.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements with the exclusion of internal service fund activity. However, unlike the government-wide financial statements, governmental funds focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains fourteen governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Coronavirus State and Local Fiscal Recovery Fund, Bond Construction Fund, and Debt Service Fund, which are considered to be major funds. The other ten funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements found in this report.

Proprietary Funds

The City maintains two types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its operation in water distribution and wastewater collection/treatment along with its water and wastewater impact fees, and water construction projects. Management would note that trash collection services are provided by a franchise agreement.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for fleet management services. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information ("RSI"). The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided as RSI to demonstrate compliance with this budget. RSI can be found after the notes to the financial statements. The RSI also includes schedules related to the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining and individual fund financial statements and schedules that further support the information in the financial statements are presented immediately following the required supplementary information.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$138,408,783 as of September 30, 2022 in the primary government, which is an increase in the City's overall financial position compared to the prior year.

The largest portion of the City's net position (79.5%) reflects its investments in capital assets (e.g., land, buildings and improvements, machinery and equipment, infrastructure, water and sewer system, construction in progress and water rights); less any debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Position.

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 48,901,051	\$ 44,538,331	\$ 42,738,547	\$ 48,888,658	\$ 91,639,598	\$ 93,426,989
Capital assets	115,612,347	108,518,265	71,551,212	62,808,555	187,163,559	171,326,820
Total Assets	164,513,398	153,056,596	114,289,759	111,697,213	278,803,157	264,753,809
Deferred Outflows of Resources	3,221,061	2,969,271	1,002,527	1,023,421	4,223,588	3,992,692
Total Assets and Deferred Outflows of Resources	167,734,459	156,025,867	115,292,286	112,720,634	283,026,745	268,746,501
Long-term liabilities	57,337,086	62,989,424	60,296,656	64,349,995	117,633,742	127,339,419
Other Liabilities	16,380,206	8,080,805	3,611,658	2,429,773	19,991,864	10,510,578
Total Liabilities	73,717,292	71,070,229	63,908,314	66,779,768	137,625,606	137,849,997
Deferred Inflows of Resources	6,282,137	2,336,852	710,219	324,191	6,992,356	2,661,043
Net Position:						
Net investment in capital assets	74,006,329	72,240,727	35,999,342	32,910,959	110,005,671	105,151,686
Restricted	5,059,835	3,491,974	2,897,578	2,721,465	7,957,413	6,213,439
Unrestricted	8,668,866	6,886,085	11,776,833	9,984,251	20,445,699	16,870,336
Total Net Position	\$ 87,735,030	\$ 82,618,786	\$ 50,673,753	\$ 45,616,675	\$138,408,783	\$128,235,461

A portion of the primary government's net position, \$7,957,413 or 5.7%, represents resources that are subject to external restrictions on how they may be used. These restrictions include monies accounted for in special revenue funds for which the use is legally restricted and capital project funds. The remaining balance of unrestricted net position, \$20,445,699 or 14.8%, may be used to meet the City's ongoing obligations to citizens and creditors.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The following table provides a summary of the City's changes in net position.

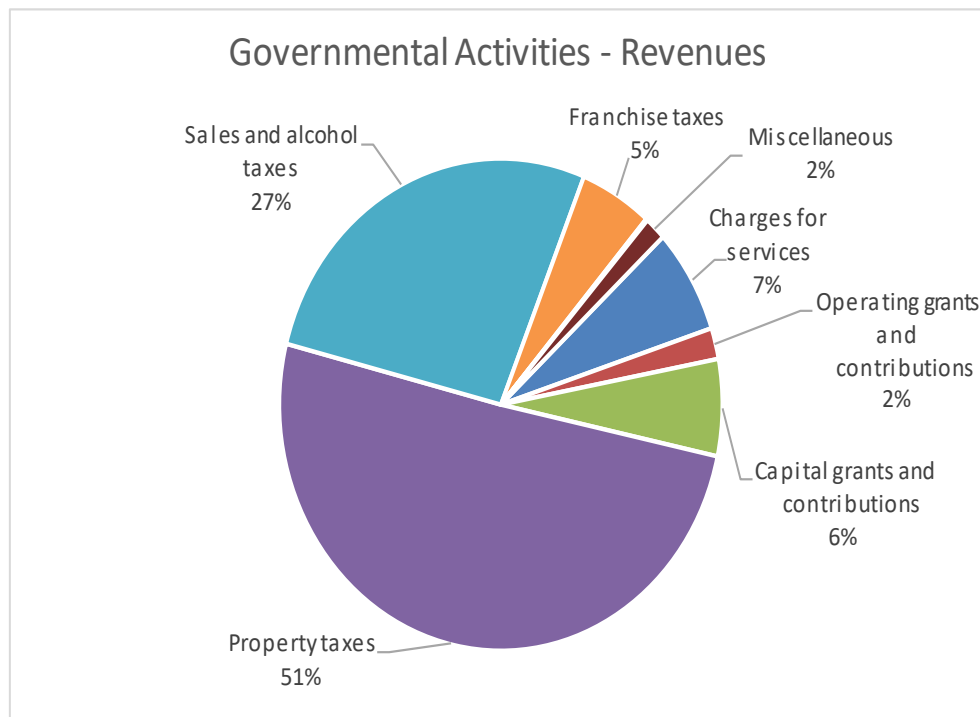
	Governmental Activities		Business Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for services	\$ 2,848,589	\$ 2,853,702	\$ 19,419,622	\$ 17,919,751	\$ 22,268,211	\$ 20,773,453
Operating grants and contributions	841,537	3,874,866	289,181	-	1,130,718	3,874,866
Capital grants and contributions	2,620,495	3,864,589	-	-	2,620,495	3,864,589
General Revenues:						
Property taxes	20,845,938	19,163,858	-	-	20,845,938	19,163,858
Sales and alcohol taxes	11,176,190	9,915,046	-	-	11,176,190	9,915,046
Franchise taxes	2,170,152	2,090,001	-	-	2,170,152	2,090,001
Investment earnings	49,151	50,805	130,401	43,099	179,552	93,904
Miscellaneous	638,418	390,533	-	-	638,418	390,533
Total Revenues	41,190,470	42,203,400	19,839,204	17,962,850	61,029,674	60,166,250
Expenses						
General government	6,210,336	5,867,654	-	-	6,210,336	5,867,654
Public safety	15,655,859	15,645,527	-	-	15,655,859	15,645,527
Public works	6,994,042	7,160,229	-	-	6,994,042	7,160,229
Engineering	570,098	506,959	-	-	570,098	506,959
Community development	1,017,509	1,035,202	-	-	1,017,509	1,035,202
Parks and recreation	4,870,623	4,604,943	-	-	4,870,623	4,604,943
Library services	1,283,007	1,221,740	-	-	1,283,007	1,221,740
Water and sewer	-	-	11,124,562	11,864,245	11,124,562	11,864,245
Interest on long-term debt	1,268,435	1,244,881	1,861,881	1,808,120	3,130,316	3,053,001
Total Expenses	37,869,909	37,287,135	12,986,443	13,672,365	50,856,352	50,959,500
Increase (decrease) in net position						
before transfers	3,320,561	4,916,265	6,852,761	4,290,485	10,173,322	9,206,750
Transfers	1,795,683	1,541,853	(1,795,683)	(1,541,853)	-	-
Change in net position	5,116,244	6,458,118	5,057,078	2,748,632	10,173,322	9,206,750
Net Position - Beginning	82,618,786	76,160,668	45,616,675	42,868,043	128,235,461	119,028,711
Net Position - Ending	\$ 87,735,030	\$ 82,618,786	\$ 50,673,753	\$ 45,616,675	\$138,408,783	\$128,235,461

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

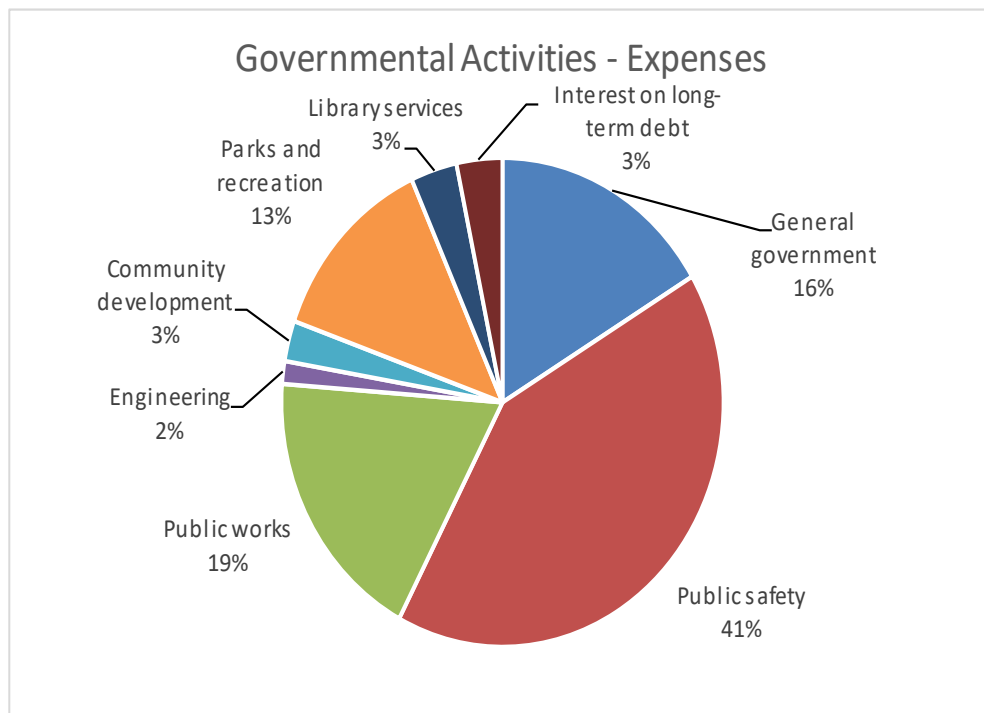
Governmental Activities

Governmental activities increased the City's net position by \$5,116,244. Key elements of this change are as follows:

- Property taxes continue to be the City's largest revenue source. Property tax revenue increased by \$1,682,080 primarily due to new construction within the City to cover operating expenses, deferred facilities maintenance, deferred equipment purchases and debt service obligations.
- Sales and alcohol tax revenue remained strong during fiscal year 2022, providing a 12.72% increase for the year, from \$9.9 million to \$11.2 million. This increase is primarily a result of commercial growth and inflation.
- Operating grants and contributions decreased \$3,033,329 from the prior year. This decrease is primarily a result of the City being awarded \$2.5 million in public assistance grant funds related to Hurricane Harvey in the prior year.
- Capital grants and contributions decreased \$1,244,094 from the prior year. In the prior year, Flood Mitigation Assistance funds of \$1.9 million were received for the acquisition and demolition of flood-prone properties.
- Overall, total expenses increased \$0.6 million from the prior year. The largest increase of \$342,682 was in General Government which was primarily a result of software support service expenses in the current fiscal year. Parks and Recreation had the next largest increase of \$265,680 as a result of facility maintenance items previously deferred.



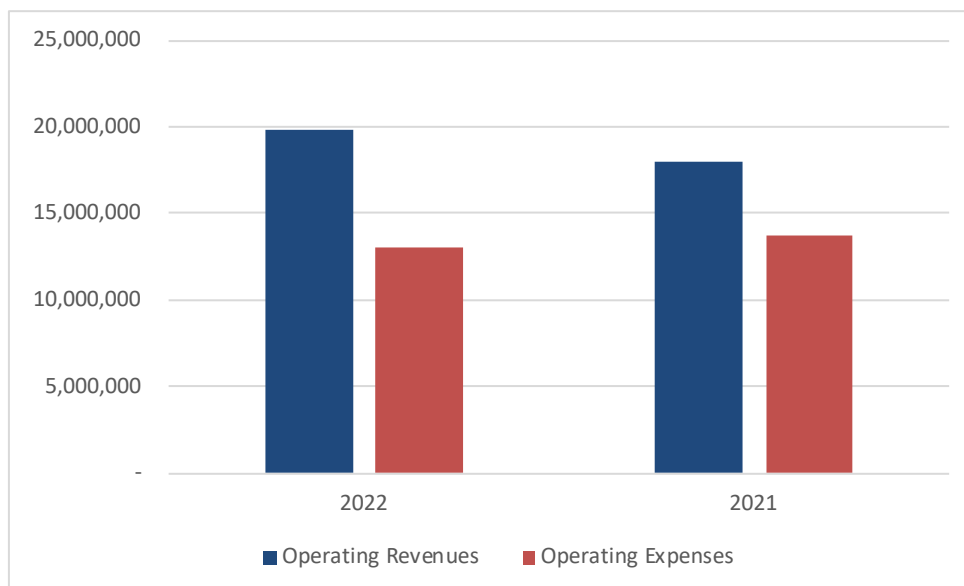
CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)



Business-Type Activities

Business-type activities increased the City's net position by \$5,057,078. Key elements of this change are as follows:

- Revenues increased by \$1.9 million or 10.4% resulting from an increase in utility rates and consumption due to drought like conditions. Expenses decreased \$686 thousand which was primarily a result of a decrease in the CIP billings for the Southeast Water Purification Plant offset by engineering costs for the upgrade of Blackhawk WWTP Aeration project.



CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$29,958,067. Approximately 39.45% of this amount or \$11,817,954 is unassigned fund balance; however, \$7.9 million is set aside for the 90-day operating reserve, as set forth in the City's financial policies.

The remaining \$18,140,113 is nonspendable, restricted, or assigned as follows:

0.91% - Nonspendable	
Prepaid items	\$ 260,457
Permanent fund	11,093
Total Nonspendable	<u>\$ 271,550</u>
44.07% - Restricted	
Public education and government channels	\$ 460,154
Debt service	46,375
Municipal court operations	282,910
Public safety operations	674,536
Capital projects	11,737,088
Total Restricted	<u>\$ 13,201,063</u>
15.58% - Assigned	
Subsequent year's budget appropriation of fund balance	\$ 3,396,348
Capital projects	1,271,152
Total Assigned	<u>\$ 4,667,500</u>

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance reached \$17.4 million of which unassigned fund balance of the General Fund was \$12.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 35.0% of total General Fund expenditures, while total fund balance represents 50.6% of that same amount. At year end, the City's operating reserve was \$7.9 million, representing 25% of total General Fund expenditures, excluding capital expenditures.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Key differences between last year's General Fund activity and this year's include:

- \$0.4 million decrease in total revenues - This decrease is primarily related to a decrease in intergovernmental revenue as a result of the City receiving \$2.5 million in public assistance grants in the prior year. This decrease is offset by an increase in property taxes of \$1.2 million due to new construction to fund operating expenditures. In addition, sales tax revenue increased \$1.0 million as a result of commercial growth and inflation.
- \$1.0 million increase in total expenditures - This increase can be attributed to \$587 thousand in Parks and Recreation resulting from maintenance cost previously deferred, \$532 thousand in Public Safety as a result of increased personnel costs, \$444 thousand in Public Works due to repairs and maintenance in the streets division and \$444 thousand in general government resulting from increased personnel costs and other services and charges. These increases were offset by a decrease of \$1.2 million in capital improvements due to in the purchase of a building in the prior year to house the Public Works, Engineering and the Operations Division of Parks and Recreation.

The Coronavirus State and Local Fiscal Recovery Fund received an additional \$5.0 million in funding in fiscal year 2022. This amount is unearned revenue and will be expended in fiscal year 2023.

The fund balance of the Bond Construction Fund was \$8,152,712, a decrease of \$7,059,803 compared to the prior year. This decrease is related to cost incurred for the renovation of the Public Safety building, the construction of new Fire Station #2 and drainage related projects.

The Debt Service Fund had a total fund balance of \$46,375 at the end of the fiscal year, all of which is restricted for the payment of debt service. The net increase in the Debt Service fund balance during the year was \$35,767.

Other non-major governmental funds fund balance increased by \$1,647,379. This increase is primarily a result of a sales tax collections for the Street Improvement fund exceeding improvement cost by \$1.9 million.

Proprietary Funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the year, unrestricted net position was \$11.8 million for the Water and Sewer Fund. The total increase in the net position of the Water and Sewer Fund was \$5,057,078. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

Unrestricted net position of the Internal Service Fund was \$910,808. The net position of the Internal Service Fund increased by \$569,274 resulting from lease revenue from the City's participating funds.

General Fund Budgetary Highlights

The City made revisions to the original appropriations approved by the City Council. Budgeted revenues increased by \$61,717 or 0.21% and budgeted expenditures were increased by \$7,114,700 or 21.48%.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Total revenues were above budget by \$1,252,321. The more significant variances are detailed below:

- \$818,456 over budget in sales and mixed beverage taxes as a result of commercial growth and inflation.
- \$244,324 over budget in franchise taxes as a result of increased gas and electric franchise fees and the receipt of unbudgeted Public Education and Government (PEG)/In-Kind fees.
- \$120,083 below budget in fines and forfeitures due to a decrease in number of tickets written for traffic violations.
- \$124,363 over budget in permits due to an increase in commercial and residential growth.

Total expenditures of the General Fund were \$6.0 million below the final expenditure budget. The more significant variances are detailed below:

- \$761,530 below budget in general government expenditures as a result of an decrease in other services and charges (legal, contract, consulting, etc.).
- \$980,287 below budget in public safety expenditures as a result of personnel vacancies in the patrol division. Also, the implementation of new public safety software included in the budget was not complete at the end of the fiscal year.
- \$3,875,714 below budget in capital improvements due to projects either not being started or completed in the current fiscal year. These projects are primarily related to facility and streets improvements.

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of September 30, 2022 is \$187.2 million. The investment in capital assets include land, buildings and improvements, machinery and equipment, infrastructure, water and sewer system, water rights and construction in progress.

Major capital events during the year included the following:

- Business-type improvements include the completion of 42" Southeast Transmission Phases I-III which is a cost share project with the City of Houston and several other government entities for \$3,609,532. The Sanitary Sewer Assessment Phases V-VI were also completed in FY22 for \$203,726.
- To accommodate future flood mitigation projects, the City purchased ten properties for a total cost of \$2,660,075. Grant funds covered a majority of the acquisition costs.
- Heavy equipment purchases included two backhoes, an excavator, and a Freightliner M2106 Truck with loader for a total cost of \$672,548.
- The City accepted completion of four sidewalk infrastructure projects at Leisure Lane, a portion of FM 518 along with TXDOT, a sidewalk at Cline Elementary, and a portion of sidewalk at Friendswood Parkway. The total cost of the sidewalk projects was \$160,894.
- As part of the Public Safety Building expansion project, computer and server equipment for the Police Department as well as furniture and fixtures for the Emergency Operations Center upgrade totaled \$330,972.
- Several improvements were made to City parks including the completion of a new walking trail at Stevenson Park for \$445,931, a perimeter fence at Renwick Park for \$38,000, and playground equipment at Stevenson Park and Old City Park for \$80,435. Bay Area Park had a new security light installed for a cost of \$8,886.
- The library received conference room audio and video equipment for a cost of \$177,486 purchased with PEG fees.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- The City purchased 15 new vehicles and the equipment to upfit an additional seven vehicles. Public Safety received 8 of the new vehicles, upfit for one vehicle purchased in FY21, and the upfit equipment for an additional 6 vehicles for a total cost of \$588,290. EMS purchased a new ambulance for a total cost of \$163,000. The Fire Marshal's office purchased a new vehicle with a cost of \$52,981. Engineering purchased a new vehicle with a cost of \$47,348. Public Works purchased three new vehicles for a total cost of \$177,921. The Parks & Recreation department purchased one new vehicle with a cost of \$42,589.
- The following major projects are in Construction in Progress at the end of fiscal year 2022: Blackhawk Building Renovation, Fire Station #2, Public Safety Building, Centennial Park Wall, Utility Relocation at Clear Creek Utility Bridge, Forest Bend Detention Pond, Water System Improvement Study & Engineering, Lift Station Mitigation Program, and Automated Water Meter installation.

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 32,355,840	\$ 29,695,765	\$ 319,473	\$ 319,473	\$ 32,675,313	\$ 30,015,238
Buildings and improvements	22,938,656	23,862,519	318,849	338,606	23,257,503	24,201,125
Machinery and equipment	7,845,397	7,014,572	2,596,552	2,658,943	10,441,949	9,673,515
Infrastructure	43,675,282	46,509,824	38,970,139	36,904,531	82,645,423	83,414,355
Water rights	-	-	19,716,695	19,716,695	19,716,695	19,716,695
Construction in progress	8,797,172	1,435,585	9,629,504	2,870,307	18,426,676	4,305,892
	<u>\$ 115,612,347</u>	<u>\$ 108,518,265</u>	<u>\$ 71,551,212</u>	<u>\$ 62,808,555</u>	<u>\$ 187,163,559</u>	<u>\$ 171,326,820</u>

More detailed information on the City's capital assets is presented in Note 4 to the financial statements.

Debt Administration

At the end of the current fiscal year, the City had a total bonded debt, premiums and notes payable obligation of \$109.3 million.

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 43,950,000	\$ 46,265,000	\$ 18,635,000	\$ 20,300,000	\$ 62,585,000	\$ 66,565,000
Revenue bonds	-	-	35,630,000	37,080,000	35,630,000	37,080,000
Premium on bond issuance	3,193,902	3,544,358	5,264,036	5,666,291	8,457,938	9,210,648
Notes payable	2,613,729	1,681,809	-	-	2,613,729	1,681,809
	<u>\$ 49,757,631</u>	<u>\$ 51,491,167</u>	<u>\$ 59,529,036</u>	<u>\$ 63,046,291</u>	<u>\$ 109,286,667</u>	<u>\$ 114,537,457</u>

The City's General Obligation and Revenue Bonds bond ratings are listed below:

	Standard & Poor's
General Obligation Bonds	AA+
Revenues Bonds	AA-

More detailed information about the City's outstanding debt can be found in Note 5 to the financial statements.

CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Factors and Next Year's Budgets and Rates

Friendswood continues to experience moderate growth. The City's current population is estimated to be 42,222. Friendswood is expected to reach build out with an estimated population of 58,012. The City is continuing to focus on economic development initiatives, including the revitalization of downtown and commercial development. These commercial development projects include a medical office building and another building that will include 30 hotel rooms, retail and office space as well as 30 multifamily units. In addition, to commercial growth the City is also experiencing residential growth with several large master-planned communities in progress or in the planning stages.

The City's largest single source of revenue in the General Fund continues to be ad valorem taxes. The adopted budget for fiscal year 2023 has a tax rate of \$0.487314 per \$100 taxable value. This rate consists of a maintenance and operation (M&O) tax rate of \$0.388560 and an interest and sinking (debt service) tax rate of \$0.098754. The rate was set based on a net assessed value of \$4,614,143,928. This is an increase of \$187,212,608 above certified values including supplemental rolls for tax year 2021. The City's financial management policy sets the guideline to maintain the fund balance and net position of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position from unforeseeable emergencies.

The City second largest source of revenue in the General Fund is sales tax. The City anticipates an increase in this revenue stream from the prior year and has adjusted the budget from \$8,095,816 to \$8,621,519. The franchise fees budget increased from \$1,925,828 to \$2,044,100 and the budget for licenses and permits has been increased from \$823,839 to \$873,730. If all projections are accurate, the total General Fund unassigned fund balance net of the 90 day operating requirement (\$7.9 million) is estimated to be approximately \$3.6 million at September 30, 2023.

Water revenues are budgeted at \$8,548,086 which is an increase of \$347,583 in revenues, or 4.23 percent. Sewer revenues are budgeted at \$9,037,580 which is an increase of \$160,112 or 1.8 percent. Water and Sewer Fund unrestricted net position, net of the 90 day operating requirement (\$2.3 million) is projected to be \$7.4 million at the end of fiscal year 2023.

Pursuant to the City's financial management policy, funds in excess of the 90 day operating reserve are designated for future capital improvements.

Requests for Information

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finance and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact Administrative Services, P.O. Box 1288, Friendswood, Texas 77549-1288, or call Katina Hampton at 281-996-3221, or email khampton@friendswood.com.

Separately issued financial statements for the West Ranch Management District can be obtained by writing to: West Ranch Management District, a Component Unity of the City of Friendswood, c/o Allen Boone Humphries LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

BASIC FINANCIAL STATEMENTS



CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF NET POSITION
September 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	West Ranch Management District	Friendswood Downtown EDC
Assets					
Cash and cash equivalents	\$ 10,434,204	\$ 4,313,653	\$ 14,747,857	\$ 240,532	\$ 818,732
Investments	31,130,049	10,374,899	41,504,948	4,250,759	1,969,545
Receivables, net of allowances					
Taxes	3,055,805	-	3,055,805	10,674	142,602
Leases	1,021,537	-	1,021,537	-	-
Customer accounts	451,998	3,989,589	4,441,587	-	-
Other	734,354	-	734,354	-	-
Accrued interest	17,409	8,258	25,667	32	1,496
Due from other governments	1,795,238	-	1,795,238	-	-
Prepaid items	260,457	63,224	323,681	-	-
Working capital deposit	-	571,884	571,884	-	-
Restricted investments	-	23,417,040	23,417,040	-	-
Capital Assets:					
Non-depreciable	41,153,012	29,665,672	70,818,684	7,762,414	-
Depreciable, net	74,459,335	41,885,540	116,344,875	356,185	-
Total Capital Assets	115,612,347	71,551,212	187,163,559	8,118,599	-
Total Assets	164,513,398	114,289,759	278,803,157	12,620,596	2,932,375
Deferred Outflows of Resources					
Deferred loss on issuance of refunding bonds	54,715	587,418	642,133	287,109	-
Deferred outflow of resources for pensions	2,849,672	368,093	3,217,765	-	-
Deferred outflow of resources for OPEB	316,674	47,016	363,690	-	-
Total Deferred Outflows of Resources	3,221,061	1,002,527	4,223,588	287,109	-
Total Assets and Deferred Outflows of Resources	167,734,459	115,292,286	283,026,745	12,907,705	2,932,375
Liabilities					
Accounts payable	4,850,034	2,694,826	7,544,860	101,485	753
Accrued liabilities	811,325	161,042	972,367	-	-
Retainage payable	442,341	5,797	448,138	-	-
Accrued interest	118,802	179,563	298,365	239,053	-
Unearned revenue	10,003,026	-	10,003,026	-	-
Customer deposits	8,080	570,430	578,510	-	-
Due to other governments	146,598	-	146,598	-	-
Noncurrent liabilities:					
Due within one year	3,331,788	3,246,882	6,578,670	865,000	-
Due in more than one year	47,570,186	56,391,564	103,961,750	18,448,638	-
Net pension liability	4,747,707	410,084	5,157,791	-	-
Total OPEB liability	1,687,405	248,126	1,935,531	-	-
Total Liabilities	73,717,292	63,908,314	137,625,606	19,654,176	753
Deferred Inflows of Resources					
Deferred gain on issuance of refunding bonds	55,814	27,292	83,106	-	-
Deferred Inflows of resources for leases	1,011,689	-	1,011,689	-	-
Deferred Inflows of resources for pensions	4,884,186	630,892	5,515,078	-	-
Deferred Inflows of resources for OPEB	330,448	52,035	382,483	-	-
Total Deferred Inflows of Resources	6,282,137	710,219	6,992,356	-	-
Net Position					
Net investment in capital assets	74,006,329	35,999,342	110,005,671	5,331,558	-
Restricted for:					
Public education and government channels	460,154	-	460,154	-	-
Debt service	46,375	2,521,137	2,567,512	1,991,706	-
Municipal court operations	283,301	-	283,301	-	-
Economic development	-	-	-	-	2,931,622
Public safety	674,536	-	674,536	-	-
Community development - nonexpendable	11,093	-	11,093	-	-
Capital projects	3,584,376	376,441	3,960,817	54,638	-
Unrestricted	8,668,866	11,776,833	20,445,699	(14,124,373)	-
Total Net Position	\$ 87,735,030	\$ 50,673,753	\$ 138,408,783	\$ (6,746,471)	\$ 2,931,622

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Page 1 of 2

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities:				
General government	\$ 6,210,336	\$ 974,029	\$ 16,000	\$ -
Public safety	15,655,859	1,197,570	789,849	-
Public works	6,994,042	234,103	-	2,620,495
Engineering	570,098	-	-	-
Community development	1,017,509	1,238	-	-
Parks and recreation	4,870,623	441,649	35,688	-
Library services	1,283,007	-	-	-
Interest on long-term debt	1,268,435	-	-	-
Total Governmental Activities	<u>37,869,909</u>	<u>2,848,589</u>	<u>841,537</u>	<u>2,620,495</u>
Business-type Activities:				
Water and sewer	12,986,443	19,419,622	289,181	-
Total Business-type Activities	<u>12,986,443</u>	<u>19,419,622</u>	<u>289,181</u>	<u>-</u>
Total Primary Government	<u>50,856,352</u>	<u>22,268,211</u>	<u>1,130,718</u>	<u>2,620,495</u>
Component Units				
West Ranch Management District	1,036,725	-	-	-
Friendswood Downtown EDC	36,449	-	-	-
Total Component Units	<u>\$ 1,073,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Page 2 of 2

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	West Ranch Management District	Friendswood Downtown EDC
Primary government					
Governmental Activities:					
General government	\$ (5,220,307)	\$ -	\$ (5,220,307)	\$ -	\$ -
Public safety	(13,668,440)	-	(13,668,440)	-	-
Public works	(4,139,444)	-	(4,139,444)	-	-
Engineering	(570,098)	-	(570,098)	-	-
Community development	(1,016,271)	-	(1,016,271)	-	-
Parks and recreation	(4,393,286)	-	(4,393,286)	-	-
Library services	(1,283,007)	-	(1,283,007)	-	-
Interest on long-term debt	(1,268,435)	-	(1,268,435)	-	-
Total Governmental Activities	(31,559,288)	-	(31,559,288)	-	-
Business-type Activities:					
Water and sewer	-	6,722,360	6,722,360	-	-
Total Business-type Activities	-	6,722,360	6,722,360	-	-
Total Primary Government	(31,559,288)	6,722,360	(24,836,928)	-	-
Component Units					
West Ranch Management District				(1,036,725)	-
Friendswood Downtown EDC				-	(36,449)
Total Component Units				(1,036,725)	(36,449)
General revenues:					
Taxes:					
Property taxes	20,845,938	-	20,845,938	2,314,093	-
Franchise and other taxes	2,170,152	-	2,170,152	-	-
Sales taxes	11,176,190	-	11,176,190	-	736,129
Interest	49,151	130,401	179,552	13,385	(855)
Miscellaneous	638,418	-	638,418	-	-
Transfers	1,795,683	(1,795,683)	-	-	-
Total General Revenues and Transfers	36,675,532	(1,665,282)	35,010,250	2,327,478	735,274
Change in net position	5,116,244	5,057,078	10,173,322	1,290,753	698,825
Net Position - Beginning	82,618,786	45,616,675	128,235,461	(8,037,224)	2,232,797
Net Position - Ending	\$ 87,735,030	\$ 50,673,753	\$ 138,408,783	\$ (6,746,471)	\$ 2,931,622

CITY OF FRIENDSWOOD, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2022

	General Fund	Coronavirus State Fiscal Recovery Fund	Bond Construction	Debt Service Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 5,650,255	\$ 2,935,831	\$ 9,982	\$ 43,584	\$ 1,513,649	\$ 10,153,301
Investments	10,075,984	7,062,450	9,572,206	104,845	3,638,822	30,454,307
Receivables, net of allowance:						
Taxes	2,573,880	-	-	54,119	427,806	3,055,805
Leases	1,021,537	-	-	-	-	1,021,537
Customer accounts	449,301	-	-	-	2,697	451,998
Other receivables	730,696	-	-	-	3,658	734,354
Accrued interest	10,945	3,079	-	681	2,135	16,840
Due from other funds	1,157,730	-	996,000	-	-	2,153,730
Due from other governments	44,063	-	-	-	1,751,175	1,795,238
Prepaid items	260,066	-	-	-	391	260,457
Total Assets	\$ 21,974,457	\$ 10,001,360	\$ 10,578,188	\$ 203,229	\$ 7,340,333	\$ 50,097,567
Liabilities, Deferred Inflows and Fund Balances						
Liabilities:						
Accounts payable	\$ 1,879,444	\$ -	\$ 2,051,195	\$ 104,181	\$ 768,808	\$ 4,803,628
Accrued liabilities	811,325	-	-	-	-	811,325
Due to other governments	146,598	-	-	-	-	146,598
Customer deposits	8,080	-	-	-	-	8,080
Retainage payable	29,580	-	374,281	-	38,480	442,341
Due to other funds	-	-	-	-	2,153,730	2,153,730
Unearned revenue	-	10,003,026	-	-	-	10,003,026
Total Liabilities	2,875,027	10,003,026	2,425,476	104,181	2,961,018	18,368,728
Deferred Inflows of Resources:						
Unavailable revenue	702,654	-	-	52,673	3,756	759,083
Leases	1,011,689	-	-	-	-	1,011,689
Total Deferred Inflows of resources	1,714,343	-	-	52,673	3,756	1,770,772
Fund Balances:						
Nonspendable:						
Prepaid items	260,066	-	-	-	391	260,457
Permanent fund	-	-	-	-	11,093	11,093
Restricted:						
Public education and government channels	460,154	-	-	-	-	460,154
Municipal court operations	-	-	-	-	282,910	282,910
Debt service	-	-	-	46,375	-	46,375
Public safety	-	-	-	-	674,536	674,536
Capital projects	-	-	8,152,712	-	3,584,376	11,737,088
Assigned:						
Subsequent year's budget appropriation of fund balance	3,396,348	-	-	-	-	3,396,348
Capital projects	1,271,152	-	-	-	-	1,271,152
Unassigned	11,997,367	(1,666)	-	-	(177,747)	11,817,954
Total Fund Balances	17,385,087	(1,666)	8,152,712	46,375	4,375,559	29,958,067
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,974,457	\$ 10,001,360	\$ 10,578,188	\$ 203,229	\$ 7,340,333	\$ 50,097,567

CITY OF FRIENDSWOOD, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2022

Total fund balance, governmental funds	\$ 29,958,067
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	113,247,160
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The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	3,275,995
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Some liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Bonds and certificates of obligation payable	(43,950,000)
Notes payable	(2,613,729)
Compensated absences	(1,144,343)
Accrued interest payable	(118,802)
Unamortized premium on bonds	(3,193,902)

Unavailable revenues in the governmental fund statements is recognized as revenue in the government-wide financial statements.	759,083
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Deferred gain on refunding	(55,814)
Deferred loss on refunding	54,715

Certain other long-term assets and liabilities are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Net pension liability	(4,747,707)
Total OPEB liability	(1,687,405)
Deferred outflows and inflows of resources related to the net pension liability	(2,034,514)
Deferred outflows and inflows of resources related to the total OPEB liability	<u>(13,774)</u>

Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 87,735,030</u>
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CITY OF FRIENDSWOOD, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

	General Fund	Coronavirus State Fiscal Recovery Fund	Bond Construction	Debt Service Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 16,475,894	\$ -	\$ -	\$ 4,370,044	\$ -	\$ 20,845,938
Sales taxes	8,967,803	-	-	-	2,208,387	11,176,190
Franchise fees and other	2,170,152	-	-	-	-	2,170,152
Fines and forfeitures	969,344	-	-	-	83,596	1,052,940
Permits and fees	1,789,147	-	-	-	58,838	1,847,985
Intergovernmental	594,774	-	-	-	2,620,495	3,215,269
Investment income (loss)	(15,254)	(1,666)	68,133	(1,498)	(135)	49,580
Donations	61,211	-	-	-	194,427	255,638
Miscellaneous	336,367	-	-	-	8,997	345,364
Total Revenues	31,349,438	(1,666)	68,133	4,368,546	5,174,605	40,959,056
Expenditures						
Current:						
General government	5,988,239	-	-	-	52,593	6,040,832
Public safety	15,330,928	-	-	-	39,333	15,370,261
Public works	3,047,460	-	163,330	-	2,554,523	5,765,313
Engineering	571,010	-	-	-	-	571,010
Community development	1,187,413	-	-	-	-	1,187,413
Parks and recreation	4,302,309	-	10,547	-	-	4,312,856
Library services	1,333,456	-	-	-	2,729	1,336,185
Debt service:						
Principal	-	-	-	2,721,206	119,514	2,840,720
Interest and other charges	-	-	-	1,611,573	13,318	1,624,891
Capital outlay	2,563,859	-	6,954,059	-	759,216	10,277,134
Total Expenditures	34,324,674	-	7,127,936	4,332,779	3,541,226	49,326,615
Excess (deficiency) of revenues over (under) expenditures	(2,975,236)	(1,666)	(7,059,803)	35,767	1,633,379	(8,367,559)
Other Financing Sources (Uses)						
Notes payable issued	1,457,640	-	-	-	-	1,457,640
Insurance recoveries	74,126	-	-	-	-	74,126
Transfers in	1,708,331	-	-	-	-	1,708,331
Transfers out	(124,948)	-	-	-	-	(124,948)
Sale of capital assets	18,029	-	-	-	14,000	32,029
Total Other Financing Sources (Uses)	3,133,178	-	-	-	14,000	3,147,178
Net change in fund balances	157,942	(1,666)	(7,059,803)	35,767	1,647,379	(5,220,381)
Fund Balances - Beginning	17,227,145	-	15,212,515	10,608	2,728,180	35,178,448
Fund Balances - Ending	\$ 17,385,087	\$ (1,666)	\$ 8,152,712	\$ 46,375	\$ 4,375,559	\$ 29,958,067

CITY OF FRIENDSWOOD, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ (5,220,381)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlay	12,365,688
Depreciation expense	(5,637,471)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.

Unavailable property tax revenue and other revenues	62,599
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Governmental funds report proceeds from long-term debt as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of long-term debt principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.

Debt service principal	2,840,720
Proceeds from notes payable	(1,457,640)

Contributions are treated as expenditures in the fund based financial statements, but are treated as reductions in the City's net pension/OBEB liability in the statement of net position. This amount is the difference between contributions and net pension/OPEB expense (revenue) for the current fiscal year.

Pension	1,454,988
OPEB	(67,626)

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

(Increase) decrease in accrued interest	6,003
(Increase) decrease in compensated absences	(148,153)
Amortization of deferred loss on refunding	(6,506)
Amortization of deferred gain on refunding	4,293
Amortization of premium on bonds	350,456

Internal service fund is used by management to charge the cost of fleet management to individual funds. The change in net position of the internal service fund is included in the governmental activities in the statement of activities.

	569,274
Change in Net Position of Governmental Activities	\$ 5,116,244

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2022

Page 1 of 2

	Business-Type Activities Enterprise Fund Water and Sewer	Governmental Activities Internal Service
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,313,653	\$ 280,903
Investments	10,374,899	675,742
Accounts receivable, net of allowance:		
Customer accounts	3,989,589	-
Accrued interest	8,258	569
Prepays and other assets	63,224	-
Restricted investments	23,417,040	-
Total Current Assets	42,166,663	957,214
Non-current Assets		
Working capital deposit	571,884	-
Capital Assets:		
Land	319,473	-
Construction in progress	9,629,504	-
Water rights	19,716,695	-
Buildings and improvements	683,906	-
Machinery and equipment	7,878,937	5,216,063
Water and sewer systems	78,013,079	-
Accumulated depreciation	(44,690,382)	(2,850,876)
Total Capital Assets	71,551,212	2,365,187
Total Non-current Assets	72,123,096	2,365,187
Total Assets	114,289,759	3,322,401
Deferred Outflows of Resources		
Deferred loss on bond refunding	587,418	-
Deferred outflows - pension related	368,093	-
Deferred outflows - OPEB related	47,016	-
Total Deferred Outflows of Resources	1,002,527	-
Total Assets and Deferred Outflows of Resources	115,292,286	3,322,401

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2022

Page 2 of 2

	Business-Type Activities Enterprise Fund Water and Sewer	Governmental Activities Internal Service
Liabilities		
Current Liabilities		
Accounts payable	\$ 2,694,826	\$ 46,406
Accrued liabilities	161,042	-
Accrued interest	179,563	-
Unearned revenue	-	-
Customer deposits	570,430	-
Retainage payable	5,797	-
Compensated absences	21,882	-
Bonds and other long-term debt payable	3,225,000	-
Total Current Liabilities	6,858,540	46,406
Non-current Liabilities		
Compensated absences	87,528	-
Net Pension liability	410,084	-
Total OPEB liability	248,126	-
Bonds and other long-term debt payable	56,304,036	-
Total Non-current Liabilities	57,049,774	-
Total Liabilities	63,908,314	46,406
Deferred Inflows of Resources		
Deferred gain on issuance of refunding bonds	27,292	-
Deferred inflows - pension related	630,892	-
Deferred inflows of resources for OPEB	52,035	-
Total Deferred Inflows of Resources	710,219	-
Total Liabilities and Deferred Inflows of Resources	64,618,533	46,406
Net Position		
Net investment in capital assets	35,999,342	2,365,187
Restricted for capital projects	376,441	-
Restricted for debt service	2,521,137	-
Unrestricted	11,776,833	910,808
Total Net Position	\$ 50,673,753	\$ 3,275,995



CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2022

	Business-Type Activities Enterprise Fund	Governmental Activities
	Water and Sewer	Internal Service
Operating Revenues		
Charges for services	\$ 19,223,542	\$ 813,530
Miscellaneous	184,788	-
Total Operating Revenues	<u>19,408,330</u>	<u>813,530</u>
Operating Expenses		
Personnel services	2,626,093	-
Sewer operations	2,588,636	-
Water purchases	1,836,874	-
Repairs and maintenance	819,562	3,568
Supplies	217,565	-
Other services and charges	1,041,844	-
Depreciation	1,993,988	515,648
Total Operating Expenses	<u>11,124,562</u>	<u>519,216</u>
Operating income	<u>8,283,768</u>	<u>294,314</u>
Non-Operating Revenues (Expenses)		
Intergovernmental	289,181	-
Investment income	130,401	(429)
Gain on disposal of capital assets	-	63,089
Insurance proceeds	11,292	-
Interest expense	(1,861,881)	-
Total Non-Operating Revenues (Expenses)	<u>(1,431,007)</u>	<u>62,660</u>
Income before transfers	6,852,761	356,974
Transfers in	47,648	212,300
Transfers out	<u>(1,843,331)</u>	<u>-</u>
Change in net position	5,057,078	569,274
Net position - Beginning	<u>45,616,675</u>	<u>2,706,721</u>
Total Net Position - Ending	<u>\$ 50,673,753</u>	<u>\$ 3,275,995</u>

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2022

Page 1 of 2

	Business-Type Activities Enterprise Fund	Governmental Activities
	Water and Sewer	Internal Service
Cash flows from operating activities		
Cash received from customers	\$ 18,888,531	\$ -
Receipts from interfund charges for fleet management	-	813,530
Cash payments to suppliers for goods and services	(4,876,811)	41,100
Cash payments to employees for services	(2,816,162)	-
Net cash provided by operating activities	11,195,558	854,630
Cash flows from noncapital financing activities		
Transfer in from other funds	47,648	212,300
Transfers out to other funds	(1,843,331)	-
Net cash provided (used) by noncapital financing activities	(1,795,683)	212,300
Cash flows from capital and related financing activities		
Acquisition and construction of property, plant and equipment	(10,558,139)	(881,513)
Disposal of capital assets	-	63,089
Repayment of debt	(3,456,348)	-
Interest paid on debt	(2,209,143)	-
Net cash provided (used) by capital and related financing activities	(16,223,630)	(818,424)
Cash flows from investing activities		
Purchase of investments	(2,190,209)	(204,211)
Investment income	126,588	(744)
Net cash provided (used) by investing activities	(2,063,621)	(204,955)
Net increase (decrease) in cash and cash equivalents	(8,887,376)	43,551
Cash and Cash Equivalents, Beginning	36,618,069	237,352
Cash and Cash Equivalents, Ending	\$ 27,730,693	\$ 280,903
Reconciliation of Total Cash and Cash Equivalents		
Current assets - cash and cash equivalents	\$ 4,313,653	\$ 280,903
Restricted assets - cash and cash equivalents	23,417,040	-
	\$ 27,730,693	\$ 280,903

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2022

Page 2 of 2

	Business-type Activities - Enterprise Funds Water and Sewer	Governmental Activities Internal Service
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	\$ 8,283,768	\$ 294,314
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,993,988	515,648
Change in assets, deferred inflows and outflows, and liabilities:		
Decrease (increase) in customer receivable	(534,410)	-
Decrease (increase) in prepaids and other assets	(354)	-
pensions	(47,141)	-
Decrease (increase) in deferred outflow for OPEB	4,096	
Increase (decrease) in accounts payable	1,561,167	44,668
Increase (decrease) in accrued liabilities	66,857	-
Increase (decrease) in customer deposits	14,611	-
pensions	381,164	-
Increase (decrease) in deferred inflows for OPEB	7,896	-
Increase (decrease) in total OPEB liability	(3,466)	-
Increase (decrease) in net pension liability	(524,249)	-
Increase (decrease) in compensated absences	(8,369)	-
Total Adjustments	2,911,790	560,316
Net cash provided by operating activities	\$ 11,195,558	\$ 854,630



CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The City of Friendswood, Texas ("the City") was incorporated on October 15, 1960. The City charter provides for a City Council-City Manager form of government. The Mayor and six Council members are elected from the City at large serving three-year terms. The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for law enforcement, appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget. The Mayor resides at meetings of the City Council and can vote. The City provides the following services: public safety, streets, parks and recreation, library, water and sewer, sanitation, planning and zoning, building inspection, code enforcement, and general administrative services.

A. Reporting Entity

The City is an independent political subdivision of the State of Texas governed by an elected six- member Council and Mayor and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. Based on these considerations, the West Ranch Management District and Friendswood Downtown Economic Development Corporation have been included in the City's reporting entity as discretely presented component units. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Consideration regarding the potential for inclusion of other entities, organizations, or functions in the City's financial reporting entity is based on criteria prescribed by general accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is financial independent of other state and local governments. Additional prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of the relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The West Ranch Management District ("the District"), a discretely presented component unit, was created under Section 59, Article XVI of the Texas Constitution added by an Act of the 79th Legislature of the State of Texas, effective June 17, 2005, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 3837, Texas Special District Local Laws Code, Chapters 49 and 54 of the Texas Water Code and Chapter 375 of the Texas Local Government Code, and is subject to the continuing supervision of the Texas Commission on Environmental Quality. The District was created to promote and encourage employment and the public welfare within the District. The affairs of the District are managed by a Board of Directors composed of persons appointed by the City Council. The City is financially accountable for the District because City Council must approve any debt issuances. Complete financial statements from the component may be obtained at the District's administrative office.

The Friendswood Downtown Economic Development Corporation ("FDEDC") was incorporated August 1, 2016 as a nonprofit economic development corporation under the Development Corporation Act. The citizens of Friendswood voted to pass a one- half cent sales tax dedicated to support and enhance the welfare and prosperity of the citizens of the City and of this State by promotion of economic development and growth by encouraging the development of new business enterprises and the retention or expansion of existing business enterprises.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

To serve this purpose, the Corporation shall have the authority and power of a Type B corporation to undertake projects as described in Subchapter C of Chapter 501 of the Local Government Code and Chapter 505 of the Local Government Code, including undertaking projects as authorized by law, including but not limited to projects to promote new or expanded business enterprises in the downtown area as defined by the City of Friendswood Downtown District Map, including but not limited to streets, targeted infrastructure, paved sidewalks, pedestrian amenities including lighting, benches, signage, and other related public improvements, and the maintenance and operations expenses for any of the above-described projects. A separate governing board oversees FDEDC, which is appointed by Friendswood City Council, and consists of members of City Council, City's management, and individuals from the community. The City can remove appointed board members and approves the FDEDC's budget. The FDEDC is reported as a discretely presented component unit because the governing body is not identical to the governing body of the City, the FDEDC does not solely serve the City, and the City has the ability to impose its will on FDEDC. Complete financial statements of the FDEDC may be obtained by contacting FDEDC's administration office.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financial accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considered revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, accordingly, have been recognized as revenue of the current fiscal period. All of revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Coronavirus State and Local Fiscal Recovery Fund** is used to account for federal funds related to the fiscal recovery of Coronavirus. Funds will be used for water and sewer infrastructure projects.

The **Bond Construction Fund** is used to account for the construction of public facilities, and park, street and drainage improvements that are funded by the proceeds from Permanent Improvement Bonds.

The **Debt Service Fund** is used to account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

Other governmental funds is a summarization of all the non-major governmental funds.

The City reports the following major enterprise fund:

The **Water and Sewer Fund** is used to account for the activities of the City's water and wastewater operations.

Additionally, the City reports the following fund type:

The **Internal Service Fund** is used to account for fleet management services provided to other departments of the City on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer enterprise fund and of the City's internal service fund are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance

Cash and Investments

Cash and investments include cash on hand, deposits with financial institutions, short-term investments in a state-managed public funds investment pool account (TexPool), and a privately managed public funds investment pool (Texas Class). Other investments consist mainly of U.S. government treasury bills, treasury notes and other U.S. government obligations. Restricted cash and investments are assets restricted for specific use. Restricted includes cash deposits with financial institutions and investment pools.

The City maintains a pooled cash and investments account for all funds of the City. Each fund's positive equity in the pooled cash account is presented as "cash and investments" in the financial statements. Negative equity balances are reclassified and are reflected as interfund accounts payable. Interest income and interest expense are allocated monthly to each respective individual fund based on their representative fund balances.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City are reported at fair value, except for the position in investment pools. The City's investment in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

TexPool and Texas Class have a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Property Taxes

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Management estimates an allowance for trade accounts receivable based on past experience, historical losses, and other pertinent factors.

The City's property taxes are levied annually in October on the basis of the Appraisal District's assessed values as of January 1 of that calendar year. Appraised values are established by the Appraisal District at market value and assessed at 100% of appraised value less exemptions. The City's property taxes are billed and collected by Galveston County. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on property on February 1 of the subsequent calendar year.

Property taxes are prorated between operations and debt service based on rates adopted for the year of the levy. For the current year, the City levied property taxes of \$0.487314 per \$100 of assessed valuation that were prorated between operations and debt service in the amounts of \$0.385147 and \$0.102167, respectively. The resulting tax levies were approximately \$16.4 and \$4.4 million for operations and debt service, respectively, based on a total taxable valuation of approximately \$4.2 billion for the 2021 tax year.

West Ranch Management District bond resolutions require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended July 31, 2022, the District levied an ad valorem tax at the rate of \$0.1750 per \$100 of assessed valuation, which resulted in tax levy of \$1.2 million on the taxable valuation of approximately \$697.1 million for the 2021 tax year.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (continued)

Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans"). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City applies the consumption method in accounting for prepaid items in the governmental funds.

Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Contract with West Ranch Management District

The District approved a contract with the City effective August 15, 2005, as amended. Under the terms of the contract, the District is to pay for construction of water distribution, sanitary sewer, drainage, transportation, education and recreation facilities to serve the District.

The District shall be the owner of the system until the system is completed, approved by the City and conveyed to it, at which time ownership will vest in the City. The District will own and operate these facilities to serve the District. Pursuant to the contract, the District shall have a security interest therein until all bonds issued by the District are retired.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure, and water rights, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The City's water rights have an indefinite life.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (continued)

Capital Assets

The City’s property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	20-50 years
Machinery and equipment	5 - 10 years
Infrastructure	40-50 years
Water and sewer system	40-50 years

The West Ranch Management District’s capital assets are depreciated using the straight-line method over estimated useful lives of 10 to 45 years.

Compensated Absences

The City’s employees earn vacation leave, which may either be taken or accumulated, up to certain amounts, until paid upon resignation or retirement. All vacation leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance cost are expenses in the period incurred.

Leases

The City is a lessor for noncancellable lease agreements. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (continued)

Leases (continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred loss on refunding debt - A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows of resources for pension - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences; and 4) changes in the City's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees five year period.
- Deferred outflows of resources for other post-employment benefits (OPEB) - Reported in the government wide financial statement of net position, these deferred outflows result from OPEB plan contributions made after the measurement date of the total OPEB liability and the results of changes in assumptions and other inputs. The deferred outflows of resources resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the next fiscal year. The other OPEB related outflow will be amortized over the expected remaining service lives of all employees (active and inactive employees) who are provided with OPEB benefits.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for leases - This deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (continued)

Deferred Outflows/Inflows of Resources (continued)

- Deferred inflows of resources for pension - Reported in the government wide financial statement of net position, these deferred inflows result primarily from changes in actuarial assumptions. These pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred inflows of resources for gain on issuance of refunding bonds - Reported in the government wide financial statement of net position, these deferred inflows result primarily from differences from the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows of resources for OPEB - Reported in the government wide financial statement of net position, this deferred inflow results primarily from 1) changes in actuarial assumptions; and 2) differences between expected and actual actuarial experiences. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plans.

Pension

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

The City provides its retirees the opportunity to maintain health insurance coverage by participating in the City's insurance plan. The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. The actual cost recorded in the governmental fund financial statements is the cost of the health benefits incurred on behalf of the retirees less the premiums collected from the retirees. Information regarding the City's total liability for this plan is obtained through a report prepared by Gabriel Roeder Smith & Company, the City's third-party actuary, in compliance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Additionally, the City participates in a defined-benefit group-term life insurance plan, both for current and retired employees, administered by the Texas Municipal Retirement System (TMRS). The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. Information regarding the City's total OPEB liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 75.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (continued)

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes prepaid items and the fund balance of the City's permanent fund.

Restricted – includes fund balance amounts that are constrained for specific purposes which are imposed by providers, such as creditors or amounts restricted due to constitutional provision or enabling legislation. This classification includes retirement of long-term debt, construction programs, City ordinances, and other federal and state grants.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action in an open meeting of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passes by the City Council.

Assigned – includes fund balance amounts that are self-imposed by the City to be used for particular purpose. Fund balance can be assigned by the City Council or the City Manager, pursuant to the City's fund balance policy. At September 30, 2022, the City's assigned fund balance included amounts assigned for encumbrances and capital projects.

Unassigned – includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications are available.

The City has established a minimum fund balance policy whereby the City's unassigned general fund balance will be maintained at levels sufficient to protect the City's creditworthiness, as well as its financial position, from unforeseeable emergencies. The City will strive to maintain the unassigned general fund balance at a minimum of 90 days of prior year audited operating expenditures.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (continued)

Net Position

Government-Wide Financial Statements:

The Statement of Net Position includes the following categories of net position:

Net investment in capital assets – the component unit of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, net of premiums and discounts, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted – Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted – the difference between assets, deferred outflows and inflows, and liabilities that are not reported in any of the classifications above.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ materially from those estimates.

E. Implementation of New Accounting Standards

The following GASB pronouncements were effective during fiscal year 2022.

GASB Statement No. 87 *Leases* was issued in June 2017 and was effective for periods beginning after June 15, 2021. This Statement established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The financial statements have been updated to reflect this new standard.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2. Cash and Investments

Under provisions of state and local statutes, the City's investment policies, and provisions of the City's depository contract with an area financial institution, the City is authorized to place available deposits and investments in the following:

1. Obligations of the U.S., it's agencies and instrumentalities;
2. Certificates of Deposit issued by state and national banks or savings or loan associations domiciled in this state that are guaranteed or incurred by the Federal Deposit Insurance Corporation or collateralized in accordance with Section 2256.010, the Texas Government Code, in face amounts not to exceed \$100,000;
3. No-load money market mutual funds; and
4. TexPool, Lone State Investment Pool and Texas CLASS.

The City Council has adopted a written investment policy regarding the investments of its funds as defined by the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). The investments of the City are in compliance with the Council's investment policies. The City did not have any derivative investment products during the current year. All significant legal and contractual provisions for investments were complied with during the year.

At September 30, 2022, the carrying amount of the City and Friendswood Downtown Economic Development Corporation's deposits was \$15,561,580 and the bank balance of \$16,804,877.

As of September 30, 2022, the City and Friendswood Downtown Economic Development Corporation held the following investments.

	Reported Value of Investments	Weighted Average Maturity (Days)
Investment pools:		
TexPool	\$ 6,875,033	24
Texas CLASS	51,226,788	34
Total investment pools	<u>58,101,821</u>	
Debt Securities:		
Federal Farm Credit Bonds	4,377,299	340
Federal Home Loan Bank Bonds	3,449,160	222
Federal Home Loan Mortgage Corporation	494,649	262
Federal National Mortgage Association	468,604	574
Total debt securities	<u>8,789,712</u>	
Total investments	<u><u>\$ 66,891,533</u></u>	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The valuation techniques used in the fair value measurement are based on quoted market closing prices for Level 2 inputs.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2. Cash and Investments (continued)

The City has the following recurring fair value measurements as of September 30, 2022:

	Fair Value / Amortized Cost	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investment Securities:				
Federal Farm Credit Bank	\$ 4,377,299	\$ -	\$ 4,377,299	\$ -
Federal Home Loan Bank	3,449,160	-	3,449,160	-
Federal Home Loan Mortgage Corp.	494,649	-	494,649	-
Federal National Mortgage Assoc.	468,604	-	468,604	-
Total Investment Securities	\$ 8,789,712	\$ -	\$ 8,789,712	\$ -

The City invests in Texas Local Government Investment Pool (TexPool), which was created under the Interlocal Cooperation Act, Texas Government Code Ann. Chapter 791 and the Texas Public Funds Investment Act. The Texas Treasury Safekeeping Trust Company ("the Trust") is trustee of TexPool and is a limited purpose trust company authorized pursuant to Texas Government Code Ann. Section 404.103 for which the Texas State Comptroller is sole officer, director and shareholder. The advisory board of TexPool is composed of members appointed pursuant to the requirements of the Texas Public Funds Investment Act.

The City invests in Texas CLASS Investment Pool which was established in 1996 pursuant to the Texas Public Funds Investment Act. The pool is governed by a 7-member board of trustees, who are elected by pool participants. The Cutwater Investor Services Corp. serves as the pools program administrator and Wells Fargo Bank Texas, NA, serves as custodian.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2022, all of the City's cash deposits with financial institutions were collateralized with securities held by the pledging financial institution in the City's name.

Credit Risk

Credit Risk. It is the City's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The City's investments as of September 30, 2022, were rated as follows:

Investment Type:	Credit Quality Rating	Rating Agency
Investment Pools:		
Texas CLASS	AAAm	Standard & Poor's
TexPool	AAAm	Standard & Poor's
Debt Securities:		
Federal Home Loan Mortgage Corp.	Aaa	Moody's Investor Service
Federal Home Loan Bank	Aaa	Moody's Investor Service
Federal Farm Credit Bank	Aaa	Moody's Investor Service
Federal National Mortgage Association	Aaa	Moody's Investor Service

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3. Receivables and Deferred Inflows of Resources

Receivables as of September 30, 2022 for the City's individual major funds and nonmajor funds in the aggregate including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Funds</u>			<u>Proprietary Fund</u>	
	<u>General</u>	<u>Debt Service Fund</u>	<u>Nonmajor</u>	<u>Water and Sewer</u>	<u>Total</u>
Receivables:					
Property taxes	\$ 247,529	\$ 53,104	\$ -	\$ -	\$ 300,633
Penalties and interest	138,675	24,376	-	-	163,051
Sales tax	1,731,350	-	427,806	-	2,159,156
Franchise taxes	572,740	-	-	-	572,740
Customer accounts	321,776	-	2,697	4,268,748	4,593,221
Court fines	873,513	-	-	-	873,513
Leases	1,021,537	-	-	-	1,021,537
Other	730,696	-	3,658	-	734,354
Gross receivables	5,637,816	77,480	434,161	4,268,748	10,418,205
Less: allowance for uncollectibles	(862,402)	(23,361)	-	(279,159)	(1,164,922)
Net total receivables	<u>\$ 4,775,414</u>	<u>\$ 54,119</u>	<u>\$ 434,161</u>	<u>\$ 3,989,589</u>	<u>\$ 9,253,283</u>

Governmental funds reported deferred inflows of resources in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources for unavailable revenues reported in the governmental funds were as follows:

	<u>Deferred Inflows of Resources</u>
General Fund:	
Delinquent property taxes	\$ 173,870
Property tax penalties and interest	100,990
Court fines	174,703
Grants	244,925
Miscellaneous	8,166
Total General Fund	<u>702,654</u>
Debt Service Fund:	
Delinquent property taxes	37,042
Property tax penalties and interest	15,631
	<u>52,673</u>
Nonmajor funds:	
Court fines	<u>3,756</u>
Total Nonmajor Funds	<u>3,756</u>
Total governmental funds	<u>\$ 759,083</u>

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4. Capital Assets

Capital assets activity for the primary government for the fiscal year ended September 30, 2022, is as follows:

Governmental activities	Beginning Balance	Increases	Reclassification/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 29,695,765	\$ 2,660,075	\$ -	\$ 32,355,840
Construction in progress	1,435,585	7,361,587	-	8,797,172
Total capital assets, not being depreciated	31,131,350	10,021,662	-	41,153,012
Capital assets, being depreciated:				
Buildings and improvements	45,778,777	573,252		46,352,029
Machinery and equipment	19,043,530	2,497,550	(321,697)	21,219,383
Infrastructure	105,053,888	160,894	-	105,214,782
Total capital assets, being depreciated	169,876,195	3,231,696	(321,697)	172,786,194
Less accumulated depreciation for:				
Buildings & improvements	(21,916,258)	(1,497,115)	-	(23,413,373)
Machinery and equipment	(12,028,958)	(1,660,569)	315,541	(13,373,986)
Infrastructure	(58,544,064)	(2,995,436)	-	(61,539,500)
Total accumulated depreciation	(92,489,280)	(6,153,120)	315,541	(98,326,859)
Total capital assets - being depreciated	77,386,915	(2,921,424)	(6,156)	74,459,335
Governmental capital assets, net	\$ 108,518,265	\$ 7,100,238	\$ (6,156)	\$ 115,612,347

Business-type activities	Beginning Balance	Increases	Reclassification/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 319,473	\$ -	\$ -	\$ 319,473
Water rights	19,716,695	-	-	19,716,695
Construction in progress	2,870,307	10,572,454	(3,813,257)	9,629,504
Total capital assets, not being depreciated	22,906,475	10,572,454	(3,813,257)	29,665,672
Capital assets, being depreciated:				
Buildings and improvements	683,906	-	-	683,906
Machinery and equipment	7,725,245	164,191	(10,499)	7,878,937
Water and sewer system	74,199,822	-	3,813,257	78,013,079
Total capital assets, being depreciated	82,608,973	164,191	3,802,758	86,575,922
Less accumulated depreciation for:				
Buildings and improvements	(345,300)	(19,757)	-	(365,057)
Machinery and equipment	(5,066,302)	(226,582)	10,499	(5,282,385)
Water and sewer system	(37,295,291)	(1,747,649)	-	(39,042,940)
Total accumulated depreciation	(42,706,893)	(1,993,988)	10,499	(44,690,382)
Total capital assets - being depreciated	39,902,080	(1,829,797)	3,813,257	41,885,540
Business-type capital assets, net	\$ 62,808,555	\$ 8,742,657	\$ -	\$ 71,551,212

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4. Capital Assets (continued)

Capital assets activity for the discretely presented component units for the fiscal year ended September 30, 2022, is as follows:

Component Unit	Beginning Balance	Increases	Reclassification/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 7,762,414	\$ -	\$ -	\$ 7,762,414
Total capital assets, not being depreciated	<u>7,762,414</u>	<u>-</u>	<u>-</u>	<u>7,762,414</u>
Capital assets, being depreciated:				
Water production and distribution facilities	483,467	-	-	483,467
Total capital assets, being depreciated	<u>483,467</u>	<u>-</u>	<u>-</u>	<u>483,467</u>
Less accumulated depreciation for:				
Water production and distribution facilities	(116,537)	(10,745)	-	(127,282)
Total accumulated depreciation	<u>(116,537)</u>	<u>(10,745)</u>	<u>-</u>	<u>(127,282)</u>
Total capital assets - being depreciated	366,930	(10,745)	-	356,185
Component Unit capital assets, net	<u>\$ 8,129,344</u>	<u>\$ (10,745)</u>	<u>\$ -</u>	<u>\$ 8,118,599</u>

Depreciation

Depreciation expense was charged to functions/programs of the City as follows:

	Depreciation Expense
Primary Government	
Governmental activities:	
General government	\$ 416,913
Public safety	1,197,021
Public works	3,338,400
Community development	5,902
Parks and recreation	679,236
Capital assets held by the City's internal service fund are charged to the various functions based on their usage	515,648
Total Governmental activities	<u>6,153,120</u>
Business-type activities:	
Water and sewer	1,993,988
Total Business-type activities:	<u>1,993,988</u>
Total Primary Government	<u>\$ 8,147,108</u>

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 4. Capital Assets (continued)

Construction commitments

The City has active construction projects as of September 30, 2022. At year end, the City's commitments with contractors were as follows:

Projects	Construction Commitment	Construction in Progress	Remaining Commitment
Governmental funds:			
Parks Master Plan	\$ 146,200	\$ 95,400	\$ 50,800
Blackhawk Emergency Shelter	36,475	27,550	8,925
Blackhawk Building Renovation	260,000	213,825	46,175
Fire Station #2	4,627,683	2,334,587	2,293,096
Public Safety Building	6,077,700	4,700,280	1,377,420
Centennial Wall	435,589	291,864	143,725
Utility Relocation at Clear Creek Utility Bridge	219,200	202,550	16,650
Forest Bend Detention Pond	4,070,225	835,634	3,234,591
Deepwood Flood Control	236,369	63,924	172,445
IT Network Refresh	239,882	31,558	208,324
	<u>16,349,323</u>	<u>8,797,172</u>	<u>7,552,151</u>
Enterprise funds:			
Lift Station Mitigation Program	\$ 507,784	\$ 428,256	\$ 79,528
Automated Water Meters	8,725,441	8,406,911	318,530
Water Systems Improvements	937,316	746,221	191,095
Lift Station SCADA Server Upgrade	3,744	3,744	-
Fire Station #2	44,372	44,372	-
	<u>10,218,657</u>	<u>9,629,504</u>	<u>589,153</u>
Total Commitments	<u>\$ 26,567,980</u>	<u>\$ 18,426,676</u>	<u>\$ 8,141,304</u>

The remaining commitment amounts were encumbered at year end. The encumbrances and related appropriation lapse at the end of the fiscal year, but they are re-appropriated and become a part of the subsequent year's budget because performance under the executory contract is expected in the next year. At year end, the amount of significant encumbrances expected to be honored upon performance by the vendors in the next year were \$3,396,348 for General Fund.

Note 5. Long-term Debt

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental and business-type activities. These instruments include general obligation bonds, certificates of obligation, revenue bonds, and notes payable. These debt obligations are secured by either future tax revenue, water and sewer system revenue, or liens on property and equipment. Debt obligations that are intended to be repaid from water and sewer system revenue have been recorded as business-type activities. All other long-term obligations of the City are considered to be governmental type activities.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 5. Long-term Debt (continued)

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS. There was no liability for arbitrage recorded as of year-end.

Bonds Payable and Certificates of Obligation

The following schedule summarizes the terms of the City's general obligation bonds, combination tax and revenue bonds, and certificates of obligation outstanding and their corresponding allocations to the governmental and business-type activities at September 30, 2022:

General Obligation Bonds:	Original Issue Amount	Final Maturity	Interest Rates	Governmental Activities	Business-Type Activities
2014 General Obligation Refunding	\$ 8,805,000	2028	2.0% - 4.0%	\$ 1,910,000	\$ 4,910,000
2015 General Obligation Refunding	9,595,000	2030	2.0% - 3.0%	6,450,000	-
2016 General Obligation Permanent Improvement and Refunding	19,095,000	2031	2.0% - 5.0%	6,635,000	6,515,000
2016A General Obligation Refunding	9,765,000	2034	2.0% - 4.0%	-	7,210,000
2017 General Obligation Bonds	5,605,000	2031	2.0% - 4.0%	4,295,000	-
2020 General Obligation and Refunding Bonds	10,465,000	2050	2.0% - 4.0%	9,435,000	-
2021 General Obligation and Refunding Bonds	16,235,000	2051	2.375% - 4.0%	15,225,000	-
Total general obligation bonds				43,950,000	18,635,000
Revenue Bonds:					
2016 Waterworks and Sewer System	5,735,000	2036	2.0% - 4.0%	-	4,350,000
2018 Waterworks and Sewer System	20,170,000	2038	4.0% - 5.0%	-	18,060,000
2021 Waterworks and Sewer System	13,690,000	2041	3.0% - 4.0%	-	13,220,000
Total revenue bonds				-	35,630,000
Total				\$ 43,950,000	\$ 54,265,000

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 5. Long-term Debt (continued)

Bonds Payable and Certificates of Obligation (continued)

Annual debt service requirements for the City's bonds and revenue bonds are as follows:

Fiscal Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 2,400,000	\$ 1,508,906	\$ 3,225,000	\$ 2,096,600	\$ 9,230,506
2024	2,485,000	1,424,206	3,345,000	1,973,275	9,227,481
2025	2,575,000	1,333,469	3,485,000	1,837,125	9,230,594
2026	2,670,000	1,239,669	3,685,000	1,687,950	9,282,619
2027	2,815,000	1,136,803	3,760,000	1,528,000	9,239,803
2028-2032	13,510,000	3,886,238	18,260,000	5,072,025	40,728,263
2033-2037	5,505,000	2,083,075	13,485,000	1,994,150	23,067,225
2038-2042	4,835,000	1,248,600	5,020,000	244,450	11,348,050
2043-2047	3,950,000	670,797	-	-	4,620,797
2048-2052	3,205,000	151,878	-	-	3,356,878
	<u>\$ 43,950,000</u>	<u>\$ 14,683,641</u>	<u>\$ 54,265,000</u>	<u>\$ 16,433,575</u>	<u>\$ 129,332,216</u>

Changes in the City's long-term liability activity for the year ended September 30, 2022, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities:					
General obligation bonds	\$ 46,265,000	\$ -	\$ (2,315,000)	\$ 43,950,000	\$ 2,400,000
Premium on bond issuance	3,544,358	-	(350,456)	3,193,902	-
Notes payable	1,681,809	1,457,640	(525,720)	2,613,729	702,919
Compensated absences	996,190	1,180,525	(1,032,372)	1,144,343	228,869
Governmental activity					
Long-term liabilities	<u>\$ 52,487,357</u>	<u>\$ 2,638,165</u>	<u>\$ (4,223,548)</u>	<u>\$ 50,901,974</u>	<u>\$ 3,331,788</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	37,080,000	\$ -	\$ (1,450,000)	\$ 35,630,000	\$ 1,510,000
General obligation bonds	20,300,000	-	(1,665,000)	18,635,000	1,715,000
Premium on bond issuance	5,666,291	-	(402,255)	5,264,036	-
Compensated absences	117,779	118,399	(126,768)	109,410	21,882
Business-type activity					
Long-term liabilities	<u>\$ 63,164,070</u>	<u>\$ 118,399</u>	<u>\$ (3,644,023)</u>	<u>\$ 59,638,446</u>	<u>\$ 3,246,882</u>
Total Primary government	<u>\$ 115,651,427</u>	<u>\$ 2,756,564</u>	<u>\$ (7,867,571)</u>	<u>\$ 110,540,420</u>	<u>\$ 6,578,670</u>

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 5. Long-term Debt (continued)

Bonds Payable and Certificates of Obligation (continued)

The compensated absences, net pension liability and total OPEB liabilities attributable to the governmental activities will be liquidated primarily by the General Fund.

West Ranch Management District

The following schedule summarizes the terms of the West Ranch Management District's general obligation bonds at July 31, 2022:

General Obligation Bonds:	Amounts Outstanding	Interest Rates	Range of Maturities	Callable Date *
Road Series 2010A	\$ 45,000	4.35%	2021-2022	September 1, 2020
Road Series 2014	1,845,000	2.00% - 3.75%	2022-2040	September 1, 2022
Series 2015	3,905,000	2.950% - 4.125%	2022-2030	September 1, 2023
Series 2016	2,080,000	3.00% - 4.00%	2031-2040	September 1, 2024
Refunding Series 2016	665,000	2.00% - 4.00%	2022-2026	September 1, 2024
Series 2020	8,975,000	2.00% - 4.00%	2022-2040	September 1, 2025
Refunding Series 2016	1,535,000	2.00% - 4.00%	2022-2040	September 1, 2025
Total general obligation bonds	<u>\$ 19,050,000</u>			

* Or any date thereafter, callable at par plus accrued interest to the date of redemption.

Annual debt service requirements for the District's bonds are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 865,000	\$ 559,587	\$ 1,424,587
2024	900,000	530,329	1,430,329
2025	930,000	497,763	1,427,763
2026	970,000	461,806	1,431,806
2027	1,005,000	426,238	1,431,238
2028-2032	5,370,000	1,638,010	7,008,010
2033-2037	4,740,000	947,879	5,687,879
2038-2041	4,270,000	255,216	4,525,216
	<u>\$ 19,050,000</u>	<u>\$ 5,316,828</u>	<u>\$ 24,366,828</u>

The District's bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 5. Long-term Debt (continued)

Bonds Payable and Certificates of Obligation (continued)

West Ranch Management District (continued)

Changes in the discretely presented component units' long-term liabilities for the year end July 31, 2022, are as follows:

West Ranch Management District	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Component Unit					
General obligation bonds	\$ 21,750,000	\$ -	\$ (2,700,000)	\$ 19,050,000	\$ 865,000
Discount on bonds	(277,729)	-	64,319	(213,410)	-
Premium on bonds	76,630	-	(9,182)	67,448	-
Developer advances	40,000	-	-	40,000	-
Due to developer	369,600	-	-	369,600	-
Total	<u>\$ 21,958,501</u>	<u>\$ -</u>	<u>\$ (2,644,863)</u>	<u>\$ 19,313,638</u>	<u>\$ 865,000</u>

At July 31, 2022, the District had \$3,775,000 of unlimited tax bonds and recreational facilities' bonds authorized, but unissued, for the purposes of acquiring, constructing and improving recreational facilities, transportation, education, and the water, sanitary sewer and drainage systems within the District.

A developer of the District has advanced \$40,000 to the District for operating expenses. The District has agreed to pay these amounts, plus interest, to the extent approved by the Commission from the proceeds of future bond sales. These amounts have been recorded in the financial statements as long-term liabilities. The District is currently unable to estimate when bonds will be issued to pay this liability.

The developer of the District has constructed underground utilities on behalf of the District. The District's engineer estimates reimbursable costs for completed projects are \$369,600. The District has agreed to reimburse the developers for these amounts, plus interest, to the extent approved by the Texas Commission on Environmental Quality from the proceeds of future bond sales. These amounts have been recorded in the financial statements as long-term liabilities.

Defeasance of Bonds

The City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On September 30, 2022, the City has no bonds considered defeased that were outstanding.

Notes Payable

During the current fiscal year, the City entered into a five-year agreement for the acquisition and use of vehicles and equipment. An initial liability was recorded in the amount of \$1,457,640 during the current fiscal year. The City is required to make annual principal and interest payments of \$318,555. The agreement has an interest rate of 3.03%.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 5. Long-term Debt (continued)

Notes Payable (continued)

The following is a summary of future notes payments due on this machinery and equipment:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 702,919	\$ 70,085
2024	721,122	51,882
2025	406,103	33,191
2026	386,312	22,032
2027	397,273	11,172
Total	<u>\$ 2,613,729</u>	<u>\$ 188,362</u>

Pledged Revenues

On February 1, 2016, the City issued \$5,735,000 in Waterworks and Sewer System Revenue Bonds, Series 2016. On December 3, 2018, the City issued \$20,170,000 in Waterworks and Sewer System Revenue Bonds, Series 2018. On February 4, 2021, the City issued \$13,690,000 in Water and Sewer System Revenue Bonds, Series 2021. These bonds represent special obligations of the City and are payable solely from a first lien on and pledge of the net revenues of the City's waterworks and sanitary sewer system. The proceeds of the bonds were and are to be used to finance sanitary sewer and waterworks system extensions and improvements. The outstanding revenue bonds have a final maturity of March 1, 2036 for the 2016 bonds, March 1, 2038 for the 2018 bonds, and March 1, 2041 for the 2021 bonds. The City will commit revenues each year the bonds are outstanding. At September 30, 2022, the remaining principal on the series 2016, 2018 and 2021 bonds was \$4,350,000, \$18,060,000, and \$13,220,000, respectively. Principal and interest payments for the fiscal year were \$1,450,000 and \$1,434,200, respectively. Net pledged revenue in 2022 produced 385 percent of the current debt service requirement.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 6. Interfund Balances and Transfers

Due to/from Other Funds

The City had interfund receivable and payable balances at September 30, 2022 as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	HMGP Acquisition and Demolition	\$ 205,180	Expenditures funded by General Fund pending grant reimbursement.
General Fund	2017 CDBG- DR Harvey - Harris County	680,090	Expenditures funded by General Fund pending grant reimbursement.
General Fund	2017 CDBG- DR Harvey - Galveston County	272,460	Expenditures funded by General Fund pending grant reimbursement.
2021 Bond Fund	2017 CDBG- DR Harvey - Galveston County	996,000	Expenditures funded by bond funds pending grant reimbursement
		<u>\$ 2,153,730</u>	

Governmental activities:

General fund	\$ 1,157,730	\$	\$ 1,157,730
Bond construction fund		-	
	996,000	-	996,000
Nonmajor governmental funds	-		
		(2,153,730)	(2,153,730)

Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2022, were as follows:

<u>Transfer In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water and Sewer Fund	\$ 1,708,331	Budgeted annual transfers for indirect water and sewer costs by the General Fund
Internal Service Fund	General Fund	77,300	To fund new vehicle for Police Department
Internal Service Fund	Water and Sewer Fund	135,000	To fund 2 new vehicles for Public Works
Water and Sewer Fund	General Fund	47,648	Capital lease proceeds to purchase equipment in the sewer division
		<u>\$ 1,968,279</u>	

Note 6. Leases

Lease Receivable

The City leases real property to third parties for the placement of their telecommunication towers. The City recognized \$37,563 in lease revenue and \$27,178 in interest revenue during the current fiscal year related to these leases. As of September 30, 2022, the City's receivable for lease payments was \$1,021,537. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of September 30, 2022, the balance of the deferred inflow of resources was \$1,011,689.

Note 7. Employee Retirement System

Texas Municipal Retirement System

Plan Description and Provisions

The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS a report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City has approved an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, City provides on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate:	7%
Matching ratio (City to employee):	2 to 1
Years required for vesting:	5
Service retirement eligibility:	Vested at age 60 or 20 years at any age
Updated Service Credit:	100% Repeating
Annuity increase to retirees	50% of CPI; Repeating
Supplement death benefit – active Employees and retirees	Yes

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 7. Employee Retirement System (continued)

Texas Municipal Retirement System (continued)

Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	152
Inactive employees entitled to but not yet receiving benefits	131
Active employees	<u>216</u>
Total	<u>499</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the State law governing TMRS, the contribution rate for each City is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.55% and 16.27% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$2,844,852 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	24 years
Asset valuation method:	10 year smoothed market; 12% soft corridor
Inflation:	2.50%
Salary increases:	3.50% to 11.50% including inflation
Investment rate of return:	6.75%

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 7. Employee Retirement System (continued)

Texas Municipal Retirement System (continued)

Actuarial Assumptions (continued)

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014, to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for annuity purchase rates is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the table below:

	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 7. Employee Retirement System (continued)

Texas Municipal Retirement System (continued)

Changes in the Net Pension Liability

		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2020	\$ 91,096,245	\$ 81,355,616	\$ 9,740,629
Changes for the year:			
Service Cost	3,032,100	-	3,032,100
Interest (on the Total Pension Liability)	6,110,807	-	6,110,807
Difference between expected and actual experience	788,166	-	788,166
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(4,163,654)	(4,163,654)	-
Contributions – employer	-	2,777,049	(2,777,049)
Contributions – employee	-	1,174,582	(1,174,582)
Net investment income	-	10,611,017	(10,611,017)
Administrative Expense	-	(49,073)	49,073
Other	-	337	(337)
Balance at 12/31/2021	<u>\$ 96,863,664</u>	<u>\$ 91,705,874</u>	<u>\$ 5,157,790</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Single Rate Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 18,854,597	\$ 5,157,790	\$ (6,071,734)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 7. Employee Retirement System (continued)

Texas Municipal Retirement System (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the City recognized a pension expense of \$1,199,639.

At September 30, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual economic experience	\$ 1,016,277	\$ (82,001)
Changes in actuarial assumptions	130,195	-
Difference between projected and actual investment earnings	-	(5,433,077)
Contributions subsequent to the measurement date	<u>2,071,293</u>	<u>-</u>
Total	<u><u>\$ 3,217,765</u></u>	<u><u>\$ (5,515,078)</u></u>

The \$2,071,293 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

	Net Deferred Outflows (Inflows) of Resources
2023	\$ (486,639)
2024	(1,949,324)
2025	(991,613)
2026	(941,030)
Thereafter	<u>-</u>
Total	<u><u>\$ (4,368,606)</u></u>

Note 8. Post Employee Benefits Other Than Pensions

TMRS Supplemental Death Benefits Fund

Benefit Plan Description

The City’s single-employer defined benefit group-term life insurance plan is operated by the Texas Municipal Retirement System (TMRS) via the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is another post-employment benefit (OPEB). As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Membership in the plan as of the measurement date of December 31, 2021 was as follows:

Inactive employees currently receiving benefits	104
Inactive employees entitled to but not yet receiving benefits	33
Active employees	<u>216</u>
Total	<u>353</u>

Contributions

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city (currently 0.17% of covered payroll). The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees’ entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for benefits.

Discount Rate

The TMRS SDBF program is treated as unfunded OPEB plan because the SDBF trust covers both active employees and retirees and the assets are not segregated for these groups. Under GASB Statement No. 75, the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 1.84% based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2021.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 8. Post Employee Benefits Other Than Pensions (continued)

TMRS Supplemental Death Benefits Fund (continued)

Actuarial Assumptions

The City's total OPEB liability was measured at December 31, 2021 and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

Valuation Date: December 31, 2021

Methods and Assumptions:

Inflation:	2.50%
Salary Increases:	3.50% to 11.50%, including inflation
Discount rate *:	1.84%
Retirees' share of benefit related costs:	\$0
Administrative expenses:	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees:	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – disabled retirees:	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

Note: The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability

Service cost	\$	45,305
Interest		17,025
Changes of benefit terms		-
Difference between expected and actual experience		(9,842)
Changes of assumptions		29,168
Benefit payments		(15,102)
Net change in total OPEB liability		66,554
Total OPEB liability - beginning		836,154
Total OPEB liability - ending	\$	<u>902,708</u>

Ending total OPEB liability is \$902,708 as of December 31, 2021. Changes of assumptions reflect a change in the discount rate from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 8. Post Employee Benefits Other Than Pensions (continued)

TMRS Supplemental Death Benefits Fund (continued)

Sensitivity Analysis

The following presents the total OPEB liability of the employer, calculated using the discount rate of 1.84%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.84%) or 1 percentage point higher (2.84%) than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease to 0.84%	Current Discount Rate Assumption 1.84%	1% Increase to 2.84%
	\$ 1,116,891	\$ 902,708	\$ 740,283

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Activity

For the year ended September 30, 2022, the City recognized OPEB expense of \$85,258 related to the TMRS Supplemental Death Benefit Fund and OPEB expense of \$63,783 related to the City's retiree healthcare plan for total OPEB expense of \$149,041. As of September 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (75,182)
Changes in assumptions and other inputs	159,032	-
Contributions made subsequent to the measurement date	3,819	-
Total	<u>\$ 162,851</u>	<u>\$ (75,182)</u>

The \$3,819 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expenses as follows:

	Net Deferred Outflows (Inflows) of Resources
2023	\$ 22,928
2024	17,482
2025	20,637
2026	16,524
2027	5,355
Thereafter	924
Total	<u>\$ 83,850</u>

Note 8. Post Employee Benefits Other Than Pensions (continued)

Retiree Health Care Plan (RHCP)

Plan Description

The City’s defined benefit OPEB plan, City of Friendswood Retiree Health Care Plan (RHCP), provides OPEB through an implicit healthcare premium for retirees for all permanent full-time employees of the City. RHCP is a single-employer defined benefit OPEB plan administered by the City. At this time, no assets are accumulated in a trust to fund the future requirements of the RHCP.

Benefits Provided

RHCP provides access to post retirement employees by offering a “blended premium” structure, that is, the overall health care premiums for active employees and non-Medicare retirees, are stated in terms of a single “blended premium”. The difference between the underlying retiree claims and the blended overall health care premium is referred to as an “implicit” subsidy. Because the underlying claims costs for a non-Medicare retiree are on average higher than the blended premium, there is a positive implicit subsidy for the non-Medicare retirees.

Employees covered by benefit terms. At December 31, 2020, the following employees were covered by the benefit terms:

Retirees and beneficiaries	7
Inactive, nonretired members	0
Active members	<u>204</u>
Total	<u>211</u>

Total OPEB Liability

The City’s total OPEB liability of \$1,032,823 was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2020.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 8. Post Employee Benefits Other Than Pensions (continued)

Retiree Health Care Plan (RHCP) (continued)

Actuarial Assumptions and Methods

The actuarial valuation was performed as of December 31, 2020. Update procedures were used to roll forward the total OPEB liability to December 31, 2021. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<i>Valuation Date:</i>	December 31, 2020
<i>Measurement Date:</i>	December 31, 2021
<i>Methods and Assumptions:</i>	
Actuarial Cost Method:	Individual Entry-Age Normal
Discount Rate:	1.84% as of December 31, 2021
Inflation:	2.50%
Salary Increases:	3.50% to 11.50%, including inflation
Demographic Assumptions:	Based on the experience study covering the four year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS)
Mortality:	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rate are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.
Health Care Trend Rates:	Initial rate of 6.80% declining to an ultimate rate of 4.25% after 12 years.
Participation Rates:	It was assumed 20% of employees retiring at the age of 50 or over would choose to receive retiree health care coverage through the City. Employees retiring before the age of 50 were not assumed to elect coverage.
<i>Other Information:</i>	
Notes:	The discount rate changed from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021. Additionally, the period of service used for the allocation of service costs was changed to only reflect service with the City.

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”). The discount rate was 2.00% as of the prior measurement date.

Plan Assets

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 8. Post Employee Benefits Other Than Pensions (continued)

Retiree Health Care Plan (RHCP) (continued)

Changes in the Total OPEB Liability

Service cost	\$	60,759
Interest		22,218
Changes of benefit terms		-
Difference between expected and actual experience		11,967
Changes of assumptions		(111,991)
Benefit payments		(61,339)
Net change in total OPEB liability		(78,386)
Total OPEB liability - beginning		1,111,209
Total OPEB liability - ending	\$	<u>1,032,823</u>

The ending Total OPEB Liability was \$1,032,823 as of December 31, 2021.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the plan's total OPEB liability, calculated using a discount rate of 1.84%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease to 0.84%	Current Discount Rate Assumption 1.84%	1% Increase to 2.84%
\$ 1,128,772	\$ 1,032,823	\$ 944,844

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
\$ 909,992	\$ 1,032,823	\$ 1,179,741

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 8. Post Employee Benefits Other Than Pensions (continued)

Retiree Health Care Plan (RHCP) (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized OPEB expense of \$85,258 related to the TMRS Supplemental Death Benefit Fund and OPEB expense of \$63,783 related to the City's retiree healthcare plan for total OPEB expense of \$149,041. As of September 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,959	\$ (206,886)
Changes assumptions	148,501	(100,415)
Contributions subsequent to the measurement date	33,379	-
Total	<u>\$ 200,839</u>	<u>\$ (307,301)</u>

The \$33,379 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB, excluding contributions subsequent to the measurement date, will be recognized in OPEB expenses as follows:

<u>Fiscal Year</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (19,194)
2024	(19,194)
2025	(19,194)
2026	(19,194)
2027	(20,836)
Thereafter	(42,229)
Total	<u>\$ (139,841)</u>

CITY OF FRIENDSWOOD, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 9. Commitments and Contingencies

Southeast Water Purification Plant

The City has entered into a contract with the City of Houston for construction, operating and maintaining a water purification plant known as Southeast Water Purification Plant. The City's pro rata share of the actual pumping construction costs is 1.33 percent.

The City began receiving water from the plant on October 15, 1990. The City is billed on a monthly basis for the actual gallons of water received times the City's pro rata share of actual costs. At the end of each quarter, the City of Houston computes the total operation and maintenance expenses for the quarter just ended, recalculates the cost per one thousand gallons, and adjusts previous billings on the next invoice.

The relationship of the parties is of a fiduciary character, no partnership or joint venture is created by this contract.

Blackhawk Regional Wastewater Treatment Facility

On December 12, 1974, the City entered into an agreement with Gulf Coast Waste Disposal Authority to construct the Blackhawk Regional Wastewater Treatment Facility. The Blackhawk Wastewater Treatment Facility was constructed in the early 1980s and is a regional wastewater treatment plant serving MUD 55, Baybrook MUD 1, City of Houston and the City of Friendswood. The plant has a capacity of 9.25 million gallons per day (MGD) and is operated and maintained by Gulf Coast Waste Disposal Authority. Friendswood is the majority owner having 52.465% or 4.853 MGD of its capacity.

As a part of the contract with Gulf Coast Waste Disposal Authority, the City and all participants pay their share of operational costs and expenses (direct and indirect) incurred monthly at the Blackhawk Wastewater Treatment Facility based upon actual flows. This includes the maintenance of the plant and the creation and maintenance of reasonable reserves for repairs and other contingencies. Capital expenditures on the other hand shall be the responsibility of all participants based upon their purchased capacity in the plant. For Friendswood, that equates to 52.465% for capital projects identified and approved at the plant.

Federal and State Programs

The City recognizes grant monies received as reimbursement for costs incurred in certain federal and state programs it administers as revenue. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining property and liability insurance through Texas Municipal League (TML), an Intergovernmental Risk Pool. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The participation of the City in TML is limited to payment of premiums. During the year ended September 30, 2022, the City paid premiums to TML for provision of various liability, property and casualty insurance. The City has various deductible amounts ranging from \$500 to \$5,000 on various policies.

CITY OF FRIENDSWOOD, TEXAS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 9. Commitments and Contingencies (continued)

The City also provides workers' compensation insurance on its employees through TML. Workers' compensation is subject to change when audited by TML. At year-end, September 30, 2022, the City believed the amounts paid on workers' compensation would not change significantly from the amounts recorded.

During the year ended September 30, 2022, employees of the City were covered by a health and dental insurance plan. The City pays 90% of the monthly premium of employees choosing individual coverage only. The City pays 70% of the monthly premium for employees choosing to cover themselves and their dependents.

Note 10 – Deficit Fund Balance

As of September 30, 2022, the Coronavirus State and Local Fiscal Recovery fund had a fund balance deficit of \$1,666 and the CDBG-DR Harris County with a deficit of \$204,422. The City plans to record revenue in the future to cover the deficits for the fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FRIENDSWOOD, TEXAS

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (WITH VARIANCES)**

GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Revenues				
Property taxes	\$ 16,443,981	\$ 16,443,981	\$ 16,475,894	\$ 31,913
Sales and alcohol taxes	8,149,347	8,149,347	8,967,803	818,456
Franchise taxes	1,925,828	1,925,828	2,170,152	244,324
Fines and forfeitures	1,089,427	1,089,427	969,344	(120,083)
Permits and fees	1,658,218	1,664,784	1,789,147	124,363
Intergovernmental	642,396	642,396	594,774	(47,622)
Investment earnings	34,000	34,000	(15,254)	(49,254)
Donations	7,750	38,510	61,211	22,701
Miscellaneous	84,453	108,844	336,367	227,523
Total Revenues	30,035,400	30,097,117	31,349,438	1,252,321
Expenditures				
General Government:				
Mayor and Council - Governing Body:				
Supplies and maintenance	11,700	5,364	4,869	495
Other services and charges	84,850	79,937	75,077	4,860
Total Governing Body	96,550	85,301	79,946	5,355
Mayor and Council - City Attorney:				
Personnel services	259,523	340,701	338,969	1,732
Supplies	450	32,565	14,341	18,224
Other services and charges	21,270	17,735	12,059	5,676
Total City Attorney	281,243	391,001	365,369	25,632
City Manager - Administration:				
Personnel services	747,737	747,737	747,646	91
Supplies	21,780	30,545	29,725	820
Other services and charges	39,100	35,289	25,566	9,723
Total Administration	808,617	813,571	802,937	10,634
City Manager - Economic Development:				
Personnel services	-	-	-	-
Supplies	5,000	5,000	1,000	4,000
Other services and charges	59,820	60,390	31,209	29,181
Total Economic Development	64,820	65,390	32,209	33,181
City Secretary - Municipal Clerk:				
Personnel services	389,936	389,936	376,154	13,782
Supplies	5,740	25,832	25,779	53
Other services and charges	16,725	19,800	19,901	(101)
Total Municipal Clerk	412,401	435,568	421,834	13,734

CITY OF FRIENDSWOOD, TEXAS

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (WITH VARIANCES)**

GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
General Government (continued):				
City Secretary - Election Services:				
Supplies	\$ 1,100	\$ 200	\$ 195	\$ 5
Other services and charges	124,980	113,520	54,764	58,756
Total Election Services	126,080	113,720	54,959	58,761
City Secretary - Records Management:				
Personnel services	159,090	77,912	75,015	2,897
Supplies	970	-	-	-
Other services and charges	21,870	14,970	13,343	1,627
Total Records Management	181,930	92,882	88,358	4,524
Administrative Services - Finance:				
Personnel services	1,032,087	1,015,087	1,023,020	(7,933)
Supplies	7,450	15,850	11,220	4,630
Other services and charges	110,788	131,410	122,915	8,495
Total Finance	1,150,325	1,162,347	1,157,155	5,192
Administrative Services - Other Admin:				
Other services and charges	175,307	176,232	176,118	114
Total Other Admin	175,307	176,232	176,118	114
Administrative Services - Municipal Court:				
Personnel services	400,136	433,056	434,045	(989)
Supplies	5,780	5,780	5,609	171
Other services and charges	28,815	26,815	26,000	815
Total Municipal Court	434,731	465,651	465,654	(3)
Human Resources - Administration:				
Personnel services	378,178	368,680	367,535	1,145
Supplies	11,700	11,700	5,974	5,726
Other services and charges	120,512	120,720	50,788	69,932
Total Administration	510,390	501,100	424,297	76,803
Human Resources - Insurance:				
Other services and charges	259,297	252,667	250,395	2,272
Total Insurance	259,297	252,667	250,395	2,272

CITY OF FRIENDSWOOD, TEXAS

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (WITH VARIANCES)**

GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
General Government (continued):				
Human resources - Risk Management:				
Personnel services	\$ 148,422	\$ 148,422	\$ 149,599	\$ (1,177)
Supplies	10,960	12,806	7,138	5,668
Other services and charges	61,105	55,037	21,130	33,907
Total Risk Management	220,487	216,265	177,867	38,398
Information Technology - Administration:				
Personnel services	755,143	755,143	715,258	39,885
Supplies	82,290	60,056	43,073	16,983
Repairs and maintenance	65,630	65,630	30,049	35,581
Other services and charges	729,495	1,097,245	702,761	394,484
Total Administration	1,632,558	1,978,074	1,491,141	486,933
Total General Government	6,354,736	6,749,769	5,988,239	761,530
Public Safety:				
Police Department - Administration:				
Personnel services	915,716	915,716	929,797	(14,081)
Supplies	28,750	29,753	21,933	7,820
Repairs and maintenance	42,500	62,104	38,258	23,846
Other services and charges	81,998	541,310	294,109	247,201
Total Administration	1,068,964	1,548,883	1,284,097	264,786
Police Department - Communications:				
Personnel services	1,196,762	1,196,762	1,186,699	10,063
Supplies	9,700	9,988	6,010	3,978
Repairs and maintenance	36,250	43,250	23,877	19,373
Other services and charges	21,480	21,480	12,270	9,210
Total Communications	1,264,192	1,271,480	1,228,856	42,624
Police Department - Patrol:				
Personnel services	6,534,227	6,453,057	6,027,227	425,830
Supplies	305,040	330,355	308,772	21,583
Repairs and maintenance	225,100	252,184	204,305	47,879
Other services and charges	539,294	544,424	507,863	36,561
Total Patrol	7,603,661	7,580,020	7,048,167	531,853
Police Department - Patrol - DOT Program:				
Personnel services	102,922	102,922	115,829	(12,907)
Supplies	4,480	4,480	5,784	(1,304)
Repairs and maintenance	1,250	8,750	7,720	1,030
Other services and charges	11,899	11,899	8,654	3,245
Total Patrol - DOT Program	120,551	128,051	137,987	(9,936)

CITY OF FRIENDSWOOD, TEXAS

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (WITH VARIANCES)**

GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
Public Safety (continued):				
Police Department - Criminal Investigation:				
Personnel services	\$ 1,941,851	\$ 1,915,351	\$ 1,935,860	\$ (20,509)
Supplies	52,950	61,387	60,397	990
Repairs and maintenance	52,800	50,421	27,265	23,156
Other services and charges	163,528	216,028	195,197	20,831
Total Criminal Investigation	2,211,129	2,243,187	2,218,719	24,468
Police Department - Animal Control:				
Personnel services	346,601	345,218	370,119	(24,901)
Supplies	32,500	42,500	41,980	520
Repairs and maintenance	12,000	12,000	4,433	7,567
Other services and charges	67,914	70,914	57,720	13,194
Total Animal Services	459,015	470,632	474,252	(3,620)
Fire Marshal - Administration:				
Personnel services	901,027	911,227	929,053	(17,826)
Supplies	28,075	34,850	33,225	1,625
Repairs and maintenance	5,500	6,219	5,753	466
Other services and charges	105,947	104,447	98,448	5,999
Total Administration	1,040,549	1,056,743	1,066,479	(9,736)
Fire Marshal - Emergency Management:				
Personnel services	101,044	101,044	103,516	(2,472)
Supplies	25,350	19,274	12,668	6,606
Repairs and maintenance	3,000	1,700	1,587	113
Other services and charges	48,630	70,301	30,724	39,577
Total Emergency Management	178,024	192,319	148,495	43,824
Fire Marshal - Fire/EMS Administration:				
Other services and charges	1,819,900	1,819,900	1,718,833	101,067
Total Fire/EMS Administration	1,819,900	1,819,900	1,718,833	101,067
Fire Marshal - Storm:				
Personnel services	-	-	-	-
Supplies	-	-	-	-
Repairs and maintenance	-	-	-	-
Other services and charges	-	-	5,043	(5,043)
Total Storm	-	-	5,043	(5,043)
Fire Marshal - Public Safety Health:				
Personnel services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Total Public Safety Health	-	-	-	-
Total Public Safety	15,765,985	16,311,215	15,330,928	980,287

CITY OF FRIENDSWOOD, TEXAS

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (WITH VARIANCES)**

GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
Public Works:				
Administration:				
Personnel services	\$ 254,074	\$ 254,074	\$ 253,084	\$ 990
Supplies	4,050	4,050	3,454	596
Other services and charges	13,275	17,379	5,211	12,168
Total Administration	271,399	275,503	261,749	13,754
Streets:				
Personnel services	816,535	816,535	882,554	(66,019)
Supplies	103,220	111,419	141,378	(29,959)
Repairs and maintenance	143,830	1,023,317	966,247	57,070
Other services and charges	429,898	435,000	447,218	(12,218)
Total Streets	1,493,483	2,386,271	2,437,397	(51,126)
Drainage:				
Personnel services	338,413	338,413	271,787	66,626
Supplies	13,090	13,155	13,791	(636)
Repairs and maintenance	56,800	106,336	49,986	56,350
Other services and charges	15,971	15,971	12,750	3,221
Total Drainage	424,274	473,875	348,314	125,561
Total Public Works	2,189,156	3,135,649	3,047,460	88,189
Engineering:				
Capital Projects Administration:				
Personnel services	482,905	482,905	492,762	(9,857)
Supplies	13,965	17,207	16,661	546
Repairs and maintenance	2,000	2,000	716	1,284
Other services and charges	79,628	73,813	60,871	12,942
Total Capital Projects Administration:	578,498	575,925	571,010	4,915
Total Engineering	578,498	575,925	571,010	4,915
Community Development:				
Administration:				
Personnel services	367,866	367,866	366,766	1,100
Supplies	9,180	9,180	5,694	3,486
Other services and charges	20,510	20,510	7,081	13,429
Total Administration	397,556	397,556	379,541	18,015

CITY OF FRIENDSWOOD, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (WITH VARIANCES)**

GENERAL FUND

For the Year Ended September 30, 2022

Page 6 of 8

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
Community Development (continued):				
Planning and Zoning:				
Personnel services	\$ 316,297	\$ 323,097	\$ 326,979	\$ (3,882)
Supplies	3,900	1,900	1,272	628
Other services and charges	54,075	47,275	22,175	25,100
Total Planning and Zoning	374,272	372,272	350,426	21,846
Inspection and Code Enforcement:				
Personnel services	431,959	431,959	411,682	20,277
Supplies	10,380	10,380	10,215	165
Repairs and maintenance	3,650	3,650	1,011	2,639
Other services and charges	56,782	49,882	34,538	15,344
Total Inspection and Code Enforcement	502,771	495,871	457,446	38,425
Total Community Development	1,274,599	1,265,699	1,187,413	78,286
Parks and recreation:				
Administration:				
Personnel services	291,934	291,934	293,999	(2,065)
Supplies	3,950	3,850	3,754	96
Repairs and maintenance	32,930	33,030	30,536	2,494
Total Administration	328,814	328,814	328,289	525
Recreation Programs:				
Personnel services	324,187	324,187	345,855	(21,668)
Supplies	19,025	19,716	19,407	309
Other services and charges	127,370	123,500	120,687	2,813
Total Recreation programs	470,582	467,403	485,949	(18,546)
July 4th Program:				
Personnel services	31,233	31,233	34,926	(3,693)
Supplies	4,000	5,039	5,038	1
Other services and charges	88,400	103,938	99,744	4,194
Total July 4th Program	123,633	140,210	139,708	502
Summer Day Camp Program:				
Personnel services	117,374	117,374	101,031	16,343
Supplies	12,500	13,635	13,631	4
Other services and charges	42,650	44,267	44,370	(103)
Total Summer Day Camp Program	172,524	175,276	159,032	16,244

CITY OF FRIENDSWOOD, TEXAS

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (WITH VARIANCES)**
GENERAL FUND
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
Parks and recreation (continued):				
Keep Friendswood Beautiful committee:				
Supplies	\$ 14,200	\$ 14,634	\$ 14,581	\$ 53
Repairs and maintenance	2,500	4,426	3,925	501
Other services and charges	37,225	37,233	33,415	3,818
Total Keep Friendswood Beautiful committee	53,925	56,293	51,921	4,372
Stevenson Park pool:				
Personnel services	76,834	76,834	59,674	17,160
Supplies	24,800	23,515	18,582	4,933
Repairs and maintenance	45,518	43,978	38,053	5,925
Other services and charges	25,770	25,810	15,743	10,067
Total Stevenson park pool	172,922	170,137	132,052	38,085
Senior Activity Center:				
Personnel services	183,204	183,204	181,675	1,529
Supplies	10,500	9,633	9,315	318
Repairs and maintenance	2,000	5,029	4,997	32
Other services and charges	17,956	18,715	18,851	(136)
Total Senior Activity Center	213,660	216,581	214,838	1,743
Park Operations:				
Personnel services	820,904	820,904	843,968	(23,064)
Supplies	77,500	80,675	88,335	(7,660)
Repairs and maintenance	226,258	239,526	235,549	3,977
Other services and charges	514,009	505,181	549,787	(44,606)
Total Park Operations	1,638,671	1,646,286	1,717,639	(71,353)
Facility Operations:				
Supplies	29,000	36,373	34,206	2,167
Repairs and maintenance	212,000	538,499	422,100	116,399
Other services and charges	546,000	600,103	616,575	(16,472)
Total Facility Operations	787,000	1,174,975	1,072,881	102,094
Total parks and recreation	3,961,731	4,375,975	4,302,309	73,666
Library:				
Administration:				
Personnel services	1,164,843	1,164,843	1,144,622	20,221
Supplies	157,185	181,300	159,547	21,753
Repairs and maintenance	440	582	582	-
Other services and charges	18,955	30,098	28,705	1,393
Total Administration	1,341,423	1,376,823	1,333,456	43,367
Total library	1,341,423	1,376,823	1,333,456	43,367

CITY OF FRIENDSWOOD, TEXAS

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (WITH VARIANCES)**

GENERAL FUND

For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
Capital improvements:				
Repairs and Maintenance	\$ -	\$ 1,595	\$ 1,595	\$ -
Other services and charges	-	32,298	30,034	2,264
Capital outlay	1,649,800	6,405,680	2,532,230	3,873,450
Total capital improvements	1,649,800	6,439,573	2,563,859	3,875,714
Total Expenditures	33,115,928	40,230,628	34,324,674	5,905,954
Excess (deficiency) of revenues over expenditures	(3,080,528)	(10,133,511)	(2,975,236)	7,158,275
Other Financing Sources (Uses)				
Insurance recoveries	-	31,308	74,126	42,818
Sale of capital assets	-	-	18,029	18,029
Notes payable issued	-	752,663	1,457,640	704,977
Transfers in	1,563,531	1,708,331	1,708,331	-
Transfers out	-	(124,948)	(124,948)	-
Total Other Financing Sources (Uses)	1,563,531	2,367,354	3,133,178	765,824
Net change in fund balances	(1,516,997)	(7,766,157)	157,942	7,924,099
Fund Balances - Beginning	17,227,145	17,227,145	17,227,145	-
Fund Balances - Ending	\$ 15,710,148	\$ 9,460,988	\$ 17,385,087	\$ 7,924,099

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

Budgetary Information

The City's Code of Ordinances establishes the following framework for the preparation and format of the City's annual budget:

Content

The budget shall provide a complete financial plan of all City funds and activities and, except as required by law or this Charter, shall be in such form as the City Manager deems desirable or the Council may require. The budget shall begin with a clear general summary of its contents; shall show in details all estimated income, the proposed property tax levy, and all proposed expenditures for the ensuing fiscal years, including debt service and an itemized estimate of the expense of conducting each Department of the City. The proposed budget expenditures shall not exceed the total of estimated income. It shall also include, in separate sections:

- 1) Tax levies, rates and collections for the preceding five years.
- 2) The amount required for interest on the City's debts, for sinking fund and for maturing serial bonds.
- 3) The total amount of outstanding City debts, with a schedule of maturities on bond issues.
- 4) Anticipated net surplus of deficit for the ensuing fiscal year of each utility owned or operated by the City and the proposed method of its disposition, subsidiary budgets for each such utility giving detailed income and expenditure information shall be attached as appendices to the budget.
- 5) A capital program, which may be revised and extended each year to indicate capital improvements pending or in process of construction or acquisition, and shall include the following items which shall be attached as appendices to the budget:
 - a) A summary of proposed programs;
 - b) A list of all capital improvements which are proposed to be undertaken during the five fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements;
 - c) Cost estimates, method of financing and recommended time schedules from each such improvement; and
 - d) The estimated annual cost of operating and maintaining the facilities to bid constructed or acquired.
- 6) Such other information as may be required by the Council.

Submission

On or before the first day of August of each year, the City Manager shall submit to the Council a proposed budget and an accompanying message. The Council shall review the proposed budget and revise as deemed appropriate prior to general circulation for public hearing.

Public Notice and Hearing

The Council shall post in the City Hall and publish in the official newspaper a general summary of their proposed budget and a notice stating:

- 1) The times and places where copies of the message and budget are available for inspection by the public; and
- 2) The time and place, not less than ten nor more than 30 days after such publication, for a public hearing on the budget.

Amendment Before Adoption

After the public hearing, the Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.

If the Council fails to adopt an annual budget before the start of the fiscal year to which it applies, appropriations of the last budget adopted shall be considered as adopted for the current fiscal year on a month to month, pro rata basis, until the annual budget is adopted. Adoption of the budget shall require an affirmative vote of at least a majority of all members of the Council. Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated.

Amendments After Adoption

At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, division, or office, and, upon written request by the City Manager, the Council may be by ordinance transfer part or all of any unencumbered appropriation balance from one department, office, or agency to another.

No appropriation for debt service may be reduced or transferred and no appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof. The City Council made supplemental budgetary appropriation changes during the fiscal year. The reported budgetary data has been revised for these amendments legally authorized during the year.

CITY OF FRIENDSWOOD, TEXAS

Page 1 of 2

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Eight Measurement Years**

	2021	2020	2019	2018
A. Total pension liability				
1. Service Cost	\$ 3,032,100	\$ 2,979,569	\$ 2,738,906	\$ 2,626,099
2. Interest (on the Total Pension Liability)	6,110,807	5,780,980	5,345,140	5,044,613
3. Difference between expected and actual experience	788,166	(146,825)	1,150,459	59,617
4. Changes of assumptions	-	-	378,973	-
5. Benefit payments, including refunds of employee contributions	(4,163,654)	(3,343,679)	(3,210,157)	(3,458,824)
6. Net change in total pension liability	5,767,419	5,270,045	6,403,321	4,271,505
7. Total pension liability – beginning	91,096,245	85,826,200	79,422,879	75,151,374
8. Total pension liability – ending	96,863,664	91,096,245	85,826,200	79,422,879
B. Plan fiduciary net position				
1. Contributions – employer	2,777,049	2,620,564	2,395,398	2,305,344
2. Contributions – employee	1,174,582	1,158,078	1,068,692	1,025,248
3. Net investment income	10,611,017	5,713,369	10,053,454	(2,013,270)
4. Benefit payments, including refunds of employee contributions	(4,163,654)	(3,343,679)	(3,210,157)	(3,458,824)
5. Administrative Expense	(49,073)	(36,958)	(56,778)	(38,892)
6. Other	337	(1,442)	(1,704)	(2,032)
7. Net change in plan fiduciary net position	10,350,258	6,109,932	10,248,905	(2,182,426)
8. Plan fiduciary net position – beginning	81,355,616	75,245,684	64,996,779	67,179,205
9. Plan fiduciary net position – ending	91,705,874	81,355,616	75,245,684	64,996,779
C. Net pension liability (A.9 – B.9)	<u>\$ 5,157,790</u>	<u>\$ 9,740,629</u>	<u>\$ 10,580,516</u>	<u>\$ 14,426,100</u>
D. Plan fiduciary net position as a percentage of the total pension liability	94.68%	89.31%	87.67%	81.84%
E. Covered payroll	\$ 16,779,748	\$ 16,543,970	\$ 15,267,034	\$ 14,646,398
F. Net position liability as a percentage of covered payroll	30.74%	58.88%	69.30%	98.50%

Note: Ten years of data should be presented in this schedule but data was unavailable prior to 2014.

CITY OF FRIENDSWOOD, TEXAS

Page 2 of 2

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Eight Measurement Years

	2017	2016	2015	2014
A. Total pension liability				
1. Service Cost	\$ 2,505,392	\$ 2,334,817	\$ 2,204,299	\$ 2,018,353
2. Interest (on the Total Pension Liability)	4,755,782	4,435,987	4,317,394	4,084,392
3. Difference between expected and actual experience	(60,180)	366,687	(1,032,789)	(736,093)
4. Changes of assumptions	-	-	847,469	-
5. Benefit payments, including refunds of employee contributions	(2,505,921)	(2,464,107)	(2,256,734)	(2,005,311)
6. Net change in total pension liability	4,695,073	4,673,384	4,079,639	3,361,341
7. Total pension liability – beginning	70,456,304	65,782,920	61,703,281	58,341,940
8. Total pension liability – ending	75,151,377	70,456,304	65,782,920	61,703,281
B. Plan fiduciary net position				
1. Contributions – employer	2,182,093	2,037,849	1,998,038	1,867,782
2. Contributions – employee	987,399	923,896	886,669	829,598
3. Net investment income	8,104,390	3,672,583	79,202	2,868,842
4. Benefit payments, including refunds of employee contributions	(2,505,921)	(2,464,107)	(2,256,734)	(2,005,311)
5. Administrative Expense	(41,987)	(41,467)	(48,239)	(29,949)
6. Other	(2,127)	(2,234)	(2,383)	(2,462)
7. Net change in plan fiduciary net position	8,723,847	4,126,520	656,553	3,528,500
8. Plan fiduciary net position – beginning	58,455,358	54,328,838	53,672,285	50,143,785
9. Plan fiduciary net position – ending	67,179,205	58,455,358	54,328,838	53,672,285
C. Net pension liability (A.9 – B.9)	<u>\$ 7,972,172</u>	<u>\$ 12,000,946</u>	<u>\$ 11,454,082</u>	<u>\$ 8,030,996</u>
D. Plan fiduciary net position as a percentage of the total pension liability	89.39%	82.97%	82.59%	86.98%
E. Covered payroll	\$ 14,098,997	\$ 13,198,512	\$ 12,653,842	\$ 11,851,396
F. Net position liability as a percentage of covered payroll	56.54%	90.93%	90.52%	67.76%

Note: Ten years of data should be presented in this schedule but data was unavailable prior to 2014.

CITY OF FRIENDSWOOD, TEXAS
SCHEDULE OF CITY CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Nine Fiscal Years

	2022	2021	2020	2019	2018
Actuarially required contributions	\$ 2,844,852	\$ 2,721,688	\$ 2,485,117	\$ 2,376,185	\$ 2,255,270
Contributions in relation to the actuarially required contributions	<u>2,844,852</u>	<u>2,721,688</u>	<u>2,485,117</u>	<u>2,376,185</u>	<u>2,255,270</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 17,404,825	\$ 16,639,755	\$ 15,724,041	\$ 15,133,171	\$ 14,385,208
Contributions as a percentage of covered payroll	16.35%	16.36%	15.80%	15.70%	15.68%

	2017	2016	2015	2014
Actuarially required contributions	\$ 2,161,617	\$ 2,100,698	\$ 1,960,652	\$ 1,847,375
Contributions in relation to the actuarially required contributions	<u>2,161,617</u>	<u>2,100,698</u>	<u>1,960,652</u>	<u>1,847,375</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 13,986,135	\$ 13,525,613	\$ 12,423,310	\$ 11,781,281
Contributions as a percentage of covered payroll	15.46%	15.53%	15.78%	15.68%

Note: Ten years of data should be presented in this schedule but data was unavailable prior to 2014.

CITY OF FRIENDSWOOD, TEXAS
NOTES TO SCHEDULE OF CONTRIBUTIONS
For the Year Ended September 30, 2022

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information: There were no benefit changes during the year.

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS FUND Last Five Measurement Years

	2021	2020	2019	2018
Service cost	\$ 45,305	\$ 36,397	\$ 27,481	\$ 30,757
Interest	17,025	20,150	23,199	20,933
Difference between expected and actual experience	(9,842)	(48,181)	(60,356)	(7,425)
Changes of assumptions	29,168	115,737	118,183	(43,775)
Benefit payments **	(15,102)	(4,963)	(6,107)	(5,859)
Net change in total OPEB liability	66,554	119,140	102,400	(5,369)
Total OPEB liability - beginning	836,154	717,014	614,614	619,983
Total OPEB liability - ending	<u>\$ 902,708</u>	<u>\$ 836,154</u>	<u>\$ 717,014</u>	<u>\$ 614,614</u>
Covered-employee payroll	\$ 16,779,748	\$ 16,543,970	\$ 15,267,034	\$ 14,646,398
Total OPEB liability as a percentage of covered-employee payroll	5.38%	5.05%	4.70%	4.20%

	2017
Service cost	\$ 26,788
Interest	20,384
Difference between expected and actual experience	-
Changes of assumptions	49,777
Benefit payments **	(5,640)
Net change in total OPEB liability	91,309
Total OPEB liability - beginning	528,674
Total OPEB liability - ending	<u>\$ 619,983</u>
Covered-employee payroll	\$ 14,098,997
Total OPEB liability as a percentage of covered-employee payroll	4.40%

Note: Ten years of data should be presented in this schedule but data was unavailable prior to 2017.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefit.

** Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

Changes of assumptions:

Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2021	1.84%
2020	2.00%
2019	2.75%
2018	3.71%
2017	3.31%

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

CITY OF FRIENDSWOOD RETIREE HEALTH CARE PLAN

Last Five Measurement Years

	2021	2020	2019	2018
Service cost	\$ 60,759	\$ 60,972	\$ 46,995	\$ 53,919
Interest	22,218	30,484	36,314	37,843
Difference between expected and actual experience	11,967	(104,038)	8,768	(214,124)
Changes of assumptions	(111,991)	75,401	86,718	7,071
Benefit payments	(61,339)	(59,267)	(52,896)	(38,566)
Net change in total OPEB liability	(78,386)	3,552	125,899	(153,857)
Total OPEB liability - beginning	1,111,209	1,107,657	981,758	1,135,615
Total OPEB liability - ending	<u>\$ 1,032,823</u>	<u>\$ 1,111,209</u>	<u>\$ 1,107,657</u>	<u>\$ 981,758</u>
Covered-employee payroll	\$ 16,779,752	\$ 16,543,973	\$ 15,267,037	\$ 14,646,402
Total OPEB liability as a percentage of covered-employee payroll	6.16%	6.72%	7.26%	6.70%

	2017
Service cost	\$ 44,637
Interest	39,497
Difference between expected and actual experience	4,573
Changes of assumptions	51,765
Benefit payments	(38,414)
Net change in total OPEB liability	102,058
Total OPEB liability - beginning	1,033,557
Total OPEB liability - ending	<u>\$ 1,135,615</u>
Covered-employee payroll	\$ 12,035,859
Total OPEB liability as a percentage of covered-employee payroll	9.44%

Note: Ten years of data should be presented in this schedule but data was unavailable prior to 2017.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefit.

Notes to Required Supplementary Information:

Methods and Assumptions Used to Determine Contribution Rates:

The demographic assumptions are based on the assumptions that were developed for the defined benefit plan in which the City participates (TMRS). The assumptions are based on the experience study covering the four year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS).

Changes of assumptions:

2021 - The period of service used for allocation of service costs was changed to only reflect service with the City.

2019 - The demographic study and salary increase assumptions were updated to reflect the 2019 TMRS Experience Study.

2018 - The health care trend assumption was modified.

Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2021	1.84%
2020	2.00%
2019	2.75%
2018	3.71%
2017	3.31%



**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

**NONMAJOR
GOVERNMENTAL FUNDS**

The ***Special Revenue Funds*** are used to account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Police Investigation Fund – This fund is used to account for revenues that are restricted to police investigation expenditures.

Fire/EMS Donation Fund – This fund accounts for revenues that are restricted for Fire/EMS capital outlays and debt repayments.

Municipal Court Fund – This fund accounts for revenues that are restricted for court technology and building security. In 1999, the state legislature authorized a court technology and court security fee for municipal court fines. In 2019, the state legislature authorized additional fees for truancy and jury services.

Community Development Block Grant (CDBG) – Disaster Recovery (DR) Harris County – This fund is used to account for revenues that are restricted to the Community Development Block Grant – Disaster Recovery expenditures. Funds will be used for the Harris County side of the City.

Hazard Mitigation Grant Program – This fund is used to account for federal grants that are restricted to the acquisition and demolition of flood-prone residential structures located within the City.

Community Development Block Grant (CDBG) – Disaster Recovery (DR) Galveston County – This fund is used to account for revenues that are restricted to the Community Development Block Grant – Disaster Recovery expenditures. Funds will be used for the Galveston County side of the City.

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

1776 Park Fund – This fund is used to account for assets held by the City in a trustee capacity and the earnings benefit this City Park.

**NONMAJOR
GOVERNMENTAL FUNDS (continued)**

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities.

Sidewalk Installation Fund – This fund is used to account for receipts from developers to install sidewalks in neighborhood developments.

Park Land Dedication Fund – This fund is used to account for receipts from developers to build or enhance neighborhood and community parks.

Street Improvement Fund – This fund is used to record sales tax revenue collected for City's streets maintenance and improvements.

**MAJOR
GOVERNMENTAL FUNDS**

The **Special Revenue Funds** are used to account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Coronavirus State and Local Fiscal Recovery Fund – This fund is used to account for federal funds related to the fiscal recovery of Coronavirus. Funds will be used for water and sewer infrastructure projects.

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities.

Bond Construction Fund – is used to account for the construction of public facilities, and park, street and drainage improvements that are funded by the proceeds from Permanent Improvement Bonds.

Debt Service Funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the repayment of principal and interest on long-term obligations of the governmental funds.

Debt Service Fund – This fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

	Special Revenue Funds			
	Police Investigation	Fires/EMS Donation	Municipal Court	CDBG - DR Harris County
Assets				
Cash and cash equivalents	\$ 55,910	\$ 141,982	\$ 84,687	\$ 135,596
Investments	132,085	341,552	203,724	326,189
Receivables, net of allowance:				
Taxes	-	-	-	-
Customer accounts	-	2,697	-	-
Other receivables	-	-	3,573	-
Accrued interest	117	332	163	-
Prepaid items	-	-	391	-
Due from other governments	-	-	-	444,527
Total Assets	\$ 188,112	\$ 486,563	\$ 292,538	\$ 906,312
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 139	\$ -	\$ 5,208	\$ 409,377
Retainage payable	-	-	273	21,267
Due to other funds	-	-	-	680,090
Total Liabilities	139	-	5,481	1,110,734
Deferred Inflows of Resources:				
Unavailable revenue	-	-	3,756	-
Total Deferred Inflows	-	-	3,756	-
Fund Balances:				
Nonspendable:				
Prepaid items	-	-	391	-
Permanent fund	-	-	-	-
Restricted:				
Municipal court operations	-	-	282,910	-
Public safety	187,973	486,563	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	(204,422)
Total Fund Balances	187,973	486,563	283,301	(204,422)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 188,112	\$ 486,563	\$ 292,538	\$ 906,312

CITY OF FRIENDSWOOD, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

Page 2 of 3

	Special Revenue Funds		Permanent	Capital Projects Funds
	HMGP Acquisition & Demolition Project	CDBG - DR Galveston County	1776 Park Fund	Sidewalk Install Fund
Assets				
Cash and cash equivalents	\$ 2	\$ 56,842	\$ 3,255	\$ 11,174
Investments	-	136,738	7,831	26,881
Receivables, net of allowance:				
Taxes	-	-	-	-
Customer accounts	-	-	-	-
Other receivables	-	85	-	-
Accrued interest	-	-	7	24
Prepaid items	-	-	-	-
Due from other governments	205,178	1,101,470	-	-
Total Assets	\$ 205,180	\$ 1,295,135	\$ 11,093	\$ 38,079
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 32,220
Retainage payable	-	-	-	-
Due to other funds	205,180	1,268,460	-	-
Total Liabilities	205,180	1,268,460	-	32,220
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total Deferred Inflows	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid items	-	-	-	-
Permanent fund	-	-	11,093	-
Restricted:				
Municipal court operations	-	-	-	-
Public safety	-	-	-	-
Capital projects	-	-	-	5,859
Unassigned	-	26,675	-	-
Total Fund Balances	-	26,675	11,093	5,859
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 205,180	\$ 1,295,135	\$ 11,093	\$ 38,079

	Capital Projects Funds		
	Park Land Dedication Funds	Street Improvements Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 10,167	\$ 1,014,034	\$ 1,513,649
Investments	24,458	2,439,364	3,638,822
Receivables, net of allowance:			
Taxes	-	427,806	427,806
Customer accounts	-	-	2,697
Other receivables	-	-	3,658
Accrued interest	37	1,455	2,135
Prepaid items	-	-	391
Due from other governments	-	-	1,751,175
Total Assets	\$ 34,662	\$ 3,882,659	\$ 7,340,333
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 321,864	\$ 768,808
Retainage payable	-	16,940	38,480
Due to other funds	-	-	2,153,730
Total Liabilities	-	338,804	2,961,018
Deferred Inflows of Resources:			
Unavailable revenue	-	-	3,756
Total Deferred Inflows	-	-	3,756
Fund Balances:			
Nonspendable:			
Prepaid items	-	-	391
Permanent fund	-	-	11,093
Restricted:			
Municipal court operations	-	-	282,910
Public safety	-	-	674,536
Capital projects	34,662	3,543,855	3,584,376
Unassigned	-	-	(177,747)
Total Fund Balances	34,662	3,543,855	4,375,559
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 34,662	\$ 3,882,659	\$ 7,340,333

CITY OF FRIENDSWOOD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

Page 1 of 3

	Special Revenue Funds			
	Police Investigation	Fires/EMS Donation	Municipal Court	CDBG - DR Harris County
Revenues				
Sales taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	16,648	-	66,948	-
Permits and fees	-	-	-	-
Intergovernmental	-	-	-	443,294
Miscellaneous	-	297	-	-
Donations	-	194,427	-	-
Investment income (loss)	(73)	(692)	(140)	-
Total Revenues	16,575	194,032	66,808	443,294
Expenditures				
Current:				
General government	-	-	52,593	-
Public safety	14,333	25,000	-	-
Public works	-	-	-	56,493
Library services	-	-	-	-
Debt Service:				
Principal	-	119,514	-	-
Interest and other charges	-	13,318	-	-
Capital Outlay	-	163,000	5,452	425,337
Total Expenditures	14,333	320,832	58,045	481,830
Excess (deficiency) of revenues over (under) expenditures	2,242	(126,800)	8,763	(38,536)
Other Financing Sources (Uses)				
Sale of capital assets	-	14,000	-	-
Total Other Financing Sources (Uses)	-	14,000	-	-
Net change in fund balances	2,242	(112,800)	8,763	(38,536)
Fund Balances - Beginning	185,731	599,363	274,538	(165,886)
Fund Balances - Ending	\$ 187,973	\$ 486,563	\$ 283,301	\$ (204,422)

CITY OF FRIENDSWOOD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

Page 2 of 3

	Special Revenue Funds		Permanent	Capital Projects Funds
	HMGP Acquisition & Demolition Project	CDBG - DR Galveston County	1776 Park Fund	Sidewalk Install Fund
Revenues				
Sales taxes	\$ -	\$ -	\$ -	-
Fines and forfeitures	-	-	-	-
Permits and fees	-	-	-	1,238
Intergovernmental	-	2,177,201	-	-
Miscellaneous	-	8,700	-	-
Donations	-	-	-	-
Investment income (loss)	-	-	(8)	(38)
Total Revenues	-	2,185,901	(8)	1,200
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	2,159,226	-	-
Library services	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital Outlay	-	-	-	39,061
Total Expenditures	-	2,159,226	-	39,061
Excess (deficiency) of revenues over (under) expenditures	-	26,675	(8)	(37,861)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	-	26,675	(8)	(37,861)
Fund Balances - Beginning	-	-	11,101	43,720
Fund Balances - Ending	\$ -	\$ 26,675	\$ 11,093	\$ 5,859

CITY OF FRIENDSWOOD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

Page 3 of 3

	Capital Projects Funds		
	Park Land Dedication Funds	Street Improvements Fund	Total Nonmajor Governmental Funds
Revenues			
Sales taxes	\$ -	\$ 2,208,387	\$ 2,208,387
Fines and forfeitures	-	-	83,596
Permits and fees	57,600	-	58,838
Intergovernmental	-	-	2,620,495
Miscellaneous	-	-	8,997
Donations	-	-	194,427
Investment income (loss)	(166)	982	(135)
Total Revenues	57,434	2,209,369	5,174,605
Expenditures			
Current:			
General government	-	-	52,593
Public safety	-	-	39,333
Public works	-	338,804	2,554,523
Library services	2,729	-	2,729
Debt Service:			
Principal	-	-	119,514
Interest and other charges	-	-	13,318
Capital Outlay	126,366	-	759,216
Total Expenditures	129,095	338,804	3,541,226
Excess (deficiency) of revenues over (under) expenditures	(71,661)	1,870,565	1,633,379
Other Financing Sources (Uses)			
Sale of capital assets	-	-	14,000
Total Other Financing Sources (Uses)	-	-	14,000
Net change in fund balances	(71,661)	1,870,565	1,647,379
Fund Balances - Beginning	106,323	1,673,290	2,728,180
Fund Balances - Ending	\$ 34,662	\$ 3,543,855	\$ 4,375,559

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

POLICE INVESTIGATION

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 16,648	\$ 16,648
Investment earnings	423	423	(73)	(496)
Total Revenues	<u>423</u>	<u>423</u>	<u>16,575</u>	<u>16,152</u>
Expenditures				
Current:				
Public safety	-	15,294	14,333	961
Total Expenditures	<u>-</u>	<u>15,294</u>	<u>14,333</u>	<u>961</u>
Net change in fund balances	423	(14,871)	2,242	17,113
Fund Balances - Beginning	<u>185,731</u>	<u>185,731</u>	<u>185,731</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 186,154</u>	<u>\$ 170,860</u>	<u>\$ 187,973</u>	<u>\$ 17,113</u>

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

FIRE/EMS DONATION

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Donations	\$ 215,000	\$ 215,000	\$ 194,427	\$ (20,573)
Investment earnings	1,567	1,567	(692)	(2,259)
Miscellaneous	-	-	297	297
Total Revenues	<u>216,567</u>	<u>216,567</u>	<u>194,032</u>	<u>(22,535)</u>
Expenditures				
Current:				
Public safety	-	25,000	25,000	-
Debt service:				
Principal	119,514	119,514	119,514	-
Interest and other charges	13,318	13,318	13,318	-
Capital outlay	<u>220,635</u>	<u>224,135</u>	<u>163,000</u>	<u>61,135</u>
Total Expenditures	<u>353,467</u>	<u>381,967</u>	<u>320,832</u>	<u>61,135</u>
Excess (deficiency) of revenues over expenditures	<u>(136,900)</u>	<u>(165,400)</u>	<u>(126,800)</u>	<u>38,600</u>
Other Financing Sources (Uses)				
Sale of capital assets	-	3,500	14,000	10,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,500</u>	<u>14,000</u>	<u>10,500</u>
Net change in fund balances	(136,900)	(161,900)	(112,800)	49,100
Fund Balances - Beginning	<u>599,363</u>	<u>599,363</u>	<u>599,363</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 462,463</u>	<u>\$ 437,463</u>	<u>\$ 486,563</u>	<u>\$ 49,100</u>

CITY OF FRIENDSWOOD, TEXAS**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****BUDGET AND ACTUAL****MUNICIPAL COURT****For the Year Ended September 30, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Fines and forfeitures	\$ 49,000	\$ 49,000	\$ 66,948	\$ 17,948
Investment earnings	474	474	(140)	(614)
Total Revenues	<u>49,474</u>	<u>49,474</u>	<u>66,808</u>	<u>17,334</u>
Expenditures				
Current:				
General government	49,759	54,105	52,593	1,512
Capital outlay	<u>120,000</u>	<u>98,233</u>	<u>5,452</u>	<u>92,781</u>
Total Expenditures	<u>169,759</u>	<u>152,338</u>	<u>58,045</u>	<u>94,293</u>
 Net change in fund balances	 (120,285)	 (102,864)	 8,763	 111,627
Fund Balances - Beginning	<u>274,538</u>	<u>274,538</u>	<u>274,538</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 154,253</u>	<u>\$ 171,674</u>	<u>\$ 283,301</u>	<u>\$ 111,627</u>

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

CDBG – DR HARRIS COUNTY

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 443,294	\$ 443,294
Total Revenues	<u>-</u>	<u>-</u>	<u>443,294</u>	<u>443,294</u>
Expenditures				
Current:				
Public works	-	85,592	56,493	29,099
Capital outlay	-	-	425,337	(425,337)
Total Expenditures	<u>-</u>	<u>85,592</u>	<u>481,830</u>	<u>(396,238)</u>
Net change in fund balances	-	(85,592)	(38,536)	47,056
Fund Balances - Beginning	<u>(165,886)</u>	<u>(165,886)</u>	<u>(165,886)</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (165,886)</u>	<u>\$ (251,478)</u>	<u>\$ (204,422)</u>	<u>\$ 47,056</u>

CITY OF FRIENDSWOOD, TEXAS**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****BUDGET AND ACTUAL****HAZARD MITIGATION GRANT PROGRAM****For the Year Ended September 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Public works	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

CDBG - DR GALVESTON COUNTY

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ 1,075,731	\$ 2,177,201	\$ 1,101,470
Miscellaneous revenue	-	-	8,700	8,700
Total Revenues	<u>-</u>	<u>1,075,731</u>	<u>2,185,901</u>	<u>1,110,170</u>
Expenditures				
Current:				
Public works	-	1,099,531	2,159,226	(1,059,695)
Total Expenditures	<u>-</u>	<u>1,099,531</u>	<u>2,159,226</u>	<u>(1,059,695)</u>
Net change in fund balances	-	(23,800)	26,675	50,475
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ (23,800)</u>	<u>\$ 26,675</u>	<u>\$ 50,475</u>

CITY OF FRIENDSWOOD, TEXAS**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****BUDGET AND ACTUAL****1776 PARK****For the Year Ended September 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Investment earnings	\$ 22	\$ 22	\$ (8)	\$ (30)
Total Revenues	<u>22</u>	<u>22</u>	<u>(8)</u>	<u>(30)</u>
Expenditures				
Current	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	22	22	(8)	(30)
Fund Balances - Beginning	<u>11,101</u>	<u>11,101</u>	<u>11,101</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 11,123</u>	<u>\$ 11,123</u>	<u>\$ 11,093</u>	<u>\$ (30)</u>

CITY OF FRIENDSWOOD, TEXAS**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****BUDGET AND ACTUAL****SIDEWALK INSTALLATION****For the Year Ended September 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Permits and fees	\$ -	\$ -	\$ 1,238	\$ 1,238
Investment earnings	88	88	(38)	(126)
Total Revenues	<u>88</u>	<u>88</u>	<u>1,200</u>	<u>1,112</u>
Expenditures				
Capital outlay	-	45,030	39,061	5,969
Total Expenditures	<u>-</u>	<u>45,030</u>	<u>39,061</u>	<u>5,969</u>
Net change in fund balances	88	(44,942)	(37,861)	7,081
Fund Balances - Beginning	<u>43,720</u>	<u>43,720</u>	<u>43,720</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 43,808</u>	<u>\$ (1,222)</u>	<u>\$ 5,859</u>	<u>\$ 7,081</u>

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

PARK LAND DEDICATION

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Permit and fees	\$ 50,000	\$ 50,000	\$ 57,600	\$ 7,600
Investment earnings	269	269	(166)	(435)
Total Revenues	<u>50,269</u>	<u>50,269</u>	<u>57,434</u>	<u>7,165</u>
Expenditures				
Current:				
Parks and recreation	-	6,822	2,729	4,093
Capital outlay	-	149,308	126,366	22,942
Total Expenditures	<u>-</u>	<u>156,130</u>	<u>129,095</u>	<u>27,035</u>
Net change in fund balances	50,269	(105,861)	(71,661)	34,200
Fund Balances - Beginning	<u>106,323</u>	<u>106,323</u>	<u>106,323</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 156,592</u>	<u>\$ 462</u>	<u>\$ 34,662</u>	<u>\$ 34,200</u>

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

STREET IMPROVEMENT

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Sales taxes	\$ 2,023,954	\$ 2,023,954	\$ 2,208,387	\$ 184,433
Investment earnings	2,127	2,127	982	(1,145)
Total Revenues	<u>2,026,081</u>	<u>2,026,081</u>	<u>2,209,369</u>	<u>183,288</u>
Expenditures				
Public works	-	338,804	338,804	-
Capital outlay	-	184,246	-	184,246
Total Expenditures	<u>-</u>	<u>523,050</u>	<u>338,804</u>	<u>184,246</u>
Net change in fund balances	2,026,081	1,503,031	1,870,565	367,534
Fund Balances - Beginning	<u>1,673,290</u>	<u>1,673,290</u>	<u>1,673,290</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 3,699,371</u>	<u>\$ 3,176,321</u>	<u>\$ 3,543,855</u>	<u>\$ 367,534</u>

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Property taxes	\$ 4,355,517	\$ 4,355,517	\$ 4,370,044	\$ 14,527
Investment earnings	1,600	1,600	(1,498)	(3,098)
Total Revenues	<u>4,357,117</u>	<u>4,357,117</u>	<u>4,368,546</u>	<u>11,429</u>
Expenditures				
Debt service:				
Principal	2,722,150	2,722,150	2,721,206	944
Interest and other charges	1,613,367	1,613,367	1,611,573	1,794
Total Expenditures	<u>4,335,517</u>	<u>4,335,517</u>	<u>4,332,779</u>	<u>2,738</u>
Net change in fund balances	21,600	21,600	35,767	14,167
Fund Balances - Beginning	<u>10,608</u>	<u>10,608</u>	<u>10,608</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 32,208</u>	<u>\$ 32,208</u>	<u>\$ 46,375</u>	<u>\$ 14,167</u>

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

BOND CONSTRUCTION

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Investment earnings	\$ 18,258	\$ 18,258	\$ 68,133	\$ 49,875
Total Revenues	<u>18,258</u>	<u>18,258</u>	<u>68,133</u>	<u>49,875</u>
Expenditures				
Current:				
Public works	-	245,723	163,330	82,393
Parks and recreation	-	-	10,547	(10,547)
Capital outlay	-	14,678,132	6,954,059	7,724,073
Total Expenditures	<u>-</u>	<u>14,923,855</u>	<u>7,127,936</u>	<u>7,795,919</u>
Net change in fund balances	18,258	(14,905,597)	(7,059,803)	7,845,794
Fund Balances - Beginning	<u>15,212,515</u>	<u>15,212,515</u>	<u>15,212,515</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 15,230,773</u>	<u>\$ 306,918</u>	<u>\$ 8,152,712</u>	<u>\$ 7,845,794</u>

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

CORONAVIRUS STATE FISCAL RECOVERY FUND

For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ 14,200	\$ -	\$ (14,200)
Investment earnings	-	-	(1,666)	(1,666)
Total Revenues	<u>\$ -</u>	<u>\$ 14,200</u>	<u>\$ (1,666)</u>	<u>\$ (15,866)</u>
Expenditures				
Current:	-	-	-	-
Total Expenditures	<u>-</u>	<u>14,200</u>	<u>-</u>	<u>14,200</u>
Net change in fund balances	-	-	(1,666)	(1,666)
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,666)</u>	<u>\$ (1,666)</u>

**STATISTICAL SECTION
(Unaudited)**



**STATISTICAL SECTION
(Unaudited)**

This part of the City of Friendswood’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents Pages

<i>Financial Trends</i>	114
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	124
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	129
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	134
This schedule offers demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
<i>Operating Information</i>	138
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF FRIENDSWOOD, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

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	2022	2021	2020	2019	2018
Governmental Activities					
Net investment in capital assets	\$ 74,006,329	\$ 72,240,727	\$ 68,990,597	\$ 66,823,023	\$ 68,320,682
Restricted	5,059,835	3,491,974	4,606,124	4,003,468	4,085,999
Unrestricted	8,668,866	6,886,085	2,563,947	5,402,312	6,248,751
Total Governmental Activities Net Position	\$ 87,735,030	\$ 82,618,786	\$ 76,160,668	\$ 76,228,803	\$ 78,655,432
Business-Type Activities					
Net investment in capital assets	\$ 35,999,342	\$ 32,910,959	\$ 32,242,803	\$ 27,038,046	\$ 27,088,280
Restricted	2,897,578	2,721,465	2,186,731	1,982,666	582,697
Unrestricted	11,776,833	9,984,251	8,438,509	12,077,564	13,620,211
Total Business-Type Activities Net Position	\$ 50,673,753	\$ 45,616,675	\$ 42,868,043	\$ 41,098,276	\$ 41,291,188
Primary Government					
Net investment in capital assets	\$ 110,005,671	\$ 105,151,686	\$ 101,233,400	\$ 93,861,069	\$ 95,408,962
Restricted	7,957,413	6,213,439	6,792,855	5,986,134	4,668,696
Unrestricted	20,445,699	16,870,336	11,002,456	17,479,876	19,868,962
Total Primary Government Net Positions	\$ 138,408,783	\$ 128,235,461	\$ 119,028,711	\$ 117,327,079	\$ 119,946,620

CITY OF FRIENDSWOOD, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

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	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities					
Net investment in capital assets	\$ 72,631,192	\$ 73,588,484	\$ 73,611,490	\$ 65,404,791	\$ 65,056,180
Restricted	2,534,312	1,405,907	1,179,764	653,496	718,275
Unrestricted	5,532,198	5,579,677	5,901,505	10,798,907	9,565,406
Total Governmental Activities Net Position	<u>\$ 80,697,702</u>	<u>\$ 80,574,068</u>	<u>\$ 80,692,759</u>	<u>\$ 76,857,194</u>	<u>\$ 75,339,861</u>
Business-Type Activities					
Net investment in capital assets	\$ 29,305,429	\$ 28,322,718	\$ 26,628,714	\$ 24,495,816	\$ 22,961,547
Restricted	260,703	99,006	27,468	90,395	176,882
Unrestricted	10,584,764	10,238,993	12,040,181	14,818,104	16,790,183
Total Business-Type Activities Net Position	<u>\$ 40,150,896</u>	<u>\$ 38,660,717</u>	<u>\$ 38,696,363</u>	<u>\$ 39,404,315</u>	<u>\$ 39,928,612</u>
Primary Government					
Net investment in capital assets	\$ 101,936,621	\$ 101,911,202	\$ 100,240,204	\$ 89,900,607	\$ 88,017,727
Restricted	2,795,015	1,504,913	1,207,232	743,891	895,157
Unrestricted	16,116,962	15,818,670	17,941,686	25,617,011	26,355,589
Total Primary Government Net Positions	<u>\$ 120,848,598</u>	<u>\$ 119,234,785</u>	<u>\$ 119,389,122</u>	<u>\$ 116,261,509</u>	<u>\$ 115,268,473</u>

CITY OF FRIENDSWOOD, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Table 2
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	2022	2021	2020	2019	2018
Expenses					
Governmental Activities:					
General government	\$ 6,210,336	\$ 5,867,654	\$ 6,119,806	\$ 5,912,467	\$ 5,734,611
Public safety	15,655,859	15,645,527	15,501,734	15,134,465	17,538,040
Public works	6,994,042	7,160,229	8,840,113	7,897,373	6,267,824
Engineering	570,098	506,959	434,976	-	-
Community development	1,017,509	1,035,202	1,122,506	1,359,878	945,701
Parks and recreation	4,870,623	4,604,943	4,439,511	4,839,076	4,554,114
Library services	1,283,007	1,221,740	1,214,130	1,257,970	1,210,207
Interest and fiscal charges	1,268,435	1,244,881	1,055,889	923,350	953,509
Total Government Activities Expenses	37,869,909	37,287,135	38,728,665	37,324,579	37,204,006
Business-Type Activities:					
Water and wastewater	11,178,323	11,864,245	12,071,159	11,507,880	9,019,197
Interest and other	1,808,120	1,808,120	1,733,123	1,579,182	1,029,715
Total Business-Type Activities	12,986,443	13,672,365	13,804,282	13,087,062	10,048,912
Total Primary Government Expenses	\$ 50,856,352	\$ 50,959,500	\$ 52,532,947	\$ 50,411,641	\$ 47,252,918
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 974,029	\$ 871,362	\$ 930,686	\$ 751,112	\$ 861,271
Public safety	1,197,570	1,372,432	871,714	811,768	868,761
Public works	234,103	225,419	222,337	236,352	213,042
Community development	1,238	-	9,275	6,841	-
Parks and recreation	441,649	384,489	181,709	341,560	344,064
Library services	-	-	-	-	-
Operating grants and contributions	841,537	3,874,866	3,430,645	1,842,704	4,924,228
Capital grants and contributions	2,620,495	3,864,589	708,306	-	-
Total Governmental Activities Program Revenues:	6,310,621	10,593,157	6,354,672	3,990,337	7,211,366
Business-Type Activities:					
Charges for services:					
Water and wastewater	19,419,622	17,919,751	16,638,758	13,669,552	12,183,711
Operating grants and contributions	289,181	-	22,602	-	-
Total Business-Type activities Program Revenues	19,708,803	17,919,751	16,661,360	13,669,552	12,183,711
Total Primary Government Program Revenues	\$ 26,019,424	\$ 28,512,908	\$ 23,016,032	\$ 17,659,889	\$ 19,395,077
Net (Expense) Revenues					
Governmental activities	(31,559,288)	(26,693,978)	(32,373,993)	(33,334,242)	(29,992,640)
Business-type activities	6,722,360	4,247,386	2,857,078	582,490	2,134,799
Total Primary Government Net Expense	\$ (24,836,928)	\$ (22,446,592)	\$ (29,516,915)	\$ (32,751,752)	\$ (27,857,841)

CITY OF FRIENDSWOOD, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

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	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Governmental Activities:					
General government	\$ 5,128,399	\$ 4,736,867	\$ 5,410,643	\$ 4,589,795	\$ 4,679,339
Public safety	15,861,719	13,101,691	11,763,659	11,236,402	10,800,130
Public works	4,429,664	4,429,482	3,933,288	3,921,658	4,385,090
Engineering	-	-	-	-	-
Community development	1,495,001	1,577,813	1,406,288	1,097,075	1,207,264
Parks and recreation	3,459,053	3,080,453	2,869,345	3,356,587	3,260,931
Library services	1,215,683	1,134,859	1,026,967	1,093,043	1,002,801
Interest and fiscal charges	953,146	862,654	730,614	630,542	703,275
Total Government Activities Expenses	<u>32,542,665</u>	<u>28,923,819</u>	<u>27,140,804</u>	<u>25,925,102</u>	<u>26,038,830</u>
Business-Type Activities:					
Water and wastewater	8,502,218	7,975,920	7,629,711	7,995,106	7,681,366
Interest and other	1,086,278	1,642,723	1,524,276	1,514,804	1,590,395
Total Business-Type Activities	<u>9,588,496</u>	<u>9,618,643</u>	<u>9,153,987</u>	<u>9,509,910</u>	<u>9,271,761</u>
Total Primary Government Expenses	<u>\$ 42,131,161</u>	<u>\$ 38,542,462</u>	<u>\$ 36,294,791</u>	<u>\$ 35,435,012</u>	<u>\$ 35,310,591</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,004,968	\$ 1,002,022	\$ 807,245	\$ 912,910	\$ 989,190
Public safety	35,007	28,760	30,275	31,620	34,944
Public works	242,184	174,568	190,099	193,064	186,504
Community development	1,036,741	949,011	843,648	877,132	825,366
Parks and recreation	387,915	286,727	280,046	315,702	316,047
Library services	30,600	27,532	33,699	36,081	36,686
Operating grants and contributions	2,591,025	800,151	660,633	843,995	644,458
Capital grants and contributions	219,808	318,657	3,225,672	1,202,376	543,763
Total Governmental Activities Program Revenues:	<u>5,548,248</u>	<u>3,587,428</u>	<u>6,071,317</u>	<u>4,412,880</u>	<u>3,576,958</u>
Business-Type Activities:					
Charges for services:					
Water and wastewater	12,295,441	11,319,801	11,020,029	11,117,391	11,462,779
Operating grants and contributions	-	-	-	-	-
Total Business-Type activities Program Revenues	<u>12,295,441</u>	<u>11,319,801</u>	<u>11,020,029</u>	<u>11,117,391</u>	<u>11,462,779</u>
Total Primary Government Program Revenues	<u>\$ 17,843,689</u>	<u>\$ 14,907,229</u>	<u>\$ 17,091,346</u>	<u>\$ 15,530,271</u>	<u>\$ 15,039,737</u>
Net (Expense) Revenues					
Governmental activities	(26,994,417)	(25,336,391)	(21,069,487)	(21,502,222)	(22,461,872)
Business-type activities	2,706,945	1,701,158	1,866,042	1,607,481	2,191,018
Total Primary Government Net Expense	<u>\$ (24,287,472)</u>	<u>\$ (23,635,233)</u>	<u>\$ (19,203,445)</u>	<u>\$ (19,894,741)</u>	<u>\$ (20,270,854)</u>

CITY OF FRIENDSWOOD, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 20,845,938	\$ 19,163,858	\$ 18,731,549	\$ 18,111,247	\$ 17,608,094
Sales taxes	11,176,190	9,915,046	8,846,359	8,407,249	7,965,662
Franchise and other taxes	2,170,152	2,090,001	2,142,660	2,054,395	1,617,121
Other	-	-	-	-	-
Investment earnings	49,151	50,805	880,606	526,867	321,468
Gain (loss) on disposal of capital assets	-	-	-	-	-
Miscellaneous	638,418	390,533	269,855	351,165	263,245
Transfers	1,795,683	1,541,853	1,434,829	1,456,690	1,554,849
Total Governmental Activities	<u>36,675,532</u>	<u>33,152,096</u>	<u>32,305,858</u>	<u>30,907,613</u>	<u>29,330,439</u>
Business-Type Activities:					
Investment earnings	130,401	43,099	347,518	681,288	200,449
Gain (loss) on disposal of capital assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	(1,795,683)	(1,541,853)	(1,434,829)	(1,456,690)	(1,554,849)
Total Business-Type Activities	<u>(1,665,282)</u>	<u>(1,498,754)</u>	<u>(1,087,311)</u>	<u>(775,402)</u>	<u>(1,354,400)</u>
Total Primary Government	<u>35,010,250</u>	<u>31,653,342</u>	<u>31,218,547</u>	<u>30,132,211</u>	<u>27,976,039</u>
Change in Net Position					
Governmental activities	5,116,244	6,458,118	(68,135)	(2,426,629)	(662,201)
Business-type activities	5,057,078	2,748,632	1,769,767	(192,912)	780,399
Total Primary Government	<u>\$ 10,173,322</u>	<u>\$ 9,206,750</u>	<u>\$ 1,701,632</u>	<u>\$ (2,619,541)</u>	<u>\$ 118,198</u>

CITY OF FRIENDSWOOD, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

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	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 17,270,647	\$ 16,350,101	\$ 15,574,684	\$ 14,864,284	\$ 14,630,961
Sales taxes	6,482,367	5,393,920	5,291,186	4,693,484	4,293,794
Franchise and other taxes	1,661,654	1,779,234	1,726,557	1,673,615	1,583,258
Other	-	-	-	32,799	24,974
Investment earnings	187,001	149,003	79,071	109,849	88,510
Gain (loss) on disposal of capital assets	25,999	19,564	-	34,359	43,788
Miscellaneous	131,639	128,813	108,306	84,275	78,682
Transfers	1,358,744	1,397,065	1,226,205	1,799,344	1,773,982
Total Governmental Activities	<u>27,118,051</u>	<u>25,217,700</u>	<u>24,006,009</u>	<u>23,292,009</u>	<u>22,517,949</u>
Business-Type Activities:					
Investment earnings	141,978	95,825	49,138	40,713	37,565
Gain (loss) on disposal of capital assets	-	7,569	-	-	-
Miscellaneous	-	-	7,839	-	35,790
Transfers	(1,358,744)	(1,397,065)	(1,226,205)	(1,799,344)	(1,773,982)
Total Business-Type Activities	<u>(1,216,766)</u>	<u>(1,293,671)</u>	<u>(1,169,228)</u>	<u>(1,758,631)</u>	<u>(1,700,627)</u>
Total Primary Government	<u>25,901,285</u>	<u>23,924,029</u>	<u>22,836,781</u>	<u>21,533,378</u>	<u>20,817,322</u>
Change in Net Position					
Governmental activities	123,634	(118,691)	2,936,522	1,789,787	56,077
Business-type activities	1,490,179	407,487	696,814	(151,150)	490,391
Total Primary Government	<u>\$ 1,613,813</u>	<u>\$ 288,796</u>	<u>\$ 3,633,336</u>	<u>\$ 1,638,637</u>	<u>\$ 546,468</u>

CITY OF FRIENDSWOOD, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Table 3
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	2022	2021	2020	2019	2018
General fund					
Nonspendable	\$ 260,066	\$ 355,011	\$ 255,796	\$ 378,736	\$ 371,610
Restricted	460,154	597,908	650,424	727,704	631,971
Committed	-	-	-	-	-
Assigned	4,667,500	4,320,912	2,591,745	2,508,234	4,229,725
Unassigned	11,997,367	11,953,314	13,374,059	10,608,815	9,052,000
Total General Fund	17,385,087	17,227,145	16,872,024	14,223,489	14,285,306
All Other Governmental Funds					
Nonspendable	11,484	11,101	11,070	24,738	24,307
Restricted	12,740,909	18,106,088	4,757,183	5,568,395	9,304,724
Unassigned	(179,413)	(165,886)	(1,826,743)	-	-
Total Other Governmental Funds	12,572,980	17,951,303	2,941,510	5,593,133	9,329,031
Total Fund Balances of Governmental Funds	\$ 29,958,067	\$ 35,178,448	\$ 19,813,534	\$ 19,816,622	\$ 23,614,337

CITY OF FRIENDSWOOD, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Table 3
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	2017	2016	2015	2014	2013
General fund					
Nondisposable	\$ 434,750	\$ 646,778	\$ 822,226	\$ 143,201	\$ 122,927
Restricted	667,271	626,229	518,119	400,411	281,826
Committed	-	3,612	685,486	-	-
Assigned	2,893,697	2,706,897	2,773,419	1,421,875	487,201
Unassigned	9,547,039	9,776,031	8,760,424	10,554,183	9,714,206
Total General Fund	13,542,757	13,759,547	13,559,674	12,519,670	10,606,160
All Other Governmental Funds					
Nondisposable	31,869	31,721	31,378	31,241	31,137
Restricted	8,464,859	8,165,349	6,539,985	666,317	995,269
Unassigned	-	(193,750)	-	(239,078)	-
Total Other Governmental Funds	8,496,728	8,003,320	6,571,363	458,480	1,026,406
Total Fund Balances of Governmental Funds	\$ 22,039,485	\$ 21,762,867	\$ 20,131,037	\$ 12,978,150	\$ 11,632,566

CITY OF FRIENDSWOOD, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Table 4
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	2022	2021	2020	2019	2018
Revenues					
Taxes	\$ 34,192,280	\$ 30,974,155	\$ 29,712,771	\$ 28,389,651	\$ 27,247,421
Fines and forfeitures	1,052,940	1,219,096	780,717	866,812	957,671
Permits and fees	1,847,985	1,669,033	1,504,555	1,483,554	1,566,656
Intergovernmental	3,215,269	7,495,971	3,828,898	1,576,838	4,398,836
Investment earnings	49,580	48,609	274,405	518,221	313,793
Donations	255,638	264,938	274,945	290,069	396,010
Miscellaneous	345,364	124,627	719,721	18,777	181,017
Total Revenues	40,959,056	41,796,429	37,096,012	33,143,922	35,061,404
Expenditures					
General government	6,040,832	5,591,248	5,690,428	5,336,269	5,440,888
Public safety	15,370,261	14,897,465	14,306,864	13,545,539	16,868,931
Public works	5,765,313	4,612,796	6,021,313	4,127,539	2,157,277
Engineering	571,010	507,933	434,976	-	-
Community development	1,187,413	1,131,498	1,139,566	1,099,154	985,309
Parks and recreation	4,312,856	3,715,517	3,426,521	3,796,589	3,511,146
Library services	1,336,185	1,223,726	1,182,289	1,204,415	1,200,512
Capital outlay	10,277,134	7,037,490	12,865,475	6,219,243	2,615,538
Debt principal payment	2,840,720	2,556,282	2,221,257	2,168,876	2,137,284
Interest and other charges	1,624,891	1,567,472	1,285,807	1,112,127	1,145,400
Total expenditures	49,326,615	42,841,427	48,574,496	38,609,751	36,062,285
Excess of revenues over (under) expenditures	(8,367,559)	(1,044,998)	(11,478,484)	(5,465,829)	(1,000,881)
Other Financing Sources (Uses)					
Sale of capital assets	32,029	21,270	72,568	6,614	9,135
Insurance recoveries	74,126	175,351	8,548	235,443	725,304
Issuance of capital related debt	-	13,185,000	7,795,000	-	485,305
Issuance of notes payable	1,457,640	-	-	-	-
Issuance of capital lease	-	306,329	1,791,015	-	-
Refunding bonds issued	-	3,050,000	2,065,000	-	-
Payment to refunding escrow agent	-	(3,321,347)	(2,372,262)	-	-
Premium on issuance of debt	-	1,451,456	753,840	-	-
Transfers in	1,708,331	1,751,915	1,584,985	1,473,591	1,402,989
Transfers out	(124,948)	(210,062)	(223,298)	(47,534)	(47,000)
Total other financing sources (uses)	3,147,178	16,409,912	11,475,396	1,668,114	2,575,733
Net change in fund balances	\$ (5,220,381)	\$ 15,364,914	\$ (3,088)	\$ (3,797,715)	\$ 1,574,852
Debt service as a percentage of noncapital expenditures	12.1%	11.7%	9.9%	10.1%	9.8%

CITY OF FRIENDSWOOD, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

Table 4
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	2017	2016	2015	2014	2013
Revenues					
Taxes	\$ 25,509,760	\$ 23,533,294	\$ 22,513,317	\$ 21,335,527	\$ 20,563,848
Fines and forfeitures	1,023,556	873,872	907,557	860,257	939,380
Permits and fees	1,708,357	1,450,939	1,349,264	1,385,898	1,327,918
Intergovernmental	1,763,974	664,427	3,536,980	1,791,451	918,641
Investment earnings	184,127	147,403	77,947	109,117	87,330
Donations	434,164	257,724	349,325	349,166	363,413
Miscellaneous	165,619	79,435	72,837	54,989	84,673
Total Revenues	30,789,557	27,007,094	28,807,227	25,886,405	24,285,203
Expenditures					
General government	4,975,926	4,385,321	5,343,160	4,306,143	4,250,320
Public safety	14,751,381	12,135,956	11,348,346	10,599,575	10,234,811
Public works	2,160,152	2,118,572	2,066,349	1,689,987	2,204,176
Engineering	-	-	-	-	-
Community development	893,663	954,103	925,947	1,092,982	1,207,264
Parks and recreation	3,339,864	3,032,979	2,917,857	2,772,072	2,675,813
Library services	1,172,245	1,096,614	1,036,843	1,083,043	1,002,801
Capital outlay	8,429,200	9,332,400	7,255,229	2,500,254	1,942,746
Debt principal payment	1,813,130	1,570,176	1,272,823	1,668,692	1,721,983
Interest and other charges	1,170,958	921,982	776,340	662,718	712,822
Total expenditures	38,706,519	35,548,103	32,942,894	26,375,466	25,952,736
Excess of revenues over (under) expenditures	(7,916,962)	(8,541,009)	(4,135,667)	(489,061)	(1,667,533)
Other Financing Sources (Uses)					
Sale of capital assets	12,757	2,743	99	6,325	27,566
Insurance recoveries	25,999	19,564	39,257	28,886	48,132
Issuance of capital related debt	5,605,000	7,345,000	9,595,000	-	-
Issuance of notes payable	-	-	-	-	-
Issuance of capital lease	756,006	-	-	-	147,318
Refunding bonds issued	-	-	2,840,000	-	-
Payment to refunding escrow agent	-	-	(3,058,663)	-	-
Premium on issuance of debt	435,074	1,484,593	646,746	-	-
Transfers in	1,364,399	1,503,442	1,544,662	1,799,344	1,973,106
Transfers out	(5,655)	(182,503)	(318,457)	-	(199,124)
Total other financing sources (uses)	8,193,580	10,172,839	11,288,644	1,834,555	1,996,998
Net change in fund balances	\$ 276,618	\$ 1,631,830	\$ 7,152,977	\$ 1,345,494	\$ 329,465
Debt service as a percentage of noncapital expenditures	9.9%	9.2%	7.5%	9.8%	10.0%

CITY OF FRIENDSWOOD, TEXAS
ASSESSED VALUE AND TAXABLE VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Table 5
Page 1 of 2

Fiscal Year	Tax Year	Residential Property	Commercial and Industrial Property	Other Property	Total Assessed Value
2013	2012	\$ 2,622,105,658	\$ 286,288,277	\$ 235,960,049	\$ 3,144,353,984
2014	2013	2,695,532,057	294,316,218	238,127,209	3,227,975,484
2015	2014	2,850,404,776	300,533,643	237,028,723	3,387,967,142
2016	2015	3,156,205,930	335,006,408	206,365,157	3,697,577,495
2017	2016	3,546,622,242	320,646,912	230,805,066	4,098,074,220
2018	2017	3,795,456,220	222,328,923	376,053,145	4,393,838,288
2019	2018	3,749,539,307	227,659,302	352,044,261	4,329,242,870
2020	2019	4,078,991,715	241,927,251	414,739,865	4,735,658,831
2021	2020	4,526,853,385	290,599,941	451,358,776	5,268,812,102
2022	2021	5,112,738,325	337,329,366	528,637,507	5,978,705,198

Source: Galveston Central Appraisal District, Harris County Appraisal District, and City of Friendswood records.

Note: Property in the City of Friendswood is reassessed once every two years on average. (Source: Galveston Central Appraisal District)
Tax rates per \$100 of assessed value.
Residential property includes both single-family and multi-family properties.

CITY OF FRIENDSWOOD, TEXAS
ASSESSED VALUE AND TAXABLE VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Table 5
Page 2 of 2

Fiscal Year	Tax Year	Less: Exemptions and Tax Exempt Property	Total Taxable Value	Total Direct Tax Rate
2013	2012	\$ 710,718,423	\$ 2,433,635,561	\$ 0.59700
2014	2013	724,153,848	2,503,821,636	0.59140
2015	2014	761,444,427	2,626,522,715	0.59140
2016	2015	776,779,458	2,920,798,037	0.56870
2017	2016	977,353,948	3,120,720,272	0.54600
2018	2017	894,716,055	3,499,122,233	0.52735
2019	2018	955,005,811	3,374,237,059	0.53240
2020	2019	1,066,920,381	3,668,738,450	0.52140
2021	2020	1,349,948,370	3,918,863,732	0.48740
2022	2021	1,735,137,851	4,243,567,347	0.48731

CITY OF FRIENDSWOOD, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
(Unaudited)
(rate per \$100 of assessed value)

Table 6

Fiscal Year Ended September 30,	City Direct Rates			Overlapping Rates				
	General	Debt Service	Total Direct	Friendswood Independent School District	Clear Creek Independent School District	Galveston County Consolidate Drainage District	Galveston County	Harris County
2013	\$ 0.5307	\$ 0.0663	\$ 0.5970	\$ 1.3670	\$ 1.3600	\$ 0.1400	\$ 0.5999	\$ 0.62998
2014	0.5303	0.0611	0.5914	1.3670	1.4000	0.1400	0.5837	0.62998
2015	0.5303	0.0611	0.5914	1.3670	1.4000	0.1350	0.5788	0.62998
2016	0.4972	0.0715	0.5687	1.3670	1.4000	0.1150	0.5612	0.62998
2017	0.4620	0.0840	0.5460	1.3870	1.4000	0.1120	0.5462	0.62998
2018	0.4323	0.0950	0.5273	1.3670	1.4000	0.1080	0.5461	0.62998
2019	0.4372	0.0952	0.5324	1.3670	1.4000	0.1080	0.5298	0.62998
2020	0.4322	0.0893	0.5214	1.2594	1.3100	0.1122	0.5044	0.61170
2021	0.3922	0.0952	0.4874	1.3440	1.2659	0.1131	0.4651	0.59920
2022	0.3851	0.1022	0.4873	1.2394	1.1797	0.1320	0.4149	0.58135

Source: Galveston County Tax Assessor/Collector and City of Friendswood records.

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Friendswood. Not all overlapping rates apply to all property owners. Overlapping rates for Friendswood Independent School District, Galveston County Consolidated Drainage District and Galveston County apply only to residents whose property is in Galveston County. Overlapping rates for Clear Creek Independent School District and Harris County apply only to residents whose property is in Harris County.

CITY OF FRIENDSWOOD, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT AND NINE YEARS AGO
(Unaudited)

Table 7

Taxpayer	2022			2013		
	Taxable Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Value	Rank	Percentage of Total City Taxable Assessed Value
Reserve at Autumn Creek LTD	\$ 30,972,060	1	0.73%	\$17,486,069	1	0.72%
Texas-New Mexico Power Co.	22,712,259	2	0.54%	11,212,150	3	0.46%
Bellevue at Clear Creek LP	20,016,530	3	0.47%	-	-	-
Tannos Land Holding III LLC	14,000,000	4	0.33%	-	-	-
Kroger Co.	13,020,517	5	0.31%	13,606,816	2	0.56%
Bay Meadows LLP	11,254,573	6	0.27%	-	-	-
The Beldon Friendswood LLC	8,500,150	7	0.20%	-	-	-
A-S 108 Friendswood Crossing LP	8,051,620	8	0.19%	5,858,350	9	0.24%
WOJV Friendswood LLC	7,925,690	9	0.19%	-	-	-
Frontier Land V P L L	7,385,000	10	0.17%	-	-	-
Autumn Creek Dev LTD	-	-	-	9,396,550	4	0.39%
G&I VI Sky Hawk LP	-	-	-	8,856,988	5	0.36%
H E Butt Grocery Company	-	-	-	8,149,920	6	0.33%
HCP Friendswood LLC	-	-	-	6,995,240	7	0.29%
HSRE Friendswood LLC	-	-	-	5,995,130	8	0.25%
Buzbee Family LTD Partnership	-	-	-	5,367,560	10	0.22%
Total	143,838,399		3.39%	92,924,773		3.82%
All other taxpayers	4,099,728,948		96.61%	2,340,710,788		96.18%
	<u>\$4,243,567,347</u>		<u>100.00%</u>	<u>\$2,433,635,561</u>		<u>100.00%</u>

Source: Galveston Central Appraisal District and Harris County Appraisal District.

CITY OF FRIENDSWOOD, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Table 8

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections (adjustments) in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 14,454,404	\$ 14,361,379	99.63%	\$ 83,459	\$ 14,444,838	99.93%
2014	14,747,526	14,656,257	99.38%	81,591	14,737,848	99.93%
2015	15,424,948	15,306,943	99.23%	105,530	15,412,473	99.92%
2016	16,431,153	16,264,080	98.98%	155,239	16,419,319	99.93%
2017	17,014,685	16,922,419	99.46%	80,143	17,002,562	99.93%
2018	17,633,192	17,554,220	99.55%	65,329	17,619,549	99.92%
2019	17,952,134	17,756,864	98.91%	177,496	17,934,360	99.90%
2020	18,682,563	18,605,868	99.59%	49,644	18,655,512	99.86%
2021	18,879,840	18,877,842	99.99%	(37,764)	18,840,078	99.79%
2022	20,843,713	20,793,321	99.76%	-	20,793,321	99.76%

Source: Galveston County Tax Assessor/Collector and City of Friendswood records.

CITY OF FRIENDSWOOD, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Table 9

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	General Obligation Bonds	Water Revenue Bonds			
2013	\$ 20,230,000	\$ 876,981	\$ -	\$ 32,995,000	\$ 54,101,981	0.37%	\$ 1,410
2014	18,815,000	623,407	-	31,830,000	51,268,407	0.35%	1,318
2015	24,525,285	360,584	9,875,671	24,663,416	59,424,956	0.40%	1,510
2016	31,768,805	180,408	33,238,357	6,109,871	71,297,441	0.46%	1,793
2017	36,067,806	668,284	31,160,729	5,871,129	73,767,948	0.47%	1,818
2018	34,065,657	791,305	29,028,108	5,627,385	69,512,455	0.42%	1,695
2019	32,023,508	436,620	26,845,483	27,039,600	86,345,211	0.49%	2,093
2020	38,058,822	1,861,762	24,587,858	26,037,385	90,545,827	0.49%	2,175
2021	49,809,357	1,681,709	22,310,234	40,736,057	114,537,357	0.57%	2,733
2022	47,143,902	2,613,729	20,447,609	39,081,427	109,286,667	0.51%	2,588

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See Table 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

CITY OF FRIENDSWOOD, TEXAS

Table 10

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Population	Taxable Value	General Bonded Debt Outstanding		Net General Bonded Debt	Percentage of Taxable Value Property	Per Capita
			General Obligation Bonds *	Less Debt Service Funds			
2013	38,369	\$ 2,433,635,561	\$ 20,967,293	\$ 134,339	\$ 20,095,661	0.83%	\$ 524
2014	38,911	2,503,821,636	19,491,826	130,147	18,684,853	0.75%	480
2015	39,458	2,626,522,715	34,400,956	147,193	34,253,763	1.30%	868
2016	39,767	2,920,798,037	65,007,162	159,686	64,847,476	2.22%	1,631
2017	40,570	3,120,720,272	67,228,535	115,152	67,113,383	2.15%	1,654
2018	41,003	3,499,122,233	63,093,765	-	63,093,765	1.80%	1,539
2019	41,253	3,374,237,059	58,868,991	18,302	58,850,689	1.74%	1,427
2020	41,637	3,668,738,450	62,646,680	31,909	62,614,771	1.71%	1,504
2021	41,916	3,918,863,732	72,119,591	10,608	72,108,983	1.84%	1,720
2022	42,222	4,243,567,347	67,591,511	46,376	67,545,135	1.59%	1,600

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

* Includes both Governmental Activities and Business-type Activities

CITY OF FRIENDSWOOD, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF September 30, 2022

(Unaudited)

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Friendswood Independent School District	\$196,190,000	100.00%	\$ 196,190,000
Clear Creek Independent School District	1,094,103,696	2.579%	28,216,934
Galveston County	224,931,000	7.672%	17,256,706
Harris County	2,697,314,000	0.149%	4,018,998
Subtotal, overlapping debt			245,682,638
City Direct Debt			49,757,631
Total Direct and Overlapping Debt			\$ 295,440,269

Source: Information was obtained from either the governmental unit's website or the finance department of the governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Friendswood. The City's share of the debt of the overlapping governments is based on the ratio of the assessed value of the City's own property to that of each of the other governments. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident--and therefore responsible for repaying the debt--of each overlapping government.

As a City Council-City Manager form of government, the City of Friendswood is not limited by law in the amount of debt it may issue. The City's charter states:

"In keeping with the Constitution of the State of Texas and not contrary thereto, the City of Friendswood shall have the power to borrow money on the credit of the City for any public purpose not now or hereafter prohibited by the Constitution and laws of the State of Texas, and shall have the right to issue all tax bonds, revenue bonds, funding and refunding bonds, time warrants and other evidence of indebtedness as now authorized or as may hereafter be authorized to be issued by cities and towns by the laws of the State of Texas."

Article 11, Section 5 of the State of Texas Constitution states in part:

"but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city"

The tax rate for fiscal year ended September 30, 2022 is \$0.4873 per \$100 of assessed valuation with assessed valuation being 100% of market value.

CITY OF FRIENDSWOOD, TEXAS
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Unaudited)

Table 13

Fiscal Year	Waterworks and Sewer Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	\$ 11,462,779	\$ 6,113,276	\$ 5,349,503	\$ 1,120,000	\$ 1,548,303	2.00
2014	11,117,391	6,376,510	4,740,881	1,165,000	1,504,006	1.78
2015	11,020,029	6,220,331	4,799,698	1,205,000	1,153,522	2.04
2016	11,319,801	6,361,229	4,958,572	-	481,140	10.31
2017	12,295,441	6,911,675	5,383,766	220,000	184,100	13.32
2018	12,183,711	7,205,293	4,978,418	225,000	179,250	12.32
2019	13,130,943	9,378,672	3,752,271	230,000	787,319	3.69
2020	16,638,758	10,050,967	6,587,791	905,000	952,470	3.55
2021	17,690,843	9,690,325	8,000,518	935,000	1,113,685	3.91
2022	19,408,330	9,130,574	10,277,756	1,450,000	1,221,488	3.85

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF FRIENDSWOOD, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(Unaudited)

Table 14

Calendar Year	Estimated Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2013	38,369	\$ 14,475,816,000	\$ 47,186	4.5%
2014	38,911	14,741,197,000	46,917	3.4%
2015	39,358	14,774,880,000	47,011	3.7%
2016	39,767	15,463,890,000	47,991	4.9%
2017	40,570	15,682,608,000	47,605	4.7%
2018	41,003	16,443,373,000	49,079	4.3%
2019	41,253	17,497,755,000	51,785	3.2%
2020	41,637	18,561,154,000	54,250	5.9% ⁽¹⁾
2021	41,916	19,994,969,000	57,941	3.9%
2022	42,222	21,328,914,000	60,071	3.4%

Sources: Population information was provided from past financial reports. Unemployment rates, personal income and per capita personal income were obtained from the U.S. Department of Labor Bureau of Labor Statistics website or the Texas Workforce Commission website.

⁽¹⁾ Increase in unemployment rate is a result of the COVID-19 pandemic.

CITY OF FRIENDSWOOD, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Table 15

<u>Employer</u>	<u>2022</u>			<u>2013</u>	
	<u>Estimated Employees</u>	<u>Percentage of Total Employment</u>	<u>Rank</u>	<u>Estimated Employees</u>	<u>Rank</u>
Friendswood ISD	817	4.10%	1	698	1
HEB	500	2.51%	2	370	3
City of Friendswood	248	1.25%	3	233	4
Kroger	219	1.10%	4	413	2
Clear Creek ISD	190	0.95%	5	168	5
Friendship Haven Nursing Home	100	0.50%	6	140	6
McDonalds	102	0.51%	7	69	8
U.S. Post Office	75	0.38%	8	58	9
Morada (formerly Atria)	72	0.36%	9	-	-
UTMB	60	0.30%	10	-	-
Friendswood Healthcare (Autumn Hills)	-	-	-	85	7
Emeritus	-	-	-	69	10
Total	<u>2,383</u>	<u>11.97%</u>		<u>2,303</u>	

Source: City Manager's Office

Note: Percentage of total employment is based on total City employment of 19,909 for 2022.
Total City employment for 2013 is not available.

CITY OF FRIENDSWOOD, TEXAS**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM****LAST TEN CALENDAR YEARS****(Unaudited)****Table 16****Page 1 of 2**

Function/Program	Full-time Equivalent Employees as of September 30				
	2022	2021	2020	2019	2018
General Government:					
City Attorney	2.15	2.10	2.10	2.10	2.10
City Manager	4.00	6.00	6.00	5.00	5.40
City Secretary	4.00	4.00	4.00	5.00	5.00
Administrative Services	16.60	18.60	18.60	27.60	27.60
Human Resources	5.00	5.00	5.00	-	-
Information Technology	6.00	5.00	5.00	-	-
Public Safety:					
Police	90.38	90.38	90.38	90.38	87.72
Fire marshal and fire	7.38	7.20	7.20	7.20	6.60
Public Works	23.00	23.00	23.00	23.00	27.00
Community Development	11.18	10.70	10.70	10.70	10.70
Engineering	7.45	7.00	7.00	6.00	-
Parks and Recreation	25.30	24.90	24.50	23.10	21.90
Library	15.62	14.97	14.97	14.97	14.97
Water	11.30	9.30	9.30	9.30	9.30
Sewer	11.00	11.00	11.00	11.00	10.00
Total City Employees:	<u>240.36</u>	<u>239.15</u>	<u>238.75</u>	<u>235.35</u>	<u>228.29</u>

Source: City of Friendswood Budget Documents**Notes:**

In-house City Attorney added to staff in fiscal year 2015.

In fiscal year 2019, Engineering became an independent department, separate from Public Works.

In fiscal year 2020, Human Resources and Information Technology became independent departments separate from Administrative Services.

CITY OF FRIENDSWOOD, TEXAS**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN CALENDAR YEARS
(Unaudited)***Table 16**Page 2 of 2*

Function/Program	Full-time Equivalent Employees as of September 30				
	2017	2016	2015	2014	2013
General Government:					
City Attorney	1.00	1.00	1.00	-	-
City Manager	5.40	5.40	4.55	4.15	4.15
City Secretary	5.00	5.00	5.00	5.00	5.00
Administrative Services	27.70	27.70	28.70	28.70	28.20
Human Resources	-	-	-	-	-
Information Technology	-	-	-	-	-
Public Safety:					
Police	88.72	86.72	85.72	82.40	81.40
Fire marshal and fire	6.60	6.60	6.60	6.50	6.10
Public Works	26.00	29.00	25.33	26.33	20.33
Community Development	11.70	11.70	10.89	10.89	16.89
Engineering	-	-	-	-	-
Parks and Recreation	20.90	19.63	19.63	19.03	19.20
Library	14.97	14.62	14.62	14.37	14.37
Water	8.30	8.30	8.30	9.30	9.30
Sewer	11.00	8.00	8.00	9.00	9.00
Total City Employees:	<u>227.29</u>	<u>223.67</u>	<u>218.34</u>	<u>215.67</u>	<u>213.94</u>

Source: City of Friendswood Budget Documents**Notes:**

In-house City Attorney added to staff in fiscal year 2015.

In fiscal year 2019, Engineering became an independent department, separate from Public Works.

In fiscal year 2020, Human Resources and Information Technology became independent departments separate from Administrative Services.

CITY OF FRIENDSWOOD, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN CALENDAR YEARS
(Unaudited)

Table 17
Page 1 of 2

	Fiscal Year				
	2022	2021	2020	2019	2018
<u>Function/Program</u>					
Community Development:					
Building permits issued	1,682	1,658	1,605	1,465	2,788
Building inspections conducted	9,325	9,998	9,124	9,251	14,157
Police:					
Physical arrests	1,051	1,368	847	1,190	1,145
Parking violations	11	36	17	26	15
Traffic violations	9,952	11,081	8,807	4,468	6,785
Fire Marshal:					
Inspections	1,315	1,730	1,146	1,448	1,139
Fire:					
Emergency responses	4,458	4,405	3,650	3,655	3,720
Fires extinguished	129	92	65	80	80
Parks and Recreation:					
Recreation participants	36,861	16,907	6,027	19,657	18,299
Facility reservations	5,356	1,033	3,166	3,293	2,123
Library:					
Volumes in collection	95,470	101,061	99,930	101,532	102,852
Total volumes borrowed	349,814	340,478	271,078	342,592	348,554
Water:					
New connections	136	92	185	169	125
Water main breaks	126	49	41	84	116
Average daily consumption (thousands of gallons)	5,714	5,064	5,319	5,129	5,455
Peak daily consumption	11,166	14,041	9,927	9,390	9,475
Sewer:					
Average daily sewage treatment (thousands of gallons)	2,840	3,255	3,113	3,345	3,117
Maximum daily flow (thousands of gallons)	8,369	11,006	10,520	12,491	10,370

Source: Various City departments and prior year ACFRs

CITY OF FRIENDSWOOD, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN CALENDAR YEARS
(Unaudited)

Table 17
Page 2 of 2

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Community Development:					
Building permits issued	2,177	1,865	1,377	1,395	1,469
Building inspections conducted	12,134	11,026	12,145	10,611	11,470
Police:					
Physical arrests	903	1,464	1,479	1,596	1,601
Parking violations	61	44	63	58	107
Traffic violations	3,669	5,001	4,540	5,815	5,718
Fire Marshal:					
Inspections	1,233	1,354	1,512	1,427	1,673
Fire:					
Emergency responses	3,599	3,303	3,258	3,261	2,993
Fires extinguished	75	76	78	116	86
Parks and Recreation:					
Recreation participants	20,556	21,369	16,153	15,178	18,607
Facility reservations	1,004	1,444	1,443	728	686
Library:					
Volumes in collection	100,678	147,726	133,165	141,383	133,865
Total volumes borrowed	341,048	301,158	350,145	367,452	367,948
Water:					
New connections	137	183	-	193	189
Water main breaks	44	46	57	149	193
Average daily consumption (thousands of gallons)	5,282	4,963	4,970	5,171	5,577
Peak daily consumption	10,110	10,472	12,623	9,917	11,505
Sewer:					
Average daily sewage treatment (thousands of gallons)	3,286	3,382	3,306	2,867	2,956
Maximum daily flow (thousands of gallons)	12,766	12,188	11,237	10,770	10,401

Source: Various City departments and prior year ACFRs

CITY OF FRIENDSWOOD, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN CALENDAR YEARS
(Unaudited)

Table 18
Page 1 of 2

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Police					
Stations	1	1	1	1	1
Patrol units	29	38	31	33	34
Fire					
Stations	4	4	4	4	4
Public Works					
Streets - paved (miles)	221	221	185	176	176
Streets - unpaved (miles)	2	2	2	2	2
Traffic signals	3	3	3	3	3
Parks and Recreation					
Acreage	320	273	266	266	266
Parks	11	10	10	10	9
Swimming pool	1	1	1	1	1
Tennis courts	4	4	4	4	4
Library	1	1	1	1	1
Water					
Water mains (miles)	222	222	216	216	216
Fire hydrants	1,755	1,747	1,713	1,707	1,707
Connections	14,328	14,192	14,098	13,913	13,744
Storage capacity	7,850	7,850	7,850	7,850	7,850
(thousands of gallons)					
Sewer					
Sanitary sewers (miles)	182	182	202	202	202
Connections	13,241	13,132	13,029	12,870	12,721
Storm sewers (miles)	117	117	112	112	112
Treatment capacity	9,250	9,250	9,250	9,250	9,250
(thousands of gallons)					

Source: Various City departments and prior year ACFRs.

CITY OF FRIENDSWOOD, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN CALENDAR YEARS
(Unaudited)

Table 18
Page 2 of 2

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Police					
Stations	1	1	1	1	1
Patrol units	32	31	29	27	26
Fire					
Stations	4	4	4	4	4
Public Works					
Streets - paved (miles)	174	172	169	167	165
Streets - unpaved (miles)	2	2	2	2	2
Traffic signals	3	3	3	3	3
Parks and Recreation					
Acreage	266	266	232	189	189
Parks	9	9	8	8	8
Swimming pool	1	1	1	1	1
Tennis courts	4	4	4	4	4
Library	1	1	1	1	1
Water					
Water mains (miles)	214	212	209	207	187
Fire hydrants	1,690	1,672	1,631	1,610	1,608
Connections	13,619	13,482	13,289	13,093	12,929
Storage capacity (thousands of gallons)	7,850	7,850	8,100	8,000	7,500
Sewer					
Sanitary sewers (miles)	200	198	195	194	163
Connections	12,588	12,378	12,407	12,236	12,072
Storm sewers (miles)	110	109	106	105	100
Treatment capacity (thousands of gallons)	9,250	9,250	9,250	12,000	4,850

Source: Various City departments and prior year ACFRs.



CITY OF FRIENDSWOOD, TEXAS

FEDERAL SINGLE AUDIT REPORT

**For the Fiscal Year Ended
September 30, 2022**

CITY OF FRIENDSWOOD, TEXAS

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and
Members of City Council
City of Friendswood, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 City of Friendswood, Texas (the “City”), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated March 22, 2023. Our report includes a reference to other auditors who audited the financial statements of West Ranch Management District, a discretely presented component unit of the City, as described in our report on the City’s financial statements. The financial statements of West Ranch Management District were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Mayor and Members
of the City Council
City of Friendswood, Texas

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
March 22, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED
BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Members
of the City Council
City of Friendswood, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited City of Friendswood, Texas' (the "City") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards, the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

To the Honorable Mayor and Members
of the City Council
City of Friendswood, Texas

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

To the Honorable Mayor and Members
of the City Council
City of Friendswood, Texas

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited 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 and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 22, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
March 22, 2023



CITY OF FRIENDSWOOD, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a) ?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
U.S. Department of Housing and Urban Development <i>Community Development Block Grant/State's Program</i>	14.228
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$750,000
Auditee qualified as low risk auditee?	Yes

CITY OF FRIENDSWOOD, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended September 30, 2022

II. Financial Statement Findings

None Noted

III. Federal Award Findings and Questioned Costs

None Noted

CITY OF FRIENDSWOOD, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed through the Texas General Land Office			
<i>Community Development Block Grant/State's Program</i>	14.228	19-147-002-B409	\$ 425,337
<i>Community Development Block Grant/State's Program</i>	14.228	19-147-002-B490	17,958
<i>Community Development Block Grant/State's Program</i>	14.228	20-065-134-C451	88,608
<i>Community Development Block Grant/State's Program</i>	14.228	20-066-045-C444	2,088,603
<i>Total ALN 14.228</i>			<u>2,620,506</u>
Total U.S. Department of Housing and Urban Development			<u>2,620,506</u>
U.S. Department of Justice			
Direct:			
<i>Bulletproof Vest Partnership Program - FY 20</i>	16.607	None	60
<i>Bulletproof Vest Partnership Program - FY 21</i>	16.607	None	5,505
<i>Total ALN 16.607</i>			<u>5,565</u>
Passed through the Texas Office of the Governor - Criminal Justice Division:			
<i>Crime Victim Assistance</i>	16.575	2020-V2-GX-004	76,908
Total U.S. Department of Justice			<u>82,473</u>
U.S. National Endowment for the Humanities			
Passed through the Texas State Library & Archives Commission			
<i>ILMS Reimbursement Program</i>	45.310	LS-249990-OLS-21	3,776
Total U.S. National Endowment for the Humanities			<u>3,776</u>
U.S. Department of Homeland Security			
Passed through the Texas Department of Public Safety/TDEM:			
<i>Disaster Grants - Public Assistance</i>	97.036	DR 458/6	309,998
Total U.S. Department of Homeland Security			<u>309,998</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,016,753</u></u>

CITY OF FRIENDSWOOD, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2022

Note 1 - Summary of Significant Accounting Policies

The City accounts for awards under federal programs in the General and Special Revenue governmental funds.

In the Governmental funds, these programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City under programs of the federal government for the year ended September 30, 2022. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance. Because the schedule presents on a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

CITY OF FRIENDSWOOD, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2022

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

None reported

CITY OF FRIENDSWOOD, TEXAS
CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2022

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

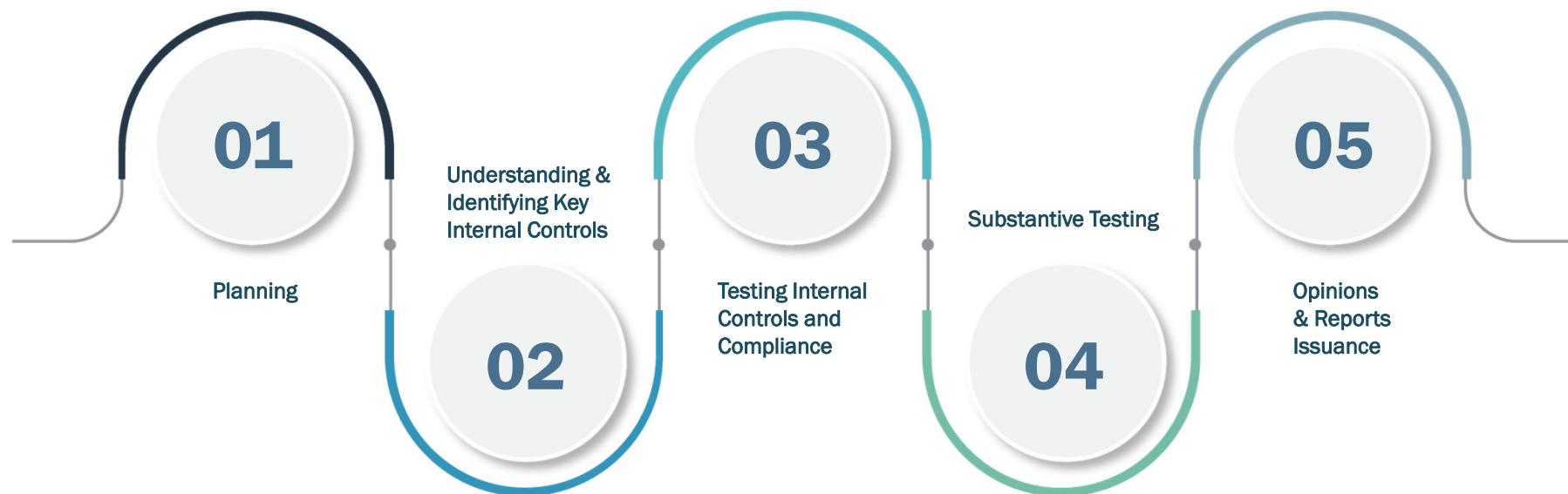
I. Corrective Action Plan

Not applicable

CITY OF FRIENDSWOOD, TEXAS

FISCAL YEAR 2022: FINANCIAL STATEMENT AUDIT AND FEDERAL SINGLE AUDIT

THE AUDIT PROCESS



PURPOSE OF THE AUDIT – THE OPINION ON THE REPORT



AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Clean Report



- Unmodified or “Clean” Opinion
- Financial statements are presented fairly, in all material respects
- Audit conducted in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards*
- Pages 3-5 of the ACFR

AUDITOR'S REPORT ON INTERNAL CONTROL AND COMPLIANCE

Clean Report



- Internal control over financial reporting
 - No material weakness identified
 - No significant deficiencies reported
- No instances of noncompliance material to the financial statements were noted
- Pages 1-2 of Single Audit Report

FEDERAL SINGLE AUDIT REPORT

Clean Report



- Major Program:
 - Community Development Block Grant (CDBG)/State's Program
- Unmodified opinion on compliance
- No internal control findings related to each major program
- No instances of noncompliance or questioned costs were noted
- Pages 3-5 of Single Audit Report

GOVERNMENT-WIDE STATEMENT OF NET POSITION (P. 21)

- **Total Assets and Deferred Outflows: \$283.0 million**
 - Cash and investments: \$79.7 million
 - Capital assets, net of depreciation: \$187.2 million
- **Total Liabilities and Deferred Inflows: \$144.6 million**
 - Bonds payable and unamortized premiums: \$106.7 million
 - Net pension liability: \$5.2 million
 - Total other post-employment benefits (OPEB) liability: \$1.9 million
- **Net Position: \$138.4 million**

LONG-TERM LIABILITIES (P. 21)

Total Primary Government (Governmental and Business-type Activities)	September 30, 2022	September 30, 2021
General obligation bonds	\$62,585,000	\$66,565,000
Revenue bonds	35,630,000	37,080,000
Notes payable	2,613,729	1,681,709
Total OPEB liability	1,935,531	1,947,363
Net pension liability	5,157,791	9,740,629
Bond premiums	8,457,938	9,210,648
Compensated absences	1,253,753	1,114,073
Total	\$117,633,742	\$127,339,318

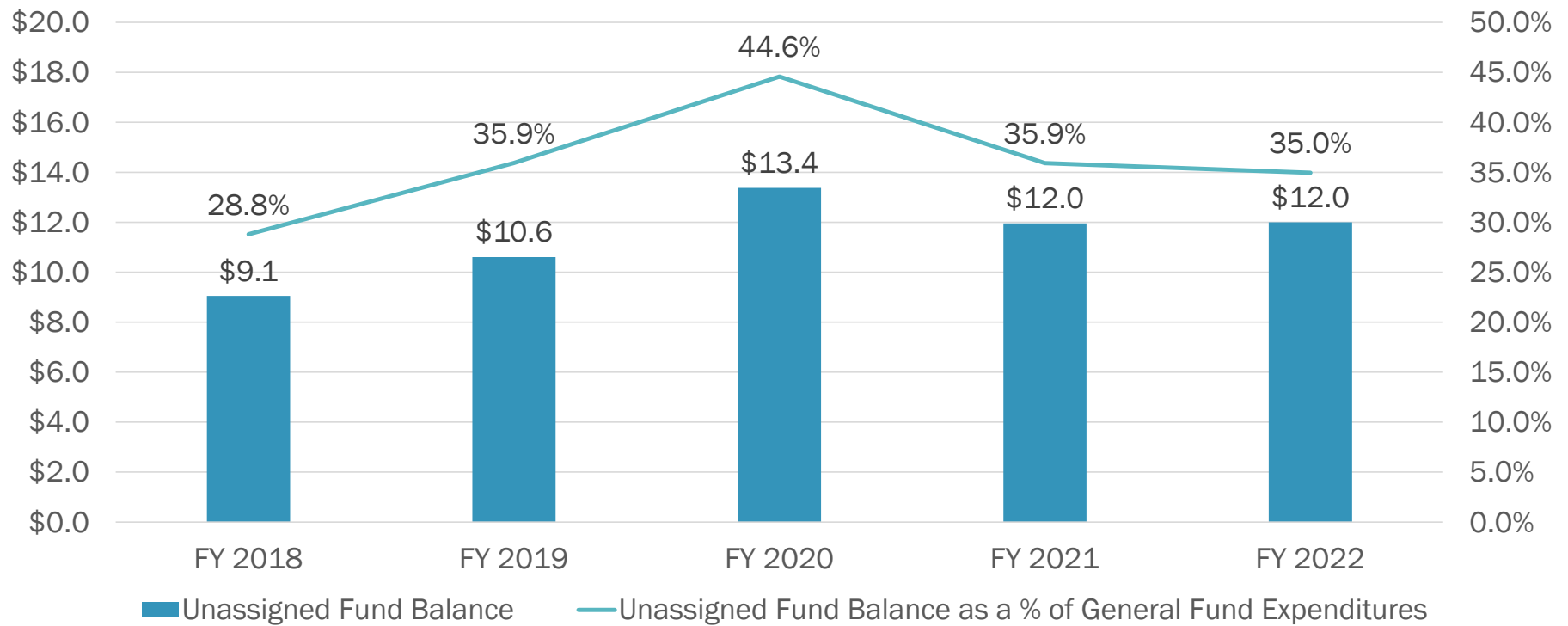
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (P. 26)

Year ended September 30, 2022	General	Coronavirus State Fiscal Recovery	Bond Construction	Debt Service	Non-major	Total
Total revenues	\$31,349,438	\$(1,666)	\$68,133	\$4,368,546	\$5,174,605	\$40,959,056
Total expenditures	34,324,674	-	7,127,936	4,332,779	3,541,226	49,326,615
Total other financing sources (uses), net	3,133,178	-	-	-	14,000	3,147,178
Net change in fund balances	157,942	(1,666)	(7,059,803)	35,767	1,647,379	(5,220,381)
Fund balance – beginning	17,227,145	-	15,212,515	10,608	2,728,180	35,178,488
Fund balance - ending	\$17,385,087	\$(1,666)	\$8,152,712	\$46,375	\$4,375,559	\$29,958,067

**FY 2022
BUDGET AND ACTUAL
– GENERAL FUND
PP. 72-79**

- Actual revenues of \$31.3M were greater than final budgeted revenues by \$1.3M
- Actual expenditures of \$34.3M were less than final budgeted expenditures by \$5.9M
- Revenues and other sources exceeded expenditures and other uses by \$0.2M (fund balance increased by this amount)
- Fund balance as of September 30, 2022 totaled \$17.4M
 - Nonspendable fund balance - \$0.3M
 - Restricted fund balance - \$0.5M
 - Assigned fund balance - \$4.6M
 - Unassigned fund balance - \$12.0M

UNASSIGNED GENERAL FUND BALANCE (\$M)



The City's Financial Management Policy requires that the City maintain the General Fund unassigned fund balance at a minimum of 90 days of prior year audited operating expenditures. As of September 30, 2022, \$7.9 million is set aside for this 90-day operating reserve.

WATER AND SEWER FUND (PP. 28-31)

Statement of Revenues, Expenses, and Changes in Net Position	Year Ended September 30, 2022
Operating revenues	\$19,223,542
Operating expenses	(11,124,562)
Non-operating revenues (expenses), net	(1,431,007)
Transfers in (out), net	(1,795,683)
Change in net position	5,057,078
Net Position - Beginning	45,616,675
Net Position - Ending	\$50,673,753

Net Position	September 30, 2022
Net investment in capital assets	\$35,999,342
Restricted for capital projects/ debt service	2,897,578
Unrestricted*	11,776,833
Total	\$50,673,753

*This balance includes a 90-day operating reserve of \$2.4 million, as set forth in the City's financial policies.

REQUIRED COMMUNICATIONS

Significant Accounting Policies

- The City's accounting policies and methods are appropriate and in accordance with industry standards.
- GASB No. 87, *Leases* was implemented in FY 2022.

Accounting Estimates

- The preparation of the financial statements requires that certain estimates and judgments be made by management. These judgments and estimates include:
 - Allowances for uncollectible taxes receivable
 - Pension/OPEB liabilities, deferred outflows/inflows of resources, and pension/OPEB expense
- We concluded that management has a reasonable basis for significant judgments and estimates that impact the financial statements.

REQUIRED COMMUNICATIONS

Difficulties Encountered in Performing the Audit

- We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected or Uncorrected Misstatements

- There were no material misstatements that were identified by us that required management's correction.

Disagreements with Management

- We had no disagreements with management over the application of accounting principles or management's judgments about accounting estimates.

REQUIRED COMMUNICATIONS

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.

QUESTIONS?



FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 02/23/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Receive the Fourth of July Steering Committee Annual Report.

Originating Department: Parks and Recreation

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to receive the Fourth of July Steering Committee Annual Report for 2022.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. 4th of July Speech to Mayor and Council '23

4th of July

Good Evening, Mayor and Council members. It is my pleasure to represent the Fourth of July Steering Committee again this year.

On Tuesday, July 4rd the committee and the City of Friendswood will proudly present the 128th Annual Fourth of July Celebration. This year's theme is:

"Traveling the USA"

The day begins with our Grand Parade. It features more than 100 entries from Friendswood and around the state.

After the Parade, in Stevenson Park there will be rides, games, food, Live entertainment and booths until 2:30.

The evening program will be held at Centennial Park, beginning at 7:00. Free shuttle service will start running at 6:30 pm from Friendswood High School and Friendswood United Methodist.

This year our headline act for our event will be "Tin Man Band". Following the entertainment will be a fantastic fireworks extravaganza, choreographed to patriotic music in traditional Friendswood style.

We would like to thank the Parks and Recreation Department:

Director – James Toney

Michael Boyett

Kimberly Ramirez

Catherine Wood

Garrett Normoyle

Rita Flores

Gary Williams and his park staff

I would also like to thank this year's 2023 Committee Members:

Michelle Bjacek

Stephanie Karacostas

Tommy McDonald

Terry McKee

Rufino Ramirez

Anthony Scarpa

Christine Scarpa

Nancy Sims

Larry Sims

Stacy Kohn our Vice Chair

And I am Barbara Blanchard Committee Chair

Thank you for your time.

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/28/2023

Prepared by: Leticia Brysch, City Secretary

Subject: Discuss the selection process for the 2023 Grand Marshal.

Originating Department: City Secretary

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the Council to discuss the selection process for the City's 2023 Grand Marshal.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/07/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Receive and discuss an update regarding Hunters Creek Estates.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Following Public Comments during the March meeting, Council Member Rockey requested a workshop item at Council's next meeting to discuss the concerns raised.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. Hunters Lane

CITY OF FRIENDSWOOD

Hunters Lane



General Information Related to Hunters Lane

- **Number of traffic accidents on FM518 at Hunters Lane**
- **Ability of emergency vehicles to respond into the Hunters Creek subdivision**
- **Pedestrian safety on Hunters Lane**
- **Plat for Hunters Creek Estates establishes HOA responsibility for maintenance of driveways, emergency access easements, recreations areas, landscape medians or reserves, and open spaces**



Hunters Lane Data Summary

Date	Time	Location	Event
10/28/2019	16:24	FM518 @ Hunters Ln	Accident-NB side
2/14/2020	13:37	FM518 @ Hunters Ln	Accident-NB side
5/22/2020	16:58	Hunters Ln	Accident-unsafe lane change
7/11/2020	19:35	FM518 @ Hunters Ln	Accident – cross traffic
4/7/2021	12:24	FM518 @ Hunters Ln	Accident – cross traffic
10/7/2021	13:29	FM518 @ Hunters Ln	Accident – cross traffic
10/14/2021	12:02	FM518 @ Hunters Ln	Accident – cross traffic
12/15/2021		FM518 @ Leisure Ln	Signal light installed
1/15/2022	13:30	FM518 @ Hunters Ln	Accident – cross traffic
5/1/2022		FM518 @ Hunters Ln	Slip left lane installed
6/12/2022	20:48	Hunters Ln	Accident – medical related
6/28/2022	12:35	Hunters Ln	Accident – parking lot



Hunters Lane Accident Overview

- **Average of three accidents per year in vicinity of Hunters Lane (2020-2022)**
 - Less than 1% of total accidents occurring in the City over a three-year period (10/1433)
- **Location**
 - 2 accidents occurred on Hunters Lane (not at intersection)
 - 1 accident occurred in a private parking lot adjacent to Hunters Lane
 - 5 accidents occurred in cross traffic
 - 2 accidents occurred northbound side exiting business drive
- **6 accidents occurred between noon and 2 PM**
- **No sound engineering judgment warrants regulatory action.**



Hunters Lane Measurements

Road measurements – 22'6" both east and westbound. With legally parked vehicle there is 15'8" of clearance on both side of the road

- Explorer

- Width – 7'6"
- Length – 17'

- Tahoe

- Width – 7'10"
- Length – 18'

- Fire Apparatus

- Width – 9'6"
- Length – 47'4"

- Ambulance

- Width – 9'2"
- Length – 26'6"



Considerations for Action on Hunters Lane

- **Remove large landscaping rocks that impede loading and unloading passengers (City/HOA)**
- **Repair or upgrade landscape lighting in medians and roadway edges on Hunters Lane (HOA)**
- **Contact businesses on Hunters Lane to repair/upgrade parking lot lighting, suggest more efficient use of existing parking lot (City)**
- **Possible installation of a streetlight on Hunters Lane at FM 518 intersection (City)**



FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/21/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Recognize Director of Public Works Rene Ibarra for being invited to be a panelist for the Underground Construction Technology Association for a discussion on Collection Systems.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Public Works Director, René Ibarra, has been invited to be a panelist for the Underground Construction Technology Association (UCTA) for a discussion on Collection Systems with peers from the City of Houston and Hitchcock to share their Challenges, Successes and "What keeps them up at night?". We appreciate René taking the time to visit with peers and professionals to promote education, research and development.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/21/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Recognize Deputy Director of Engineering Samantha Haritos for participating in a panel discussion at the Texas Floodplain Management Association conference in early March to discuss "Local Involvement in Regional Flood Planning."

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Deputy Director of Engineering, Samantha Haritos, participated in a panel discussion at the Texas Floodplain Management Association conference in early March to discuss "Local Involvement in Regional Flood Planning." Samantha, along with other local government officials were able to offer their diverse experiences engaging in the regional flood planning process in Texas with representatives from the Texas Water Development Board and the Regional Flood Planning groups. She shared Friendswood's successes and lessons learned so far in reducing flood risk at both the local and regional level.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/21/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider authorizing a Professional Services Agreement with Freese & Nichols, Inc., for the 2023 Water and Wastewater Utility Impact Fee Project (RFQ 2023-04).

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Impact fees are governed by Chapter 395 of the Texas Local Government Code, which authorizes impact fees to fund required capital costs for locally provided infrastructure such as water and wastewater facilities. The chapter contains definitions, requirements, processes, procedures, and required computations, to which the City is required to adhere when updating a local impact fee ordinance. Consistent with such chapter, an impact fee ordinance establishes:

1. the administrative procedures and financial details by which the impact fee program will be implemented;
2. the actual fees to be assessed for each land-use type; and
3. other details about the fees, including when fees are assessed and paid, for what the fees are imposed, and how the fees will be spent.

Impact fees in Friendswood are paid at the time of building permit issuance and are based on water meter size. The City first began charging impact fees in 1990. An updated study is required every five years. The City's last update was in 2018.

The City recently issued a Request for Qualifications for the *2023 Water and Wastewater Utility Impact Fee Project*. Freese and Nichols ("FNI") responded to that RFQ with a Statement of Qualifications listing their extensive experience throughout Texas. Its impact fee team is based out of its Pearland office.

FNI has submitted a proposed scope of work at a cost not-to-exceed \$75,000 (funded by past impact fees). FNI's services will include an "Impact Fee 101" presentation to be given to the Planning and Zoning Commission and to City Council later this year. FNI will work with the City's Engineering, Community Development, and Public Works Departments in calculating an update to the City's impact fee. Public hearings, at which FNI will present its findings, will be held in the latter half of 2023.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Impact fees will fund required capital costs for water and wastewater facilities required for the continued growth of the City.

RECOMMENDATIONS

Staff recommends awarding the 2023 Water and Wastewater Utility Impact Fee Project to Freese & Nichols, Inc.

ATTACHMENTS

1. 2018 Land Use Assumptions CIP and Impact Fee Study
2. 00205 - Standard Agreement for Professional Services - F&N
3. Certificate of Insurance 10-23-2023
4. Form 1295 Certificate 101024375 F&N
5. Government Code Verification - Signed
6. Freese and Nichols Statement of Qualifications

IMPACT FEE STUDY

2018 UPDATE STUDY OF LAND USE ASSUMPTIONS,
CAPITAL IMPROVEMENTS PLAN & IMPACT FEES

WATER SUPPLY/DISTRIBUTION AND
WASTEWATER TREATMENT/COLLECTION

CITY OF FRIENDSWOOD, TEXAS



NOVEMBER 2018

PREPARED BY:

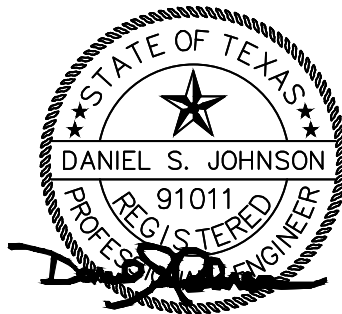
DANIEL SCOTT
ENGINEERING, LLC

19701 MORRIS AVENUE, MANVEL, TEXAS 77578
TBPE F-9827

CITY OF FRIENDSWOOD
IMPACT FEE STUDY

CAPITAL IMPROVEMENTS ADVISORY COMMITTEE

JOE MATRANGA
RICHARD CLARK
BRETT BANFIELD
ERIC GUENTHER
LISA LUNDQUIST
RICHARD SASSON
MARCUS PERRY



11/27/2018

CITY OF FRIENDSWOOD
IMPACT FEE STUDY

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CITY OF FRIENDSWOOD
IMPACT FEE STUDY

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CITY OF FRIENDSWOOD
IMPACT FEE STUDY

I. INTRODUCTION

A. BACKGROUND

The City of Friendswood, Texas has elected to adopt Water and Wastewater Impact Fees to assist in the financing of Capital Improvements for those systems that are necessitated by growth and development anticipated in the City. These Impact Fees were first adopted on June 4, 1990 by Resolution No. 90-22, in accordance with the provisions of the, then current State Law.

The State Law originally required that impact fees be reviewed and updated at least every three years from the adoption date; however, the legislation was amended to revise the maximum period to five years between required updates. Table 1 provides a historical summary of all updates to the Impact Fee Study for the City of Friendswood:

TABLE 1
IMPACT FEE STUDY UPDATE SUMMARY

Year	Revision	Resolution	Preparer
1990	Original	R90-22	Brown & Gay Engineers, Inc.
1991	Amendment	R91-4	Brown & Gay Engineers, Inc.
1993	Update #1	R93-24	Brown & Gay Engineers, Inc.
1997	Update #2	R97-48	Claunch & Miller, Inc.
2000	Update #3	R2000-40	Claunch & Miller, Inc.
2003	Update #4	R2003-47	Claunch & Miller, Inc.
2008	Update #5	R2008-17	HDR/Claunch & Miller, Inc.
2013	Update #6	R2013-11	JET Civil Consulting, LLC
2018	Update #7		Daniel Scott Engineering, LLC

In 2013, the City Council authorized JET Civil Consulting, LLC to prepare the update of the Land Use Assumptions, Capital Improvements Plan (CIP), and Impact Fee Study in accordance with Chapter 395 of the Local Government Code (Impact Fee Legislation), which is the state legislation regulating this adoption process.

In July 2018, the City authorized Daniel Scott Engineering, LLC (DSE) to prepare the required five-year update of the 2013 Study. This document includes the basis for determination of the Water and Wastewater Impact Fee per Equivalent Service Unit (ESU), based on Land Use Assumptions and the corresponding CIP.

CITY OF FRIENDSWOOD
IMPACT FEE STUDY

B. CAPITAL IMPROVEMENTS ADVISORY COMMITTEE

The City Council has appointed a Capital Improvements Advisory Committee to give policy direction, guide the public hearing process, and make a recommendation to the Council regarding the final report and fee amount. This committee consists of the Friendswood Planning and Zoning Commission (P&Z), which currently has at least one member representing the real estate industry, as required by the Impact Fee Legislation.

C. PLANNING PERIOD

The City of Friendswood is located in a high growth corridor along Interstate 45, approximately 20 miles southeast of the City of Houston, and about 30 miles northwest of the City of Galveston. The planning period for this Impact Fee Study will be for the ten-year period from 2018-2028 in accordance with requirements of the aforementioned Chapter 395. Population projections and resulting growth for the planning period can be found in the Land Use Assumptions, and details of the projects are shown in the CIP.

D. CAPITAL IMPROVEMENTS

Water and Wastewater Capital Improvements are defined as *“any facility that has a life expectancy of three or more years and are owned and operated by or on behalf of a political subdivision: water supply, treatment and distribution facilities; wastewater collection and treatment facilities.”*

Costs for system improvements necessitated by regulatory changes, maintenance requirements, or to correct deficiencies in existing developed areas are not eligible for reimbursement by impact fees and are therefore not included in the CIP developed for the purposes of this study. Many of the improvements may be financed through the issuance of bonds, and therefore finance charges can be estimated and included in the fee calculation. Acquisition of land, easements, and engineering costs for the projects are also eligible under the legislation and can be included in the calculation.

E. IMPACT FEES

This document will establish the projected number of Equivalent Service Units estimated to be added to the City of Friendswood’s water and wastewater system over the Planning Period, as well as the anticipated areas, which will require these services. The required Capital Improvements to be constructed can then be determined with cost estimates that will be utilized to calculate the proposed Impact Fees.

CITY OF FRIENDSWOOD
IMPACT FEE STUDY

II. LAND USE ASSUMPTIONS

A. BASIS

The Land Use Assumptions established herein are based on the following:

- The City's current Zoning Map
- The City's Capital Improvements Program 2017 Update
- The City's Comprehensive Plan adopted in 1998
- Vision 2020
- 2001 Groundwater Reduction Plan
- Area Growth projections provided by HGAC and other sources
- United States Census Bureau data and previous historical data
- Current growth trends experienced in the City
- Availability of vacant tracts in the City

B. SERVICE AREA

The Impact Fee Legislation defines Land Use Assumptions as: *"a description of the service area and projections of changes in land uses, densities, intensities and population in the service area over at least a ten-year period."* The City of Friendswood has elected to define the service area for Impact Fees as the current City Limits. The legislation also allows the City to impose impact fees in the City's Extraterritorial Jurisdiction (ETJ); however, the City of Friendswood has no ETJ.

The City has elected to establish Impact Fees on a system-wide basis. Currently, the City has no standalone systems (Municipal Utility Districts) providing water and wastewater to residents and businesses.

CITY OF FRIENDSWOOD
IMPACT FEE STUDY

C. POPULATION PROJECTIONS

According to the United States Census Bureau (Table 2), the population for the City of Friendswood was estimated at 39,839 on July 1, 2017. This represents an increase of 11.3% from the 2010 Official Census (35,805), and an increase of 4,034 people in seven years. After the increase of 23.3% (6,768 people) from 2000 (29,037) to 2010 (35,805), the Census Bureau continues to document Friendswood's growth toward buildout.

Over the last 47 years of Census data, the City of Friendswood has experienced varying population increases. The City witnessed tremendous population spikes of 88.9% from 1970 to 1980, and 112.8% from 1980 to 1990, and a steady increase of about 6,300 people every decade since the 1990's. Altogether, the City has experienced an average annual population increase of 4.27% since 1970.

The 2013 Impact Fee Study incorporated an average annual increase of 1.5% for the population projection, which proved to be consistent with the 1.54% increase observed by the Census Bureau.

TABLE 2
US CENSUS BUREAU

Geography Name	Year	Household Population	% Increase	Population Increase
Friendswood	1970	5,675		
Friendswood	1980	10,719	88.9%	5,044
Friendswood	1990	22,814	112.8%	12,095
Friendswood	2000	29,037	27.3%	6,223
Friendswood	2010	35,805	23.3%	6,768
Friendswood	2017	39,839	11.3%	4,034
		ANNUAL AVERAGE		
		SINCE 1970:	4.27%	726.9
		SINCE 1980:	3.62%	787.0
		SINCE 1990:	2.09%	630.6
		SINCE 2000:	1.88%	635.4
		SINCE 2010:	1.54%	576.3

CITY OF FRIENDSWOOD
IMPACT FEE STUDY

The City's Comprehensive Plan, Vision 2020, and the Groundwater Reduction Plan projected a build-out population of 57,400 within the combined 21 square miles of the City. Growth trends for the current decade are on a similar track with Houston Galveston Area Council (HGAC) projecting a population increase of 9,147 by 2028. The HGAC population projections for the 10-Year Planning Period are presented in Table 3.

TABLE 3
HGAC POPULATION PROJECTIONS

Place	Year	Household Population	% Increase	Population Increase
Friendswood	2015	38,435	-	-
Friendswood	2016	39,066	-	-
Friendswood	2017	39,697	-	-
Friendswood	2018	40,327	-	-
Friendswood	2019	40,958	1.6%	630.8
Friendswood	2020	41,589	1.5%	630.8
Friendswood	2021	42,853	3.0%	1,263.8
Friendswood	2022	44,117	2.9%	1,263.8
Friendswood	2023	45,380	2.9%	1,263.8
Friendswood	2024	46,644	2.8%	1,263.8
Friendswood	2025	47,908	2.7%	1,263.8
Friendswood	2026	48,430	1.1%	522.1
Friendswood	2027	48,952	1.1%	522.1
Friendswood	2028	49,474	1.1%	522.1
		ANNUAL AVERAGE: TOTAL:	2.1%	9,147

CITY OF FRIENDSWOOD
IMPACT FEE STUDY

D. GROWTH RATE

According to the Census Bureau, the City of Friendswood has experienced an average growth rate of 1.54% per year over the last seven years. In turn, HGAC projects the City's average annual growth rate at 2.1% over the next ten years.

The 2008 Impact Fee Study used a 1.9% annual growth rate, which projected a population in 2017 of 42,988. The 2013 Impact Fee Study implemented a slightly more conservative rate of 1.5% and estimated a population in 2017 of 41,144. According to the US Census Bureau, Friendswood's 2017 population was actually estimated at 39,839, which is on target with the 2013 projection. Therefore, the recommendation of this 2018 Updated Study is to maintain the same conservative growth rate for the planning period between 2018 and 2028 at **1.5%**.

This 1.5% Growth Rate is recommended for the projection of population and resulting service units for the calculation of the Impact Fee amount. Table 4 indicates the resulting population projections by year, with a total estimated population growth of **6,492** over the next 10 years.

TABLE 4
1.5% ANNUAL GROWTH RATE PROJECTIONS

Source	Year	Household Population	% Increase	Population Increase
<i>US Census Data</i>	<i>2000</i>	<i>29,037</i>		
	<i>2010</i>	<i>35,805</i>	<i>23.3%</i>	<i>6,768</i>
	<i>2017</i>	<i>39,839</i>	<i>11.3%</i>	<i>4,034</i>
Friendswood	2018	40,436		
Friendswood	2019	41,043		607
Friendswood	2020	41,659		616
Friendswood	2021	42,284		625
Friendswood	2022	42,918		634
Friendswood	2023	43,562		644
Friendswood	2024	44,215		653
Friendswood	2025	44,878		663
Friendswood	2026	45,552		673
Friendswood	2027	46,235		683
Friendswood	2028	46,928		694
		AVERAGE: TOTAL:	1.5%	6,492

III. CAPITAL IMPROVEMENTS PLAN

A. CAPITAL IMPROVEMENTS PROGRAM

Pursuant to the City Charter, the City Manager is required to submit a Capital Improvements Program (PROGRAM) to the City Council. By agreement, this program is to be updated periodically to reflect the completion of projects, the addition of new projects, and to update project costs for financial projection and management efforts. The first PROGRAM was adopted in 1999 and has been updated in 2003, 2007, 2009, 2012, 2014, and 2017.

From the 2017 Update: *“The intent of the updated program is to identify, describe, and prioritize the infrastructure needs of the community as it grows and evolves. The overall goal of the CIP is to maintain the same high quality of life for all citizens through the timely anticipation of the City’s needs, planning of improvement projects and determining funding sources as the community grows. The program is also intended to depict financial challenges of the City’s growth and maintenance of infrastructure that characterize the City’s future and the associated funding requirements to meet these objectives. The programming portion includes formulating preliminary plans, projecting estimated project costs, setting priorities, identifying funding sources, and scheduling the implementation of the plans.”*

The City of Friendswood adopted their current Capital Improvement Projects Manual in May of 2017 by Resolution R2017-13. This Manual proposed 77 projects for water, wastewater, facilities, drainage, parks, and streets. Within those 77 projects, 7 water and 10 wastewater projects were identified for the next 5 years (2017-2021). Additionally, 23 water and wastewater projects were identified in the “Beyond 5 Year Plan.”

Since the planning period for the Impact Fee adoption process is *10 years*, all of the *eligible* water and wastewater projects from the Capital Improvements Program are included, as well as other projects anticipated within the 10-year range.

CITY OF FRIENDSWOOD
IMPACT FEE STUDY

B. EXISTING CAPITAL IMPROVEMENTS

1. WATER SUPPLY AND DISTRIBUTION

Historically, water supply for the City of Friendswood was served exclusively by groundwater. However, in 1975, the Harris-Galveston Subsidence District (HGSD) was created by the Texas Legislature for the purpose of preventing land subsidence and increased flooding. Under HGSD's requirements, it was determined that the City's future water supply must be converted from a majority of groundwater use to a majority of surface water use.

In January 2001, a Groundwater Reduction Plan (GRP) was developed by Klotz Associates, Inc. in order to meet the HGSD requirements. The GRP indicated that the total water supply needed for the anticipated buildout population of 57,400 would be 16.8 million gallons per day (MGD):

$$57,400 \times 136 \text{ gallons per person per day} \times 2.16 \text{ peaking factor} = 16.8 \text{ MGD}$$

Further, it determined that, in order to meet groundwater reduction goals, the appropriate mix should be 11.8 MGD surface water and 5.0 MGD groundwater. As such, the City of Friendswood has diligently purchased 12.0 MGD of water treatment capacity from the City of Houston's Southeast Water Purification Plant, La Porte Water Authority, and MUD 55.

As described in the PROGRAM, there are six (6) water projects that will be needed in the next 5 years in order to upgrade, update, and improve the existing Capital Improvements to meet the existing needs of the City. Although these projects cannot be used in the Impact Fee calculation, their inclusion in this Study is a requirement of Section 395.014 (a) (1) and (2) of the Impact Fee Legislation:

TABLE 5
WATER PROJECTS FOR EXISTING NEEDS

<u>WATER PROJECTS</u>	<u>APPROXIMATE COST</u>
1. City of Houston Water Plant Rehabilitation	\$ 3,500,000
2. Water Plant #1 Rehabilitation	\$ 1,339,000
3. 42" Water Main Replacement	\$ 12,656,000
4. Elevated Storage Tank #2 Rehabilitation	\$ 1,059,000
5. Water Plant Tank #3 Rehabilitation	\$ 706,000
6. Water Plant Tank #4 Rehabilitation	\$ 706,000
SUBTOTAL WATER	\$ 19,966,000

CITY OF FRIENDSWOOD
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2. WASTEWATER COLLECTION AND TREATMENT

Since 1979, the City of Friendswood has purchased 4.875 MGD of the 9.25 MGD capacity in the Blackhawk Regional Wastewater Treatment Facility. Of the City's total capacity, 2.5 MGD was purchased in the Phase I construction to serve existing development. An additional 2.375 MGD was purchased in the Phase II expansion project to serve new development and has previously been subject to the impact fee.

In order to serve the anticipated buildout population of 57,400 people, a total capacity of 6.5 MGD will be needed:

$$\begin{aligned} 57,400 \text{ people} / 2.8 \text{ people per connection} &= 20,500 \text{ connections} \\ 20,500 \text{ connections} \times 315 \text{ gallons per connection} &= 6.5 \text{ MGD} \end{aligned}$$

Therefore, a 2.0 MGD Phase III expansion is anticipated to serve new development and was included in the 2013 impact fee calculation. Additionally, the PROGRAM identified 10 wastewater projects needed in the next 5 years in order to upgrade, update, and improve the existing Capital Improvements to meet the existing needs of the City. Although these projects cannot be used in the Impact Fee calculation, their inclusion in this Study is a requirement of Section 395.014 (a) (1) and (2) of the Impact Fee Legislation:

TABLE 6
WASTEWATER PROJECTS FOR EXISTING NEEDS

WASTEWATER PROJECTS	APPROXIMATE COST
1. Lift Station #1 Replacement	\$ 1,774,000
2. Lift Station #4 Replacement	\$ 1,774,000
3. Lift Station #17 Replacement	\$ 1,774,000
4. Lift Station #22 Replacement	\$ 2,637,000
5. Lift Station #23 Replacement	\$ 3,935,000
6. Sanitary Sewer System Assessment Phase 4	\$ 1,464,000
7. Sanitary Sewer System Assessment Phase 5	\$ 100,000
8. Sanitary Sewer System Assessment Phase 6	\$ 100,000
9. Sanitary Sewer System Assessment Phase 7	\$ 175,000
10. Sanitary Sewer System Assessment Phase 8	\$ 1,830,000
SUBTOTAL WASTEWATER	\$ 15,563,000

CITY OF FRIENDSWOOD
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C. PROJECTS

As discussed, the City's Capital Improvements Program (PROGRAM) identified 77 projects for water, wastewater, facilities, drainage, parks, and streets. The Capital Improvements Plan (CIP) contained within this 2018 Updated Impact Fee Study document consists of only *eligible* water and wastewater projects from the City's PROGRAM.

Four (4) water projects and five (5) wastewater projects were identified within the PROGRAM for this CIP and are included in Table 7. The approximate subtotal costs are \$6.8M for the water projects and \$13.7M for the wastewater projects.

TABLE 7
CAPITAL IMPROVEMENTS PLAN

<u>WATER PROJECTS</u>	<u>APPROXIMATE COST</u>
1. Sixteen Inch Waterline Phase III	\$ 2,500,000
2. Beamer Road Waterline	\$ 2,043,000
3. East Waterline	\$ 1,354,000
4. South Friendswood Service Area Loop	\$ 955,000
SUBTOTAL WATER	\$ 6,852,000
<u>WASTEWATER PROJECTS</u>	<u>APPROXIMATE COST</u>
1. Beamer Road Sanitary Sewer	\$ 4,200,000
2. El Dorado/Lundy Lane Sanitary Sewer	\$ 3,880,000
3. FM 528 – Falcon Ridge to Windsong Sanitary Sewer	\$ 1,005,000
4. FM 528 – Lundy Lane to Tower Estates Sanitary Sewer	\$ 1,585,000
5. Windsong Sanitary Sewer	\$ 3,061,000
SUBTOTAL WASTEWATER	\$ 13,731,000

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D. PROJECT DESCRIPTIONS

Project descriptions for the four (4) water projects and five (5) wastewater projects contained within this CIP were also included within the PROGRAM, and are provided below per the requirement of Section 395.014 (a) (3) of the Impact Fee Legislation:

Water Project #1: Sixteen Inch Waterline Phase III \$ 2,500,000

The proposed improvements would extend waterlines west from Water Plant #4 connecting to existing City waterlines in the western reaches of the City Limits. Currently, limited unlooped waterlines service various developments throughout the western region of Friendswood. This proposed water line loop would open up development opportunities along FM 528 and greatly improve water pressure.

Water Project #2: Beamer Road Waterline \$ 2,043,000

This project consists of the proposed installation of a twelve-inch waterline along Beamer Road from FM2351 to Dixie Farm Road. The proposed improvements will expand those installed in the 2010 Beamer Road utility project funded with U.S. Economic Development Administration Grant. Efforts to attract light industry and office warehouse business and development into this area are largely dependent on availability of City service infrastructure.

Water Project #3: East Waterline \$ 1,354,000

This project consists of the installation of approximately 2,850 linear feet of fourteen-inch waterline that would extend water service to the East Service Area, and then loop the line back into the existing system by installing 6,600 linear feet of twelve-inch waterline to Bay Area Boulevard. This project will provide water to the eastern most area of the City and loop the FM 528 line to the Bay Area Boulevard line.

Water Project #4: South Friendswood Service Area Loop \$ 955,000

This project would extend waterlines to existing City water-lines in the southern reaches of the City Limits. Currently, limited unlooped water lines service various developments throughout the southern region of Friendswood. The proposed water line loop would open up development opportunities along FM 528.

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Wastewater Project #1: Beamer Road Sanitary Sewer \$ 4,200,000

This project consists of the proposed installation of additional gravity sewer lines along Beamer Road toward Dixie Farm. The proposed improvements will expand those installed in the 2010 Beamer Road utility project funded with U.S. Economic Development Administration Grant. Efforts to attract light industry and office warehouse business and development into this area are largely dependent on availability of City service infrastructure.

Wastewater Project #2: El Dorado/Lundy Lane Sanitary Sewer \$ 3,880,000

This project will include approximately 2,500 feet of six-inch force main, 5,000 feet of twelve-inch gravity sewer, 1,500 feet of fifteen-inch gravity sewer, and twenty manholes. The lift station will be located in the vicinity of the intersection of Lundy Lane and El Dorado Lane. Easements must be obtained for construction and installation of the Lift Station. Currently this area consists of 36 large lots and large acreage tracts, and is served by individual septic systems.

Wastewater Project #3: \$ 1,005,000
FM528 - Falcon Ridge to Windsong Sanitary Sewer

The purpose of this project is to provide sanitary sewer to the non-serviced area along FM 528 from Falcon Ridge to Windsong. The project will require construction of a Lift Station, approximately 5,700 feet of eight-inch force main, 4,800 feet of ten-inch gravity line and fourteen manholes. Easements must be obtained for construction and installation of the force main.

Wastewater Project #4: \$ 1,585,000
FM528 – Lundy Lane to Tower Estates Sanitary Sewer

The construction of a new sanitary sewer is required to provide services to the currently non-serviced areas along FM 528 from Lundy Lane to Tower Estates. The project will consist of approximately 3,000 feet of ten-inch gravity line, 800 feet of eight-inch line, and ten manholes.

Wastewater Project #5: Windsong Sanitary Sewer \$ 3,061,000

This project will provide sanitary sewer to the non-serviced area on Windsong to FM 528. The project will also include the Wind Creek and Windwood Lane areas. This project will consist of the construction of a Lift Station, in the vicinity of Windsong and Wind Creek Lane, approximately 3,000 feet of 6-inch force main, 6,450 feet of 8-inch gravity line and 18 manholes. In addition, a utility easement will be required for the construction of the Lift Station. Currently, the area is served by individual septic systems.

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E. EQUIVALENT SERVICE UNITS

In Section 395.014 (a) (4), the Impact Fee Legislation requires that the study provide a *“definitive table establishing the specific quantity of use, consumption, generation, or discharge of a service unit for each category of capital improvements or facility expansions, and an equivalent or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, and industrial.”*

Many municipalities have determined that the method that is the most equitable and easy to administer is based on the water meter size required to support the proposed building or facility. The American Water Works Association has published tables identifying the industry standard rated flow rates for meters of various sizes.

These flow rates are compared to the standard residential meter (1” for Friendswood) as one service unit and provide an equivalency factor to determine the total impact fee. This method is recommended since it provides the most equitable determination of actual *impact* of the development on the water and wastewater systems.

Table 8 establishes Equivalency Factors for water meters based on AWWA hydraulic capacities standard to the engineering industry:

TABLE 8
EQUIVALENT METER TABLE

Actual Meter Size (inches)	AWWA Capacity (GPM)	Equivalency Factor
1	50	1
1-1/2	100	2
2	160	3
3	300	6
4	500	10
6	1000	20
8	1600	32
10	2300	46
12	4300	86

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As of October 2018, the Utility Billing Department reported a total of 12,614 existing residential water meters in the City of Friendswood. As shown in Table 9, the majority of those meters (12,513/12,614 = 99%) are 1" in size or smaller, and therefore represent a 1:1 equivalency. However, there are also 101 residential meters that are larger than 1".

Using the Equivalency Factors determined in Table 8 above, these 12,614 residential meters represent a total of 12,760 equivalent meters:

TABLE 9
CURRENT RESIDENTIAL METER SUMMARY

Meter Size (inches)	Equivalency Factor	Residential Water Meters	Equivalent Meters
1*	1	12,513	12,513
1-1/2	2	66	132
2	3	34	109
3	6	1	6
4	10		0
6	20		0
8	32		0
10	46		0
12	86		0
Total		12,614	12,760

* Includes 3/4", 5/8", and 1" water meters.

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In addition to the residential water meters, the Utility Billing Department also identified 558 existing non-residential water meters in the City of Friendswood. As shown in Table 10, the majority of those meters (339/558 = 60%) are 1" in size or smaller, and therefore represent a 1:1 equivalency. However, there are also 219 non-residential meters that are larger than 1".

Using the Equivalency Factors determined in Table 8 above, these 558 non-residential meters represent a total of 1,140 equivalent meters:

TABLE 10
CURRENT NON-RESIDENTIAL METER SUMMARY

Meter Size (inches)	Equivalency Factor	Non-Residential Water Meters	Equivalent Meters
1*	1	339	339
1-1/2	2	50	100
2	3	141	451
3	6	18	108
4	10	7	70
6	20	2	40
8	32	1	32
10	46		0
12	86		0
Total		558	1,140

* Includes 3/4", 5/8", and 1" water meters.

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By combining the *Total Actual* and *Total Equivalent* meter data from Tables 9 and 10 for residential and non-residential water meters, Table 11 shows that approximately 8% of the current demand can be attributed to that of non-residential usage:

TABLE 1 1
CURRENT WATER METER SUMMARY

	Residential Water Meters	Non-Residential Water Meters	Total Water Meters
Total Actual Meters	12,614	558	13,172
Total Equivalent Meters	12,760	1,140	13,900
Percentage of Equivalent Meters	92%	8%	100%

In November 1998, when Vision 2020 was prepared by Kenneth Balk & Associates, the non-residential land usage at the time was observed as 8% (536 acres out of 6,759 acres). While the Vision Summary was to “*develop undeveloped land in Friendswood in general conformance to the existing zoning plan with regard to the split between residential and non-residential land as 73% Residential and 27% Commercial and Light Industrial,*” Friendswood is still predominantly a residential community.

Utilizing the 1.5% Growth Rate recommended in Section II. Land Use Assumptions, the number of Equivalent Service Units (ESU) projected to be added from 2018 to 2028 can be determined per Section 395.014 (a) (5) and (6) of the Impact Fee Legislation.

According to the HGAC data, there were 13,511 total households within the City limits of Friendswood in 2015. With a corresponding 2015 population of 38,435, this equates to a ratio of 2.84 persons per household. In the year 2020, HGAC predicts that Friendswood will have 41,589 people in 14,258 households, representing 2.92 persons per household. Averaging these HGAC data points (2.84 and 2.92) results in a density of 2.88, which directly corresponds with the 2016 Census data of 2.88 persons per household in Friendswood. Previous updates have implemented 2.80, 2.82, and 3.00, indicating that 2.88 persons per household is an appropriate value for this Study.

In addition to Friendswood’s residential population, approximately 8% of the water and wastewater usage is represented by non-residential development. Assuming a continued density of 2.88 people per household, and a corresponding increase in non-residential development of 8%, the following increase in ESU will provide the basis for determining the maximum allowable impact fee that may be charged by the City:

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TABLE 12
EQUIVALENT SERVICE UNITS
Section 395.014 (a) (6)

Projected increase in population for planning period (Table 4):	6,492
Projected increase in population per Service Unit:	6,492/2.88
Projected increase in Residential Service Units:	2,254
Projected increase in Non-Residential Service Units (8%):	180
Equivalent Service Units for planning period (2018-2028) =	2,434 ESU

CITY OF FRIENDSWOOD
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IV. IMPACT FEES

The impact fee amount per Equivalent Service Unit (ESU) will be determined based on the number of service units projected to be added to the systems over the 10-year planning period. The single-family residence will be considered as the standard service unit.

A. ADMINISTRATIVE ITEMS

1. The impact fee will be *assessed* (subject to future updates) at the time that a plat is filed (where applicable), and *collected* during the building permit process, as identified in the impact fee legislation.
2. Parks and temporary construction trailers will not be assessed any impact fees.
3. Houses and businesses obtaining additional meter(s) for fire line or lawn irrigation purposes only will not pay the impact fee associated with water or wastewater.
4. The Architect or Engineer for the Owner will size the water meter for the development based on industry standards.
5. Governmental buildings will not pay the water and wastewater impact fees based on the proposed assessment method.
6. Schools are exempt from payment of impact fees unless the board of trustees consents to a specific agreement in accordance with Chapter 395, Local Government Code.
7. When an existing water meter is changed out, additional impact fees will only be assessed if the meter size is increased. The fee will be based on the incremental increase in the Service Units.
8. When meters are changed out for the same size meter or a smaller meter, no Impact Fee will be assessed.
9. If an existing home is currently on a private well and/or septic system, and public water or wastewater become available:
 - a. If the homeowner connects within 1 year of the installation of the City services, they will not have to pay impact fees.
 - b. If the homeowner has not connected to City services within 1 year, they will pay the full impact fee at the time of their connection.
10. Impact fees do not include tap or meter fees; these regulations do not waive any tap or meter fees.

CITY OF FRIENDSWOOD
IMPACT FEE STUDY

B. MAXIMUM IMPACT FEE DETERMINATION

Chapter 395 of the Local Government Code was amended in 2001 to include that the City must provide for one of the following from Section 395.014 Paragraph (a) (7):

- (A) *a credit for the portion of ad valorem tax and utility service revenues generated by new service units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the Capital Improvements Plan; or*
- (B) *in the alternative, a credit equal to 50 percent of the total projected cost of implementing the capital improvements plan.*

The City of Friendswood has elected to follow option (B) and provide the credit equal to 50 percent of the CIP resulting in the following maximum Impact Fees. Therefore:

TABLE 13
MAXIMUM IMPACT FEES

Total Cost of Water Projects	(Table 7)	=	\$ 6,852,000
Total Cost of Wastewater Projects	(Table 7)	=	\$ 13,731,000
Increase in Service Units	(Table 12)	=	2,434
Total Cost of Water Projects from CIP/Increase in Service Units (2018-2028)			
	$\$6,852,000 / 2,434$	=	\$ 2,815 / ESU
Total Cost of Wastewater Projects from CIP/Increase in Service Units (2018-2028)			
	$\$13,731,000 / 2,434$	=	\$ 5,641 / ESU
Maximum Water Impact Fee:	$\$ 2,815 \times 50\%$	=	\$ 1,407 / ESU
Maximum Wastewater Impact Fee:	$\$ 5,641 \times 50\%$	=	\$ 2,820 / ESU
Maximum Total Impact Fee:	$\$ 1,407 + \$2,820$	=	\$ 4,227 / ESU

CITY OF FRIENDSWOOD
IMPACT FEE STUDY

V. SUMMARY AND RECOMMENDATIONS

The City of Friendswood, Texas has elected to adopt Water and Wastewater Impact Fees to assist in the financing of Capital Improvements for the systems that are necessitated by growth and development anticipated in the City.

- The Planning Period for this Impact Fee Study is **2018 to 2028**.
- A growth rate of **1.5%** per year is recommended for projection of population and resulting service units for the calculation of the Impact Fee amount.
- The projected population increase for this Planning Period is **6,492** people.
- The equivalent increase in service units is **2,434 ESU**.
- The Total Costs for eligible Water Projects identified in the CIP equate to **\$6,852,000**.
- The Total Costs for eligible Wastewater Projects in the CIP equate to **\$13,731,000**.
- The Maximum Water Impact Fee is **\$1,407** per ESU.
- The Maximum Wastewater Impact Fee is **\$2,820** per ESU.

TABLE 14
PREVIOUS IMPACT FEES

Year	Water	Sewer	Total
2003	\$1,892	\$967	\$2,859
2008	\$1,849	\$1,290	\$3,139
2013	\$2,088	\$840	\$2,928

The City of Friendswood has traditionally adopted the maximum calculated Impact Fee, as recommended by the Capital Improvement Advisory Committee. While a community can elect to adopt a *lesser* amount than the maximum calculated Impact Fee, they cannot adopt a *greater* amount.

Based on the information presented in this 2018 Impact Fee Study, the Capital Improvement Advisory Committee recommends that the City Council adopt the following Impact Fee rates:

RECOMMENDED WATER IMPACT FEE	=	\$1,407 / ESU
RECOMMENDED WASTEWATER IMPACT FEE	=	\$2,820 / ESU
RECOMMENDED TOTAL IMPACT FEE	=	\$4,227 / ESU

AGREEMENT FOR PROFESSIONAL SERVICES - ENGINEER

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This Agreement for Professional Services – the Engineer (this "Agreement"), entered into as of the date specified hereinbelow, by and between the City of Friendswood, Texas, a home-rule municipality located in Galveston and Harris Counties, Texas (hereinafter called the "City") and Freese and Nichols, Inc., a Texas corporation located at 10497 Town and Country Way, Suite 500, Houston, Texas 77024 (hereinafter called the "the Engineer").

1. SCOPE OF SERVICES

This Agreement authorizes the Engineer to perform engineering services associated with the 2023 Water & Wastewater Utility Impact Fee Project ("Project") for and on behalf of the City. The scope of the Work is detailed in Exhibit "A," which is attached hereto and incorporated herein for all intents and purposes.

2. TIME OF PERFORMANCE

The Engineer shall proceed with performance of the services called for under the Basic Services upon a written authorization to proceed. The Work shall be completed within the time limits specified in the Scope of Work, unless delayed by causes outside the control of the Engineer. The Engineer shall proceed with subsequent Work only on authorization by City's Director of the Engineering (the "Director"). The Engineer shall immediately submit to City in writing evidence of delay satisfactory to the Director's reasonable discretion, upon which an extension of time equal to the period of actual delay, if approved by the Director, shall be granted in writing.

3. INFORMATION AND SERVICES TO BE FURNISHED TO ENGINEER

It is agreed that the City shall furnish, without charge, for the purpose of this Agreement, information, data, reports, records, and maps as are existing and available, for the carrying out of the Work of the Engineer as outlined under "Scope of Services"; provided, however, the City makes no representation or warranty regarding the reliability of any such information, data, reports or maps. The City shall cooperate with the Engineer to facilitate the performance of the Work described in this Agreement.

4. COMPENSATION AND METHOD OF PAYMENT

a. COMPENSATION

It is agreed that, unless specifically authorized by the City pursuant to an amendment to this Agreement, the total fees for Basic Services for the Work (including all subcontractors) shall not exceed the sum of SEVENTY-FIVE THOUSAND DOLLARS (\$75,000) as more particularly detailed in Exhibit "B," which is attached hereto and incorporated herein for all intents and purposes.

b. **INVOICING**

The Engineer shall invoice based upon total services completed and expenses actually incurred during the applicable month. The Engineer shall not charge for correction of its or its subconsultant's errors and omissions and shall be responsible for change orders resulting therefrom. Invoices shall be tendered not more than once a month. All invoices must identify with specificity the work or services performed and the date(s) of such work or services. The Engineer shall not invoice the City for services or expenses that were incurred more than sixty (60) days before the date of the invoice. Failure to timely invoice the City for services or expenses shall result in the Engineer's invoice being denied.

c. **PAYMENT**

The City shall have thirty (30) days to pay the Engineer's invoices from the date of receipt of such invoices and necessary backup information submitted by the Engineer in accordance with subsection b of this section. An invoice including reimbursable expenses must be accompanied by documentation regarding the expenses incurred. Notwithstanding the above, in the event of a disputed or contested invoice, the City may withhold from payment that portion so disputed or contested, and the undisputed portion will be paid. As applicable, the Engineer shall provide the City with record "as-built" drawings relating to the Work, in an electronic format that is acceptable to the City prior to final payment. The Engineer shall pay its subcontractors no later than the tenth (10th) day after it receives payment from the City.

5. **RECORDS**

The Engineer shall keep accurate records, including time sheets and travel vouchers, of all time and expenses allocated to performance of the services performed under this Agreement. Such records shall be kept in the office of the Engineer for a period of not less than five (5) years and shall be made available to the City for inspection and copying without cost upon reasonable request.

6. **INSTRUMENTS OF SERVICE**

All documents, including drawings and specifications prepared by the Engineer are instruments of service with respect to the Project. Upon execution of this Agreement, the Engineer grants to the City an ownership interest in such instruments of service. The Engineer shall obtain similar interests from the Engineer's subconsultants consistent with this Agreement. As noted in Sections 5 & 12, the Engineer shall be required to tender to City all instruments of service. With such ownership interest, it is expressly understood by the parties hereto that the City may use the Instruments of Service for any purposes which the City sees fit, including, but not limited to, subsequent construction, reconstruction, alteration, and/or repairs of the Project. As a condition to the City's use of the instruments of service, the City hereby expressly agrees to remove the Engineer's name and all references to the Engineer and its consultants from the documents. Provided that this Agreement is not terminated for cause by the City, the City shall release any and all claims which the City could make arising out of or in connection with any reuse of the documents by the City.

7. **INSURANCE**

The Engineer shall procure and maintain at its sole cost and expense for the duration of the Agreement, insurance against claims for injuries to person or damages to property which may arise from or in connection with the performance of the Work hereunder by the Engineer, its agents, representatives, volunteers, employees or subconsultants.

a. **COVERAGES REQUIRED**

the Engineer's insurance coverage shall be primary insurance with respect to the City, its officials, employees and agents. Any insurance or self-insurance maintained by the City, its officials, employees or agents shall be considered in excess of the Engineer's insurance and shall not contribute to it. Further, the Engineer shall include all subconsultants, agents and assigns as additional insureds under its policy or shall furnish separate certificates and endorsements for each such person or entity. All coverages for subconsultants and assigns shall be subject to all of the requirements stated herein.

The following is a list of standard insurance policies along with their respective minimum coverage amounts required in this Agreement:

- (1) **Commercial General Liability**
 - General Aggregate: \$2,000,000
 - Products & Completed Operations Aggregate: \$2,000,000
 - Personal & Advertising Injury: \$1,000,000
 - Per Occurrence: \$1,000,000
 - Fire Damage \$500,000
 - Waiver of Subrogation required.
 - Coverage shall be broad form.
 - No coverage shall be deleted from standard policy without notification of individual exclusions being attached for review and acceptance.
- (2) **Business Automobile Policy**
 - Combined Single Limits: \$1,000,000
 - Coverage for "Any Auto"
 - Waiver of Subrogation required.
- (3) **Errors and Omissions**
 - Limit: \$1,000,000 for this Project.
 - For all architects, engineers, and/or design companies
 - Claims-made form is acceptable
 - Coverage will be in force for one (1) year after completion of the Project.
 - Waiver of Subrogation required.
- (4) **Workers' Compensation**
 - Statutory Limits
 - Employer's Liability \$500,000
 - Waiver of Subrogation required.

b. **REQUIREMENTS FOR COVERAGES**

The following shall be applicable to all policies of insurance required herein.

- (1) Insurance carrier for all liability policies must have an A.M. Best Rating of A:VIII or better.
- (2) Only insurance carriers licensed and admitted to do business in the State of Texas will be accepted.
- (3) Liability policies must be on occurrence form. Errors and Omissions can be on claims-made form.

- (4) Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after thirty (30) days' prior written notice by mail, return receipt requested, has been given to the City.
- (5) The City, its officers, agents and employees are to be added as Additional Insureds to all liability policies, with the exception of the Workers Compensation and Errors and Omissions Policies required herein.
- (6) Upon request and without cost to the City, certified copies of all insurance policies and/or certificates of insurance shall be furnished to the City.
- (7) Upon request and without cost to the City, loss runs (claims listing) of any and/or all insurance coverages shall be furnished to the City.
- (8) All insurance required herein shall be secured and maintained in a company or companies satisfactory to the City, and shall be carried in the name of the Engineer. The Engineer shall provide copies of insurance policies and endorsements required hereunder to the City on or before the effective date of this Agreement.

8. ENGINEER'S PERFORMANCE

a. STANDARD OF CARE

The Engineer shall perform services required herein with the professional skill and care ordinarily provided by competent engineers practicing under the same or similar circumstances and professional license and as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer. The Engineer shall be responsible for the technical accuracy of its services and documents resulting therefrom, and the City shall not be responsible for discovering deficiencies therein. The Engineer shall promptly correct any defective analysis caused by the Engineer at no cost to City. The City's approval, acceptance, use of or payment for all or any part of the Engineer's services hereunder or of the Work itself shall in no way alter the Engineer's obligations or the City's rights under this Agreement.

b. CODES

The Work shall be designed and furnished in accordance with the most current codes and/or standards adopted by federal, state and local governments. Such codes set forth minimum requirements. These may be exceeded by the Contractor and/or the Engineer. Any alternative codes or regulations used shall have requirements that are equivalent or better than those in the above listed codes and regulations. The Engineer shall state the alternative codes and regulations used.

c. DUTY

Contractor shall be responsible for the actual supervision of construction operations and safety measures involving the Work, its employees and the public; but the Engineer, on behalf of the City, shall advise the Contractor of any items requiring the attention and action of the Contractor after notification to the City. The Engineer shall immediately make the City aware of any fault or defect in the Project, including any errors, omissions, or inconsistencies in the Engineer's documents or instruments of service.

If services include periodic visits to the site to observe work performed by the Project Contractor, the Engineer shall be responsible for exercising reasonable care and skills befitting the profession to assure that the Contractor performs the Work in accordance with

Contract Documents and to endeavor to safeguard the City against defects and deficiencies in the Work; provided, however, the Engineer does not guarantee or insure the work completed by the Contractor. During visits to the construction site, and on the basis of the Engineer's on-site observations as an experienced and qualified design professional, the Engineer shall keep the City informed on the extent of the progress of the Work and shall advise the City of defects and deficiencies in the work of Contractors that are discovered by the Engineer or otherwise brought to the Engineer's attention in the course of construction.

9. **INDEMNIFICATION AND RELEASE**

ENGINEER AGREES TO AND SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES (HEREINAFTER REFERRED TO AS THE "CITY") FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES, FOR INJURY TO OR DEATH OF ANY PERSON, FOR DAMAGE TO ANY PROPERTY OR FOR ANY BREACH OF CONTRACT TO THE EXTENT ARISING OUT OF OR IN CONNECTION WITH AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY THE ENGINEER OR THE ENGINEER'S AGENT, ENGINEER UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH THE ENGINEER EXERCISES CONTROL (COLLECTIVELY ENGINEER'S PARTIES). IT IS THE EXPRESSED INTENTION OF THE PARTIES HERETO, BOTH ENGINEER AND THE CITY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS INDEMNITY BY ENGINEER TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF ENGINEER'S PARTIES' OWN WILLFUL MISCONDUCT, JOINT OR SOLE NEGLIGENCE AS WELL AS THE ENGINEER'S PARTIES' INTENTIONAL TORTS, INTELLECTUAL PROPERTY INFRINGEMENTS, AND FAILURES TO MAKE PAYMENTS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. SUCH INDEMNITY SHALL NOT APPLY, HOWEVER, TO LIABILITY ARISING FROM THE PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE OF PERSONS THAT IS CAUSED BY OR RESULTS FROM THE NEGLIGENCE OF ANY PERSON OTHER THAN THE ENGINEER'S PARTIES. IN THE EVENT THAT ANY ACTION OR PROCEEDING IS BROUGHT AGAINST THE CITY FROM WHICH THE CITY IS INDEMNIFIED, ENGINEER FURTHER AGREES AND COVENANTS TO DEFEND THE ACTION OR PROCEEDING BY LEGAL COUNSEL ACCEPTABLE TO THE CITY. THE INDEMNITY

**PROVIDED HEREINABOVE SHALL SURVIVE THE TERMINATION
AND/OR EXPIRATION OF THIS AGREEMENT.**

By this Agreement, the City does not consent to litigation or suit, and the City hereby expressly revokes any consent to litigation that it may have granted by the terms of this Agreement or any other contract or agreement, any charter, or applicable state law. Nothing herein shall be construed so as to limit or waive the City's sovereign immunity. The Engineer assumes full responsibility for its services performed hereunder and hereby releases, relinquishes and discharges the City, its officers, agents, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to or death of any person (whether they be either of the parties hereto, their employees, or other third parties) and any loss of or damage to property (whether the property be that of either of the parties hereto, their employees, or other third parties) that is caused by or alleged to be caused by, arising out of, or in connection with the Engineer's services to be performed hereunder. This release shall apply with respect to the Engineer's services regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance.

THE ENGINEER SHALL REQUIRE ALL OF ITS APPROVED SUBCONSULTANTS TO INCLUDE IN THEIR SUBCONTRACTS, A RELEASE AND INDEMNITY IN FAVOR OF THE CITY IN SUBSTANTIALLY THE SAME FORM AS ABOVE.

10. NOTICE

Unless otherwise provided in this Agreement, any notice provided for or permitted to be given must be in writing and delivered in person or by depositing same in the United States mail, postpaid and registered or certified, and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party. Notice deposited in the mail as described above shall be conclusively deemed to be effective, unless otherwise stated in this Agreement, from and after the expiration of three (3) days after it is so deposited.

For the purpose of notice, the addresses of the parties shall be as follows unless properly changed as provided for herein below:

City:

City of Friendswood
910 S. Friendswood Drive
Friendswood, Texas 77546
Attn: Jildardo Arias, PE, CFM, ENV SP
Title: Director of the Engineering

Engineer:

Freese and Nichols, Inc.
10497 Town and Country Way, Ste. 500
Houston, TX 77024
Attn: Jim Keith, PE, CFM
Title: Principal and Vice President

Each party shall have the right from time to time at any time to change its respective address and each shall have the right to specify a new address, provided that at least fifteen (15) days' written notice is given of such new address to the other party.

11. CAPTIONS

The captions used in this Agreement are for general reference only to serve as a guide. The captions do not control the meaning of any section or subsection or in any way determine its interpretation or application.

12. SUCCESSORS AND ASSIGNMENTS

The City and the Engineer bind themselves and their successors, executors, administrators, and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement. Except as above, neither the City nor the Engineer shall assign, sublet, or transfer its interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be a party hereto.

13. TERMINATION

The City may terminate this Agreement at any time by giving at least thirty (30) days' written notice to the Engineer. Furthermore, the City may immediately and without notice terminate this Agreement if the Engineer breaches this Agreement. A breach of this Agreement shall include, but not be limited to, the following:

- (a) failing to pay insurance premiums, liens, claims or other charges;
- (b) failing to pay any payments due the city, state, or federal government from the Engineer or its principals, including, but not limited to, any taxes, fees, assessments, liens, or any payments identified in this Agreement;
- (c) the institution of voluntary or involuntary bankruptcy proceeding against the Engineer;
- (d) the dissolution of the Engineer;
- (e) refusing or failing to prosecute the Work or any separable part, with the diligence that will ensure its completion within the time specified in this Agreement;
- (f) failing to complete Work within the time period specified in this Agreement; and/or
- (g) the violation of any provision of this Agreement.

Upon delivery of any notice of termination required herein, the Engineer shall discontinue all services in connection with the performance of the Agreement. Within ten (10) days after receipt of the notice of termination, the Engineer shall submit a final statement showing in detail the services satisfactorily performed and accepted and all other appropriate documentation required herein for payment of services. At the same time that the final statement is tendered to the City, the Engineer shall also tender to the Director all of the Engineer's instruments of service, including all drawings, special provisions, field survey notes, reports, estimates, and any and all other documents or work product generated by the Engineer under this Agreement, whether complete or not, in an acceptable form and format together with all unused materials supplied by the City. No final payment will be made until all such instruments of service and materials supplied are so tendered.

If this Agreement is terminated for cause, the Engineer shall be liable for any damage to the City resulting therefrom. This liability includes any increased costs incurred by the City in completing the Engineer's services. The rights and remedies of the City in this section are in addition to any other rights and remedies provided by law or under this Agreement.

14. CHANGES

The City may, from time to time, request changes in the scope of the services to be performed by the Engineer under this Agreement. Such changes, including any increase or decrease in the amount of the Engineer's compensation, which are mutually agreed upon by and between the City and the Engineer shall be incorporated in written amendments to this Agreement.

15. SUPERVISION OF ENGINEER

the Engineer is an independent contractor and the City neither reserves nor possesses any right to control the details of the Work performed by the Engineer under the terms of this Agreement.

16. PERSONNEL

- a. The Engineer represents that it has, or shall secure at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the City.
- b. All of the services required hereunder shall be performed by the Engineer or under its supervision and all personnel engaged in the Work shall be fully qualified and, if applicable shall be authorized or permitted under State and local law to perform such services.
- c. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

17. REPORTS AND INFORMATION

The Engineer shall, at such times and in such forms as the City may require, furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Agreement.

18. REQUIRED PROVISIONS

The Engineer shall comply with all applicable federal requirements, including those specified in Exhibit "B," which is attached hereto and incorporated herein for all intents and purposes. Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion upon application by either party.

19. INTEREST OF ENGINEER AND EMPLOYEES

The Engineer covenants that it presently has no interest and shall not acquire any interest, direct or indirect, any interests which would conflict in any manner or degree with the performance of its services hereunder. The Engineer further covenants that in the performance of this Agreement, no person who has any such interest shall be employed by the Engineer.

20. GOVERNING LAW

This Agreement has been made under and shall be governed by the laws of the state of Texas.

21. VENUE

Any action brought by either party based on any claim arising under or as a result of this contract shall be brought in a court of competent jurisdiction in Galveston County, Texas.

22. NO THIRD-PARTY BENEFICIARY

This Agreement shall not bestow any rights upon any third party, but rather, shall bind and benefit the Engineer and the City only. No person or entity not a signatory to this Agreement shall be entitled to rely on the Engineer's performance of its services hereunder, and no right to assert a claim against the Engineer by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of the Engineer's services hereunder.

23. NO RIGHT TO ARBITRATION

Notwithstanding anything to the contrary contained in this Agreement, the City and the Engineer hereby agree that no claim or dispute between the City and the Engineer arising out of or relating to this Agreement shall be decided by any arbitration proceeding including, without limitation, any proceeding under the Federal Arbitration Act (9 U.S.C. Sections 1-14), or any applicable State arbitration statute, including, but not limited to, the Texas General Arbitration Act, provided that in the event that the City is subjected to an arbitration proceeding notwithstanding this provision, the Engineer consents to be joined in the arbitration proceeding if the Engineer's presence is required or requested by the City of complete relief to be recorded in the arbitration proceeding.

24. WAIVER

No waiver by either party to this Agreement of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

25. COMPLETE AGREEMENT

This Agreement represents the entire and integrated agreement between the City and the Engineer in regard to the subject matter hereof and supersedes all prior negotiations, representations or agreements, either whether written or oral, on the subject matter hereof. This Agreement may only be amended by written instrument approved and executed by both of the parties. The City and the Engineer accept and agree to these terms.

26. SEVERABILITY

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

27. AMBIGUITIES

In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

28. AUTHORITY

The officers executing this Agreement on behalf of the parties hereby represent that such officers have full authority to execute this Agreement and to bind the party he/she represents.

[Signatures on the Following Page]

**CITY OF FRIENDSWOOD
STANDARD CONTRACT AGREEMENT**

**PROFESSIONAL SERVICES
FOR ENGINEER**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of which shall be deemed to be an original, but all of which shall constitute but one and the same Agreement on the ____ day of April, 2023, the date of execution by the City Manager of the City of Friendswood.

City:

City OF FRIENDSWOOD, TEXAS

Engineer:

FREESE AND NICHOLS, INC.

MORAD KABIRI, City Manager

BY: Richard Weatherly
Richard Weatherly, Vice President

DATE: _____

DATE: 3-26-23

ATTEST:

ATTEST:

LETICIA BRYSCH, City Secretary

Stephanie Stephenson
Stephanie Stephenson, Contract Administrator

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

END OF DOCUMENT

Exhibit "A"

SCOPE OF WORK

1. GENERAL

The City currently assesses water and wastewater impact fees based on the most recent ordinance that was adopted in 2018. The Engineer shall prepare an update to the City's water and wastewater impact fee in accordance with Chapter 395 of the Texas Local Government Code. Key study elements of Engineer's services include:

- a. Preparation of 10-year land use assumptions and service unit equivalents,
- b. Development of 10-year impact fee eligible water and wastewater capital improvement plans ("CIP") with associated planning level costs,
- c. Calculation of the maximum allowable water and wastewater impact fees per service unit, and updating the schedule of maximum allowable impact fees by water meter size, and
- d. Attendance of and presenting at the public hearings and meetings to discuss the proposed ordinance amending the land use assumptions, capital improvements plan, and impact fees.

Additionally, the Engineer shall conduct informational sessions with the (i) City's Planning and Zoning Commission (the "Commission"), which serves as the City's Capital Improvements Advisory Committee (COMMISSION) and (ii) the City Council to discuss the impact fee process and study components. The Engineer will prepare PowerPoint presentation materials and will be available to answer questions from the Commission and City Council.

2. BASIC SERVICES

The Engineer shall render the following professional services in connection with the development of the Project:

Task 1: Project Kickoff, Data Collection and Coordination

- a. *Project Kickoff Meeting*
The Engineer will meet with the City staff to review scope and schedule of the Project and critical project milestones. The Engineer will provide a data request outlining the data needed for the water and wastewater impact fee update.
- b. *Data Collection and Review*
The Engineer will coordinate with City Staff on obtaining data required for the impact fee update, including information on water and wastewater projects currently under design and construction, updated land use assumptions and population and developments information, water and wastewater system GIS files, facility information, historical water production data, current facility operational data, information on water meters and billing, and cost data for recently constructed projects.
- c. *Project Management and Communication*
Throughout the Project, monthly status reports will be submitted that summarize the Project progress and document upcoming tasks. The monthly status updates will

outline any upcoming key decisions which require input from or discussion with the City.

d. *Additional Project Meetings*

In addition to the meetings included in the scope below, the Engineer will be available for additional project meetings with the City to review progress, discuss data needs, and any topics of special concern.

Task 2: Develop Land Use Assumptions and Impact Fee Capital Improvements Plan

a. *Council Presentation – Impact Fees 101*

The Engineer will prepare an *Impact Fees 101* presentation for the Council to provide an overview of impact fees and the implementation process and discuss the roles of the Council and the Commission in the updating of impact fees. The Engineer will conduct the presentation and be available to answer any questions from the Council.

b. *Develop Impact Fee Land Use Assumptions*

The Engineer will utilize the City's 2021 Future Land Use Map as well as information on known or anticipated developments to project 10-year impact fee land use assumptions. The Engineer will coordinate with the City's Community Development and Engineering Departments while developing the land use assumptions. It is understood that the City limits will be the service area for this water and wastewater impact fee update.

c. *Develop Service Unit Projections*

The Engineer will utilize the land use assumptions and information on the City's existing water meters to calculate the 10-year growth in service units. It is understood that the City utilizes a 1-inch water meter as the standard residential meter.

d. *Meeting with Staff - Review Land Use Assumptions and Service Unit Projections*

The Engineer will meet with the City to review the land use assumptions service unit projections. City comments will be solicited and addressed. The City shall choose whether this meeting should be in person or virtual.

e. *Identify Existing or Ongoing Water & Wastewater Capital Improvements Eligible for Impact Fees*

The Engineer will review water and wastewater improvements that have been started or completed since the 2018 Water and Wastewater Impact Fee Study and assess which projects have capacity to serve projected growth and are therefore eligible for inclusion in the impact fee CIP.

f. *Identify Proposed Water & Wastewater Capital Improvements Eligible for Impact Fees*

The Engineer will work with the City to develop a list of proposed water and

wastewater capital improvement projects to be included in the impact fee CIP in the 10-year planning period. This effort will be coordinated with the City's ongoing update of the water and wastewater CIP manual. The Engineer will update or develop planning level cost estimates for all projects in the impact fee water and wastewater CIP. Maps will be prepared showing the proposed water and wastewater CIP projects to be included in the impact fee calculation.

Hydraulic Water Model

It is understood that a Bentley WaterGEMS® water model was developed as part of the City's ongoing *Water System Improvements Report*. The Engineer will request and utilize this hydraulic model for analysis of the impact fee eligible water CIP projects.

- g. *Meeting with Staff - Review Impact Fee CIPs*
The Engineer will meet with the City to review the impact fee eligible water and wastewater CIPs and planning level costs. City comments will be solicited and addressed. The City shall choose whether this meeting should be in person or virtual.
- h. *Commission Presentation – 'Impact Fees 101' and Land Use Assumptions and CIPs*
The Engineer will prepare an *Impact Fees 101* presentation for the Commission to provide an overview of impact fees and the implementation process, as well as the Commission and the Council's roles in the updating of impact fees. The Engineer will conduct the presentation and be available to answer any questions from the Commission. The Engineer will also present the draft land use assumptions and water and wastewater impact fee eligible capital improvement plans to the Commission. The Commission comments will be solicited and addressed.

Task 3: Conduct Water and Wastewater Impact Fee Analysis and Public Hearing(s)

- a. *Calculate Water and Wastewater Costs Eligible for Impact Fee Cost Recovery*
The Engineer will calculate the portion of the water and wastewater capital projects' costs that are eligible for impact fee cost recovery based on the portion of the project's capacity to serve the projected growth in the 10-year planning period.
- b. *Calculate Maximum Allowable Water and Wastewater Impact Fees*
The Engineer will calculate maximum allowable water and wastewater impact fees in accordance with Section 395.014(a)(7)(B) of the Texas Local Government Code utilizing the 50% credit method based on the impact fee eligible water and wastewater CIP costs to serve the projected 10-year growth.
- c. *Benchmark Water and Wastewater Impact Fees*
The Engineer will obtain the adopted water and wastewater impact fees from similar cities and prepare graphics showing comparisons with Friendswood's current water and wastewater impact fees and the calculated 2023 maximum allowable water and wastewater impact fees.

- d. *Meeting with Staff - Review Impact Fee Analysis and Benchmarking Results*
The Engineer will meet with the City to review the maximum allowable water and wastewater impact fees for Friendswood, as well as the benchmarking information comparing the 2023 maximum allowable fees to the adopted fees of sister cities. City comments will be solicited and addressed. The City shall choose whether this meeting should be in person or virtual.
 - e. *Develop Draft Water and Wastewater Impact Fee Update Report*
The Engineer will prepare a Draft Water and Wastewater Impact Fee Update Report documenting the land use assumptions, water and wastewater impact fee eligible CIP projects and costs, and the maximum allowable water and wastewater impact fees. An electronic PDF copy will be submitted to the City for review. City comments will be solicited and addressed.
 - f. *Commission Presentation(s) – Maximum Allowable Water and Wastewater Impact Fees*
The Engineer will prepare and conduct presentation(s) on the results of the water and wastewater impact fee calculations to the Commission.
 - g. *Finalize Impact Fee Update Report*
The Engineer will incorporate City and Commission comments and prepare a Final Water and Wastewater Impact Fee Update Report and deliver an electronic PDF copy to the City within 180 days from the City's issuance of a notice to proceed.
 - h. *Public Hearing Presentation - Land Use Assumptions, CIPs and Maximum Allowable Impact Fees*
The Engineer will develop a presentation for the public hearing summarizing the land use assumptions, water and wastewater CIPs, and impact fee calculations. The Engineer will attend the public hearing as well as the meeting(s) held concerning the adoption of the amended impact fees and be available to answer questions.
3. ADDITIONAL SERVICES
The Engineer will perform additional services, if any, at a price agreed upon by the parties in writing prior to the performance of such services. The City shall not be responsible or liable for any additional services performed by the Engineer unless such additional services have been approved in writing prior to the performance of the same.

Exhibit "B"

COMPENSATION

Basic Services

Basic Services, including reimbursable expenses, required under this contract shall be a fee not to exceed SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$75,000.00)) for the Project based upon the following:

Fee Schedule:

Position	Hourly Rate	
	Minimum	Maximum
Professional 1	\$89	\$174
Professional 2	\$106	174
Professional 3	\$126	\$272
Professional 4	\$126	\$310
Professional 5	\$198	\$340
Professional 6	\$218	\$412
Construction Manager 1	\$96	\$113
Construction Manager 2	\$96	\$170
Construction Manager 3	\$136	\$170
Construction Manager 4	\$157	\$218
Construction Manager 5	\$181	\$259
Construction Manager 6	\$249	\$306

Position	Hourly Rate	
	Minimum	Maximum
Construction Representative 1	\$79	\$96
Construction Representative 2	\$89	\$96
Construction Representative 3	\$109	\$160
Construction Representative 4	\$113	\$181
CAD Technician/Designer 1	\$68	\$133
CAD Technician/Designer 2	\$109	\$164
CAD Technician/Designer 3	\$150	\$218
Corporate Project Support 1	\$62	\$133
Corporate Project Support 2	75	191
Corporate Project Support 3	89	351
Intern / Coop	48	82

Reimbursable Schedule:

Reimbursable expenses shall include costs for incidental items such as parking, mileage, deliveries, and copies.

Rates for In-House Services and Equipment

Mileage

Standard IRS Rates

Bulk Printing and Reproduction

B&W

Color

Small Format (per copy)

\$0.10

\$0.25

Large Format (per sq. ft.)

Technology Charge

\$8.50 per hour

Bond

\$0.25

\$0.75

Glossy / Mylar

\$0.75

\$1.25

Vinyl / Adhesive

\$1.50

\$2.00

Other reimbursable expenses will be invoiced to the City at the Engineer's direct cost plus 10%,

Additionally, expenses associated with transportation, including, but not limited to, meals, travel, and lodging, must be approved in writing by the City prior to the Engineer incurring any expense associated therewith; otherwise, the parties hereto agree and understand that the City shall not be liable and the Engineer shall not make a claim against the City for any such expenses.

Additional Services

The Engineer will perform additional services, if any, at a price agreed upon by the parties in writing prior to the performance of such services. The City shall not be responsible or liable for any additional services performed by the Engineer unless such additional services have been approved in writing prior to the performance of the same.

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/23/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider authorizing a Professional Services Agreement with RJN Group, Inc., for the 2023 Sewer Survey Engineering Services - Wastewater Hydraulic Model Development Project.

Originating Department: Public Works

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

The Sanitary Sewer System Assessment Phased Study Reports and follow-up flow monitoring/leak-detection process have assisted and continue to assist the City in identifying inflow and infiltration ("I&I") sources within surveyed basins of the City of Friendswood. The I&I sources have ranged from failing manholes, broken and/or faulty sewer mains, missing/broken sewer cleanouts, unapproved direct tie-ins, and more.

As part of the continued long-range sanitary sewer assessment and rehabilitation program, Public Works is currently executing Phase IV (Construction & Rehabilitation) based on previous Ph. II study findings. Phases V & VI were additional study assessments/surveys recently completed. RJN Group has been and continues to be the key engineering firm who has assisted the City of Friendswood with its continued sanitary sewer assessment survey process. The current proposed engineering services with RJN Group will be a part of Phase VII. The scope of the proposed engineering design will utilize the collected data from the prior study assessments/surveys to establish a hydraulic model of the basins identified within the attached exhibit. A portion of the hydraulic model is to evaluate potential impacts from the last key remaining large undeveloped properties on our southwestern reaches of town (i.e. FM Basins 8, 14, & 16). We have also required for the scope of the model to confirm in analyzing the flows/capacities of the pre-existing developments downstream, as it is ultimately routed through our most critical lift stations to its final receiving destination point (the Blackhawk Wastewater Treatment Plant).

Conducting this current proposed engineering services and sanitary sewer hydraulic model design will assist in providing a critical reference tool to confirm and/or identify sanitary sewer infrastructure flow/capacity inefficiencies, determining if an increase to specific sewer mains and/or lift station infrastructure is needed, and serving as a reference back-up tool to our impact fee analysis. Funding for the proposed scope of work in the amount of \$93,500 is accounted for within the previously approved 2018 Water/Sewer Series Bond allocations.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Conducting the recommended scope of work will assist the City of Friendswood in continuing to identify, address, and improve critical I&I concerns, in addition to providing a reference hydraulic model tool to confirm existing and future flow/capacity impacts.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. 1295 Form
2. Standard Agreement for Professional Services - RJN Group
3. COI

AGREEMENT FOR PROFESSIONAL SERVICES - ENGINEER

[illegible]

This Agreement for Professional Services – the Engineer (this "Agreement"), entered into as of the date specified hereinbelow, by and between the City of Friendswood, Texas, a home-rule municipality located in Galveston and Harris Counties, Texas (hereinafter called the "City") and RJN Group, Inc., located at 25550 Gray Falls Drive, Suite 203, Houston, TX 77077 (hereinafter called the "the Engineer").

1. SCOPE OF SERVICES

This Agreement authorizes the Engineer to perform engineering services associated with the [2023 Sewer Survey Engineering Services -Wastewater Hydraulic Model Development] ("Project") for and on behalf of the City. The scope of the work and a map of the Project are attached hereto as Exhibits "A" and "B," respectively, and incorporated herein for all intents and purposes.

2. TIME OF PERFORMANCE

The Engineer shall proceed with performance of the services called for under the Basic Services upon a written authorization to proceed. The Work shall be completed within the time limits specified in the Scope of Work, unless delayed by causes outside the control of the Engineer. The Engineer shall proceed with subsequent Work only on authorization by City's Director of the Public Works (the "Director"). The Engineer shall immediately submit to City in writing evidence of delay satisfactory to the Director's reasonable discretion, upon which an extension of time equal to the period of actual delay, if approved by the Director, shall be granted in writing.

3. INFORMATION AND SERVICES TO BE FURNISHED TO ENGINEER

It is agreed that the City shall furnish, without charge, for the purpose of this Agreement, information, data, reports, records, and maps as are existing and available, for the carrying out of the Work of the Engineer as outlined under "Scope of Services"; provided, however, the City makes no representation or warranty regarding the reliability of any such information, data, reports or maps. The City shall cooperate with the Engineer to facilitate the performance of the Work described in this Agreement.

4. COMPENSATION AND METHOD OF PAYMENT

a. COMPENSATION

It is agreed that, unless specifically authorized by the City pursuant to an amendment to this Agreement, the total fees for Basic Services for the Work (including all subcontractors) shall be a lump sum of NINETY-THREE THOUSAND FIVE HUNDRED DOLLARS (\$93,500.00), as more particularly detailed in Exhibit "C," which is attached hereto and incorporated herein for all intents and purposes.

b. INVOICING

The Engineer shall invoice based upon total services completed and expenses actually incurred during the applicable month. The Engineer shall not charge for correction of its or its subconsultant's errors and omissions and shall be responsible for change orders

resulting therefrom. Invoices shall be tendered not more than once a month. All invoices must identify with specificity the work or services performed and the date(s) of such work or services. The Engineer shall not invoice the City for services or expenses that were incurred more than sixty (60) days before the date of the invoice. Failure to timely invoice the City for services or expenses shall result in the Engineer's invoice being denied.

c. **PAYMENT**

The City shall have thirty (30) days to pay the Engineer's invoices from the date of receipt of such invoices and necessary backup information submitted by the Engineer in accordance with subsection b of this section. An invoice including reimbursable expenses must be accompanied by documentation regarding the expenses incurred. Notwithstanding the above, in the event of a disputed or contested invoice, the City may withhold from payment that portion so disputed or contested, and the undisputed portion will be paid. As applicable, the Engineer shall provide the City with record "as-built" drawings relating to the Work, in an electronic format that is acceptable to the City prior to final payment. The Engineer shall pay its subcontractors no later than the tenth (10th) day after it receives payment from the City.

5. **RECORDS**

The Engineer shall keep accurate records, including time sheets and travel vouchers, of all time and expenses allocated to performance of the services performed under this Agreement. Such records shall be kept in the office of the Engineer for a period of not less than five (5) years and shall be made available to the City for inspection and copying without cost upon reasonable request.

6. **INSTRUMENTS OF SERVICE**

All documents, including drawings and specifications prepared by the Engineer are instruments of service with respect to the Project. Upon execution of this Agreement, the Engineer grants to the City an ownership interest in such instruments of service. The Engineer shall obtain similar interests from the Engineer's subconsultants consistent with this Agreement. As noted in Sections 5 & 12, the Engineer shall be required to tender to City all instruments of service. With such ownership interest, it is expressly understood by the parties hereto that the City may use the Instruments of Service for any purposes which the City sees fit, including, but not limited to, subsequent construction, reconstruction, alteration, and/or repairs of the Project. As a condition to the City's use of the instruments of service, the City hereby expressly agrees to remove the Engineer's name and all references to the Engineer and its consultants from the documents. Provided that this Agreement is not terminated for cause by the City, the City shall release any and all claims which the City could make arising out of or in connection with any reuse of the documents by the City.

7. **INSURANCE**

the Engineer shall procure and maintain at its sole cost and expense for the duration of the Agreement, insurance against claims for injuries to person or damages to property which may arise from or in connection with the performance of the Work hereunder by the Engineer, its agents, representatives, volunteers, employees or subconsultants.

a. **COVERAGES REQUIRED**

the Engineer's insurance coverage shall be primary insurance with respect to the City, its officials, employees and agents. Any insurance or self-insurance maintained by the City, its officials, employees or agents shall be considered in excess of the Engineer's insurance and shall not contribute to it. Further, the Engineer shall include all subconsultants, agents

and assigns as additional insureds under its policy or shall furnish separate certificates and endorsements for each such person or entity. All coverages for subconsultants and assigns shall be subject to all of the requirements stated herein.

The following is a list of standard insurance policies along with their respective minimum coverage amounts required in this Agreement:

- (1) Commercial General Liability
 - General Aggregate: \$2,000,000
 - Products & Completed Operations Aggregate: \$2,000,000
 - Personal & Advertising Injury: \$1,000,000
 - Per Occurrence: \$1,000,000
 - Fire Damage \$500,000
 - Waiver of Subrogation required.
 - Coverage shall be broad form.
 - No coverage shall be deleted from standard policy without notification of individual exclusions being attached for review and acceptance.
- (2) Business Automobile Policy
 - Combined Single Limits: \$1,000,000
 - Coverage for "Any Auto"
 - Waiver of Subrogation required.
- (3) Errors and Omissions
 - Limit: \$1,000,000 for this Project.
 - For all architects, engineers, and/or design companies
 - Claims-made form is acceptable
 - Coverage will be in force for one (1) year after completion of the Project.
 - Waiver of Subrogation required.
- (4) Workers' Compensation
 - Statutory Limits
 - Employer's Liability \$500,000
 - Waiver of Subrogation required.

b. REQUIREMENTS FOR COVERAGES

The following shall be applicable to all policies of insurance required herein.

- (1) Insurance carrier for all liability policies must have an A.M. Best Rating of A:VIII or better.
- (2) Only insurance carriers licensed and admitted to do business in the State of Texas will be accepted.
- (3) Liability policies must be on occurrence form. Errors and Omissions can be on claims-made form.
- (4) Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after thirty (30) days' prior written notice by mail, return receipt requested, has been given to the City.

- (5) The City, its officers, agents and employees are to be added as Additional Insureds to all liability policies, with the exception of the Workers Compensation and Errors and Omissions Policies required herein.
- (6) Upon request and without cost to the City, certified copies of all insurance policies and/or certificates of insurance shall be furnished to the City.
- (7) Upon request and without cost to the City, loss runs (claims listing) of any and/or all insurance coverages shall be furnished to the City.
- (8) All insurance required herein shall be secured and maintained in a company or companies satisfactory to the City, and shall be carried in the name of the Engineer. The Engineer shall provide copies of insurance policies and endorsements required hereunder to the City on or before the effective date of this Agreement.

8. ENGINEER'S PERFORMANCE

a. STANDARD OF CARE

The Engineer shall perform services required herein with the professional skill and care ordinarily provided by competent engineers practicing under the same or similar circumstances and professional license and as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer. The Engineer shall be responsible for the technical accuracy of its services and documents resulting therefrom, and the City shall not be responsible for discovering deficiencies therein. The Engineer shall promptly correct any defective analysis caused by the Engineer at no cost to City. The City's approval, acceptance, use of or payment for all or any part of the Engineer's services hereunder or of the Work itself shall in no way alter the Engineer's obligations or the City's rights under this Agreement.

b. CODES

The Work shall be designed and furnished in accordance with the most current codes and/or standards adopted by federal, state and local governments. Such codes set forth minimum requirements. These may be exceeded by the Contractor and/or the Engineer. Any alternative codes or regulations used shall have requirements that are equivalent or better than those in the above listed codes and regulations. The Engineer shall state the alternative codes and regulations used.

c. DUTY

Contractor shall be responsible for the actual supervision of construction operations and safety measures involving the Work, its employees and the public; but the Engineer, on behalf of the City, shall advise the Contractor of any items requiring the attention and action of the Contractor after notification to the City. The Engineer shall immediately make the City aware of any fault or defect in the Project, including any errors, omissions, or inconsistencies in the Engineer's documents or instruments of service.

If services include periodic visits to the site to observe work performed by the Project Contractor, the Engineer shall be responsible for exercising reasonable care and skills befitting the profession to assure that the Contractor performs the Work in accordance with Contract Documents and to endeavor to safeguard the City against defects and deficiencies in the Work; provided, however, the Engineer does not guarantee or insure the work completed by the Contractor. During visits to the construction site, and on the basis of the Engineer's on-site observations as an experienced and qualified design professional, the

Engineer shall keep the City informed on the extent of the progress of the Work and shall advise the City of defects and deficiencies in the work of Contractors that are discovered by the Engineer or otherwise brought to the Engineer's attention in the course of construction.

9. **INDEMNIFICATION AND RELEASE**

THE ENGINEER AGREES TO AND SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES (HEREINAFTER REFERRED TO AS THE "CITY") FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES, FOR INJURY TO OR DEATH OF ANY PERSON, FOR DAMAGE TO ANY PROPERTY OR FOR ANY BREACH OF CONTRACT TO THE EXTENT ARISING OUT OF OR IN CONNECTION WITH AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY THE ENGINEER OR THE ENGINEER'S AGENT, THE ENGINEER UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH THE ENGINEER EXERCISES CONTROL (COLLECTIVELY THE ENGINEER'S PARTIES). IT IS THE EXPRESSED INTENTION OF THE PARTIES HERETO, BOTH THE ENGINEER AND THE CITY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS INDEMNITY BY THE ENGINEER TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE ENGINEER'S PARTIES' OWN WILLFUL MISCONDUCT, JOINT OR SOLE NEGLIGENCE AS WELL AS THE ENGINEER'S PARTIES' INTENTIONAL TORTS, INTELLECTUAL PROPERTY INFRINGEMENTS, AND FAILURES TO MAKE PAYMENTS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. SUCH INDEMNITY SHALL NOT APPLY, HOWEVER, TO LIABILITY ARISING FROM THE PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE OF PERSONS THAT IS CAUSED BY OR RESULTS FROM THE NEGLIGENCE OF ANY PERSON OTHER THAN THE THE ENGINEER'S PARTIES. IN THE EVENT THAT ANY ACTION OR PROCEEDING IS BROUGHT AGAINST THE CITY FROM WHICH THE CITY IS INDEMNIFIED, THE ENGINEER FURTHER AGREES AND COVENANTS TO DEFEND THE ACTION OR PROCEEDING BY LEGAL COUNSEL ACCEPTABLE TO THE CITY. THE INDEMNITY PROVIDED HEREINABOVE SHALL SURVIVE THE TERMINATION AND/OR EXPIRATION OF THIS AGREEMENT.

By this Agreement, the City does not consent to litigation or suit, and the City hereby expressly revokes any consent to litigation that it may have granted by the terms of this Agreement or any other contract or agreement, any charter, or applicable state law. Nothing herein shall be construed so as to limit or waive the City's sovereign immunity. The Engineer assumes full responsibility for its services performed hereunder and hereby releases, relinquishes and discharges the City, its officers, agents, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to or death of any person (whether they be either of the parties hereto, their employees, or other third parties) and any loss of or damage to property (whether the property be that of either of the parties hereto, their employees, or other third parties) that is caused by or alleged to be caused by, arising out of, or in connection with the Engineer's services to be performed hereunder. This release shall apply with respect to the Engineer's services regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance.

THE ENGINEER SHALL REQUIRE ALL OF ITS APPROVED SUBCONSULTANTS TO INCLUDE IN THEIR SUBCONTRACTS, A RELEASE AND INDEMNITY IN FAVOR OF THE CITY IN SUBSTANTIALLY THE SAME FORM AS ABOVE.

10. NOTICE

Unless otherwise provided in this Agreement, any notice provided for or permitted to be given must be in writing and delivered in person or by depositing same in the United States mail, postpaid and registered or certified, and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party. Notice deposited in the mail as described above shall be conclusively deemed to be effective, unless otherwise stated in this Agreement, from and after the expiration of three (3) days after it is so deposited.

For the purpose of notice, the addresses of the parties shall be as follows unless properly changed as provided for herein below:

City:
City OF FRIENDSWOOD
910 S. Friendswood Drive
Friendswood, Texas 77546
Attn: René Ibarra
Title: Director of Public Works

Engineer:
RJN Group, Inc.
2550 Gray Falls Drive, Suite 203
Houston, Texas 77077
Attn: Jason Maldonado
Title: Client Manager

Each party shall have the right from time to time at any time to change its respective address and each shall have the right to specify a new address, provided that at least fifteen (15) days' written notice is given of such new address to the other party.

11. CAPTIONS

The captions used in this Agreement are for general reference only to serve as a guide. The captions do not control the meaning of any section or subsection or in any way determine its interpretation or application.

12. SUCCESSORS AND ASSIGNMENTS

The City and the Engineer bind themselves and their successors, executors, administrators, and assigns to the other party of this Agreement and to the successors, executors, administrators and

assigns of such other party, in respect to all covenants of this Agreement. Except as above, neither the City nor the Engineer shall assign, sublet, or transfer its interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be a party hereto.

13. **TERMINATION**

The City may terminate this Agreement at any time by giving at least thirty (30) days' written notice to the Engineer. Furthermore, the City may immediately and without notice terminate this Agreement if the Engineer breaches this Agreement. A breach of this Agreement shall include, but not be limited to, the following:

- (a) failing to pay insurance premiums, liens, claims or other charges;
- (b) failing to pay any payments due the city, state, or federal government from the Engineer or its principals, including, but not limited to, any taxes, fees, assessments, liens, or any payments identified in this Agreement;
- (c) the institution of voluntary or involuntary bankruptcy proceeding against the Engineer;
- (d) the dissolution of the Engineer;
- (e) refusing or failing to prosecute the Work or any separable part, with the diligence that will ensure its completion within the time specified in this Agreement;
- (f) failing to complete Work within the time period specified in this Agreement; and/or
- (g) the violation of any provision of this Agreement.

Upon delivery of any notice of termination required herein, the Engineer shall discontinue all services in connection with the performance of the Agreement. Within ten (10) days after receipt of the notice of termination, the Engineer shall submit a final statement showing in detail the services satisfactorily performed and accepted and all other appropriate documentation required herein for payment of services. At the same time that the final statement is tendered to the City, the Engineer shall also tender to the Director all of the Engineer's instruments of service, including all drawings, special provisions, field survey notes, reports, estimates, and any and all other documents or work product generated by the Engineer under this Agreement, whether complete or not, in an acceptable form and format together with all unused materials supplied by the City. No final payment will be made until all such instruments of service and materials supplied are so tendered.

If this Agreement is terminated for cause, the Engineer shall be liable for any damage to the City resulting therefrom. This liability includes any increased costs incurred by the City in completing the Engineer's services. The rights and remedies of the City in this section are in addition to any other rights and remedies provided by law or under this Agreement.

14. **CHANGES**

The City may, from time to time, request changes in the scope of the services to be performed by the Engineer under this Agreement. Such changes, including any increase or decrease in the amount of the Engineer's compensation, which are mutually agreed upon by and between the City and the Engineer shall be incorporated in written amendments to this Agreement.

15. SUPERVISION OF ENGINEER

the Engineer is an independent contractor and the City neither reserves nor possesses any right to control the details of the Work performed by the Engineer under the terms of this Agreement.

16. PERSONNEL

- a. The Engineer represents that it has, or shall secure at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the City.
- b. All of the services required hereunder shall be performed by the Engineer or under its supervision and all personnel engaged in the Work shall be fully qualified and, if applicable shall be authorized or permitted under State and local law to perform such services.
- c. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

17. REPORTS AND INFORMATION

The Engineer shall, at such times and in such forms as the City may require, furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Agreement.

18. REQUIRED PROVISIONS

The Engineer shall comply with all applicable federal requirements, including those specified in Exhibit "B," which is attached hereto and incorporated herein for all intents and purposes. Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion upon application by either party.

19. INTEREST OF ENGINEER AND EMPLOYEES

The Engineer covenants that it presently has no interest and shall not acquire any interest, direct or indirect, any interests which would conflict in any manner or degree with the performance of its services hereunder. The Engineer further covenants that in the performance of this Agreement, no person who has any such interest shall be employed by the Engineer.

20. GOVERNING LAW

This Agreement has been made under and shall be governed by the laws of the state of Texas.

21. VENUE

Any action brought by either party based on any claim arising under or as a result of this contract shall be brought in a court of competent jurisdiction in Galveston County, Texas.

22. NO THIRD-PARTY BENEFICIARY

This Agreement shall not bestow any rights upon any third party, but rather, shall bind and benefit the Engineer and the City only. No person or entity not a signatory to this Agreement shall be

entitled to rely on the Engineer's performance of its services hereunder, and no right to assert a claim against the Engineer by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of the Engineer's services hereunder.

23. **NO RIGHT TO ARBITRATION**

Notwithstanding anything to the contrary contained in this Agreement, the City and the Engineer hereby agree that no claim or dispute between the City and the Engineer arising out of or relating to this Agreement shall be decided by any arbitration proceeding including, without limitation, any proceeding under the Federal Arbitration Act (9 U.S.C. Sections 1-14), or any applicable State arbitration statute, including, but not limited to, the Texas General Arbitration Act, provided that in the event that the City is subjected to an arbitration proceeding notwithstanding this provision, the Engineer consents to be joined in the arbitration proceeding if the Engineer's presence is required or requested by the City of complete relief to be recorded in the arbitration proceeding.

24. **WAIVER**

No waiver by either party to this Agreement of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

25. **COMPLETE AGREEMENT**

This Agreement represents the entire and integrated agreement between the City and the Engineer in regard to the subject matter hereof and supersedes all prior negotiations, representations or agreements, either whether written or oral, on the subject matter hereof. This Agreement may only be amended by written instrument approved and executed by both of the parties. The City and the Engineer accept and agree to these terms.

26. **SEVERABILITY**

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

27. **AMBIGUITIES**

In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

28. **AUTHORITY**

The officers executing this Agreement on behalf of the parties hereby represent that such officers have full authority to execute this Agreement and to bind the party he/she represents.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of which shall be deemed to be an original, but all of which shall constitute but one and the same Agreement on the ____ day of April, 2023, the date of execution by the City Manager of the City of Friendswood.

City:

CITY OF FRIENDSWOOD, TEXAS

Engineer:

RJN GROUP, INC.

MORAD KABIRI, City Manager

BY: Jose D. Maldonado
JOSE D. MALDONADO, Vice President

DATE: _____

DATE: 3/28/23

ATTEST:

ATTEST:

LETICIA BRYSCH, City Secretary

Jason Maldonado
Jason Maldonado, Client Manager

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

END OF DOCUMENT

Exhibit "A"

SCOPE OF WORK

1. GENERAL

The Engineer shall develop a sanitary sewer hydraulic model for the City to evaluate capacity for future developments coming soon. The Engineer understands that the need for the model is being driven by developments coming into Friendswood's system inside Basin FM-8, near Friendswood High School, and Basins FM-14 and FM-16 at the south end of the City. This project will consist of developing a simplified wastewater hydraulic model and will be calibrated using the Engineer's available flow metering data and Sanitary Sewer Evaluation Survey (SSES) data collected to present. Modeling will be performed from the proposed developments downstream to the wastewater treatment plant.

2. BASIC SERVICES

The Engineer shall render the following professional services in connection with the development of the Project:

Task 1: Project Management and Administration. The Engineer shall prepare a schedule of work activities and coordinate the overall work of the Project and coordinate with City staff to gather data and receive City input. It is anticipated that monthly virtual meetings will be held, in addition to the kickoff meeting, and a report deliverable meeting.

Task 2: Hydraulic Model and Calibration. The Engineer will construct a simplified hydraulic model utilizing InfoWorks ICM including the main sewer interceptors and lift stations from the proposed developments in Basin FM-8 (Study Area 1) and Basins FM-14 and FM-16 (Study Area 2). Exhibit "B" shows the relative location of the extent of this study. The InfoWorks ICM software will allow for representation of how the collection system responds to dry-weather conditions, as well as varying degrees of rainfall scenarios. The use of InfoWorks ICM will allow a comprehensive analysis of existing sewer capacity to be evaluated to provide the City with cost-effective alternative solutions. This will provide the City with a planning tool to evaluate sizing needs, detect inefficiencies within the operation of the sanitary system, as well as study impacts on the system for future developments for those study areas. The model can also be augmented in the future to include other basins.

a. *Model Development.*

1. The Engineer shall import GIS data into InfoWorks ICM to create a new simplified hydraulic model representing the trunk sewers from the proposed developments to the wastewater treatment plant.
2. The Engineer shall create a model network (connectivity, invert elevations, and pipe diameters), using the City's GIS database, available as-built information provided by the City, and manhole inspections performed as part of the Engineer's 2015 and 2019 I/I analysis project;

- For unknown sewer invert elevations and diameters, engineering judgment will be applied.
 - At the end of the hydraulic model build process, the Engineer will meet with the City and discuss major data gaps found in the sewer system.
 - Sewer lines and manholes that do not exist on the City's sewer coverage will be assigned unique identifiers by the Engineer.
3. The Engineer shall develop a ground elevation model from the best-available ground elevation data acquired (i.e., 2-foot contours or 1-meter Digital Elevation Model). Rim elevations will be extracted for all manholes based on the ground elevation model.
 4. The model will include the major pump stations that impact the study area (LS-02, LS-42, LS-08, LS-26, LS-27, LS-15 and LS-23 with the overall goal of evaluating flows from the main lift stations to the City's Blackhawk wastewater plant). Lift station attributes will be based on record drawings and manufacturer's pump curves provided by the City as well as pump operation levels.
 5. Residential populations will be estimated for all residential properties by geoprocessing the most recent Census data with population estimates.
 6. Flows for the proposed developments will be estimated based on the number of equivalent residential units provided by the City.

b. *Model Calibration*

The Engineer shall calibrate the model for dry- and wet-weather flows based on the 2015 flow metering data. The eleven (11) meters that impact the study area will be used for hydraulic model calibration, which are:

Study Area 1: FM-06, FM-07, FM-08, FM-09, FM-11 and, FM-12

Study Area 2: FM-13, FM-14, FM-15, FM-16, and FM-17

The calibration process will proceed as follows:

1. Select the most suitable dry weather period from the collected flow data.
2. Develop dimensionless dry-weather flow (DWF) profiles per meter basin and develop any additional dimensionless DWF profiles as required.
3. Through an iterative process of modifying per capita flow rates, modifying dimensionless profiles, and application of permanent infiltration, calibrate the model to dry weather weekday and weekend conditions.
4. Calibrate the model for wet-weather over the entire flow survey period using the hydrology method (i.e., RTK or Wallingford Method) that best suits the observed flow data based on engineering experience.

5. The model will be calibrated by iteratively adjusting the wet-weather parameters until the model reasonably matches the depth, velocity, and flow recorded by the flow meters. Where suitable, SCADA data from lift stations will also be used as an additional validation source during this process.

c. *System Performance Analysis*

1. The Engineer will provide recommendations to the City for them to select a design storm condition under which to evaluate the system performance.
2. Based on the tasks in section b above, the Engineer will evaluate the City's collection system for existing hydraulic capacity issues during the selected design storm.
3. Impacts from the proposed development will then be evaluated against the existing system performance.
4. System deficiencies will then be identified and documented during the selected design storm.

d. *Recommendations & Report*

1. *Capacity Improvement Plan:* Based upon the deficiencies identified, the model will be used to refine an optimal staged capacity improvement plan that resolves hydraulic deficiencies in the system with the proposed developments.
2. A draft technical memorandum will be sent to the City documenting the hydraulic model development, model calibration, the system performance analysis and results, and final capital improvement recommendations.
3. Once the City reviews the draft technical memorandum, the Engineer will address the City's comments and submit a final report.

3. ADDITIONAL SERVICES

The Engineer will perform additional services, if any, at a price agreed upon by the parties in writing prior to the performance of such services. The City shall not be responsible or liable for any additional services performed by the Engineer unless such additional services have been approved in writing prior to the performance of the same.

Exhibit "B" PROJECT MAP

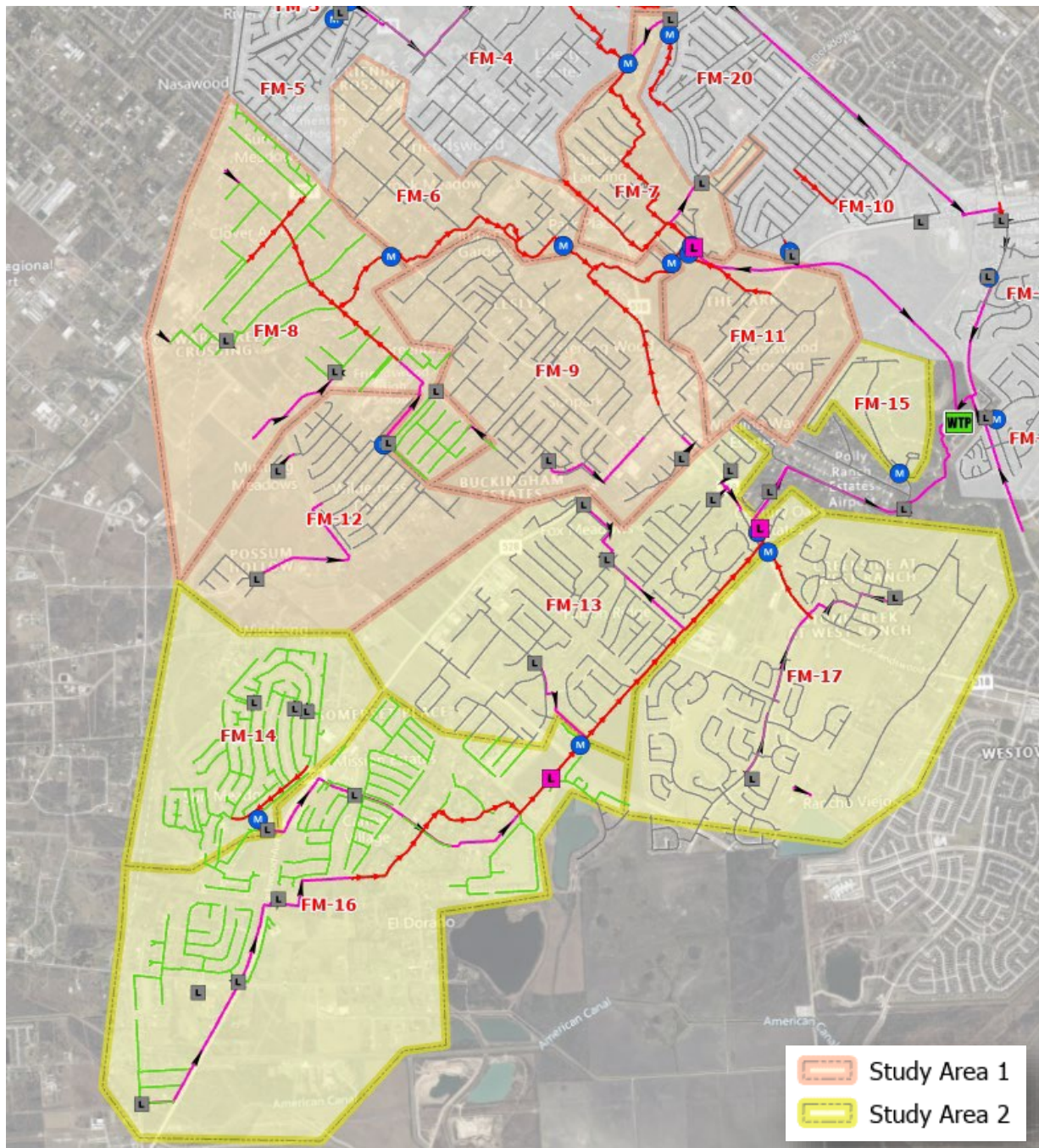


Exhibit "C"

COMPENSATION

Basic Services

Basic Services, including reimbursable expenses, required under this Agreement shall be NINETY-THREE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$93,500.00), based upon the following:

Service	Unit	Total
Project Management and Administration	Lump Sum	\$14,400.00
Hydraulic Model		
Model Construction	Lump Sum	\$32,300.00
Model Calibration	Lump Sum	\$21,800.00
System Performance Analysis	Lump Sum	\$10,000.00
Hydraulic Capacity Report	Lump Sum	\$16,000.00
Total		\$93,500.00

Additional Services

The Engineer will perform additional services, if any, at a price agreed upon by the parties in writing prior to the performance of such services. The City shall not be responsible or liable for any additional services performed by the Engineer unless such additional services have been approved in writing prior to the performance of the same.

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 02/21/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider a resolution designating Field 5 at the Corporal Steven Schulz Sportspark as "Jesse Torres Field."

Originating Department: Parks and Recreation

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City of Friendswood (the "City") has received a Facility Naming Application from James Jamail requesting that Field 5 (FGSA youth softball field), located at the Corporal Steven Schulz Sportspark, 2910 W. Parkwood, Friendswood, Texas, be named the Jesse Torres Field in honor of Mr. Jesse Torres.

According to the City Council's naming policy, Council should consider the following in deciding whether to name the field after Mr. Torres:

1. General Criteria
 - (a) symbolic names reflecting historical or special events or circumstances;
 - (b) names that are consistent with the positive image of the community;
 - (c) the function of the building, to the extent practical, such as "library" or "activities building";
 - (d) whether the facility has already been named according a naming policy of the City Council, as renaming of facilities should only be made after careful consideration is given to the significance of the existing name versus the name being suggested; and
 - (e) whether another City facility has been named for the individual, entity, as only one facility shall be named or dedicated per individual, family, organization, or entity.
2. Specific Criteria for the Civic Contributions Category.
 - (a) the years of service to the community and
 - (b) the positive impact on the development and well-being of the entire community.

Mr. Jamail's facility naming application along with City's Facility Naming Policy are attached for your review.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Parks & Recreation staff supports the direction of City Council in the decision to designate field #5 (FGSA youth softball field) as "Jesse Torres Field".

ATTACHMENTS

1. Resolution - Designating Jesse Torres Field
2. Scoreboard Design Proposal
3. Reference Letter - Hannah Rich
4. Reference Letter - Hannah Carpenter
5. 2022 10 24 Facility Naming Application for Jesse Torres Field Scorebaord_Redacted
6. Facility Naming Policy

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD,
TEXAS, DESIGNATING FIELD 5 AT CORPORAL STEVEN SCHULZ
SPORTSPARK AS "JESSE TORRES FIELD"; AND PROVIDING FOR AN
EFFECTIVE DATE.

WHEREAS, Jesse Torres was a coach for the Friendswood Girls Softball Association for over thirty (30) years; and

WHEREAS, during such time, Mr. Torres not only coached the game of fast-pitch softball but also mentored young girls throughout the Friendswood Community while doing so; and

WHEREAS, Mr. Torres tirelessly gave of his time to assist others and imparted life skills to all his players, including self-confidence, teamwork, commitment, sportsmanship, and how to manage stress, adversity and success; and

WHEREAS, through Mr. Torres's selfless service, he positively impacted the youth of our community; and

WHEREAS, the City Council, therefore, finds it appropriate to name a girls' softball field at Corporal Steven Schulz Sportspark after Mr. Torres in his memory; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD,
STATE OF TEXAS:

Section 1. That the facts and matters set forth in the recitals of this resolution are hereby found to be true and correct.

Section 2. That the City Council of the City of Friendswood, Texas, hereby designates Field 5, located at Corporal Steven Schulz Sportspark, as "Jesse Torres Field" in memory of his years of service to our community.

Section 3. That this resolution shall be effective immediately upon its passage and approval.

PASSED, APPROVED and ADOPTED by the affirmative vote of the City Council of the City of Friendswood on this the 3rd day of April, 2023.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN HORNER, City Attorney



Ph: 713.944.6200
Fax: 713.944.1290
spectrumscoreboards.com

10048 EASTHAVEN BLVD. HOUSTON, TX
Spectrum Corporation is a Licensed Electrical Sign Contractor No. 18040

DATE	10-12-22
PROJECT	FRIENDSWOOD GIRLS SOFTBALL
LOCATION	N/A
SALES REP	RUSS LOCKWOOD
DRAWING NO.	22101204-01-P
DESIGNER	KAT

SPECIFICATIONS
(1) SPECTRUM SOFTBALL
SCOREBOARD 9108-P2
W/ LED DIGITS: 18" AND 15" SPECTRABRITE
(1) TRUSSWORK

CONSTRUCTION
FACE
.063 ALUM. W/
POLY. FINISH
BACK
.050 MILL
ALUM. FINISH

COLORS
031 GRAY 010 WHITE
197 NAVY

NOTES:
COLORS SHOWN ARE FOR CONCEPTUAL PURPOSES ONLY.
MANUFACTURER'S COLOR CHART SHOULD BE USED FOR FINAL PRODUCT'S COLOR SELECTION.

ELECTRICAL REQUIRED
120VAC, 204VA
CUSTOMER APPROVAL
I UNDERSTAND THIS CONCEPTUAL ILLUSTRATION IS PROVIDED FOR A PROJECT PREPARED FOR MY ORGANIZATION. IT MAY NOT BE COPIED, REPRODUCED, EXHIBITED, OR SHOWN TO ANYONE OUTSIDE MY ORGANIZATION WITHOUT WRITTEN CONSENT FROM SPECTRUM SCOREBOARDS.
AUTHORIZED BY _____ DATE _____

SCALE
3/8" = 1'-0"
OPTION
PAGE
1

October 19, 2022

To whom it may concern,

My name is Hannah Rich, and I am a former softball player of Coach Jesse Torres. JT was my coach for many select softball teams including Shockwave, Eclipse, and Venom. I am writing this letter at the request of my former teammate, Hannah Carpenter, in hopes of assisting with the approval of the Jesse Torres scoreboard at the Friendswood softball fields.

I had the privilege of playing under JT for many years. He was not just a coach to me, but also a mentor and someone I highly looked up to. His nickname for me was "Too Tall" because I was a lanky middle schooler when I first met him. It was during these years, on my first select softball team, that Coach JT taught me the skills and gave me the confidence that would help shape me into the woman I am today. Coach JT was always there for not only myself, but all of his players. If I wanted to stay late after practice and run drills, he would stay. When I wanted to learn how to pitch, he found me a coach, and caught every lesson. That was just the kind of person he was. He treated us all like his own kids.

One thing that has stuck with me the most was when he had our team read his favorite book, "With Winning in Mind" by Lanny Bassham. At first, I thought it was the dumbest thing ever. I had just finished a full year of school, and now my softball coach was giving me a summer reading assignment. However, this book, with Coach JT's guidance, gave me a new perspective on handling stress and unlocking my potential, not just with softball but also in life.

Jesse Torres touched many lives, not just my own. I hope by writing this letter, I can help honor the incredible coach he was for all of us.

Sincerely,

Hannah "Too Tall" Rich

Epic- Quality Manager

713-828-5037 hannahrich99@gmail.com

Coach JT

My name is Hannah Carpenter. I started playing softball at seven years old for FGSA. After my first season of league ball, I decided to try out for select ball for the Texas Shockwave. JT was the head coach of this team, and I got to meet him on tryout day. They only had 10 spots to fill, and I was chosen to be the 10th player added to the team. Coach JT saw potential in me and took me under his wing from that day forward. He was my select ball Coach every year from then, until I was 16. He did not even have a daughter on the team, he just loved the game THAT much. He never missed a practice or a game and would always help me put in extra work outside of practice at the batting cages, or at the field. He always made time to help me become a better player. Once I started playing high school ball at Friendswood, he came to almost every game and was one of my biggest supporters. At this point he had started over coaching the young girls for an 8 and under team, and he asked me to be his assistant coach. My love for the game was already strong but became even stronger coaching the little ones by his side. He was always so patient, and always tried to instill mental toughness in all his players. One of his favorite lines was "Take a lap!!" He was great at teaching the fundamentals of softball, but he also knew how to teach respect. My junior year of high school came along, and I got an offer to play in college at LSU-Eunice. Once I got this offer, JT was the first person I called. He was so proud of me, and I made sure to tell him that he is the reason I got this scholarship. It has been my dream ever since I was a little girl to be a college softball player. I played my first two years there, and even won a National Championship in 2019. After my National Championship year, I got an offer to play D1 softball at Lamar University. I accepted this offer and of course, JT was at my first D1 softball game. Even when he couldn't come to my games, I would always text him after, seeking advice on how to be better. Somehow everything he ever told me would click in my mind and I would get back to work. Every break that I came home for, I made sure to get a hitting session in with JT. After graduating, I started coaching with him again in Friendswood. I always looked forward to every practice of course to be around the girls, but also to get to throw with my throwing partner, JT. I know he has impacted so many lives in the softball world, I am just one of many. We had a special relationship, and he always made me feel like a daughter. He pushed me and taught me so many life skills outside of just the game. I've never met someone who loved the game of softball more than he did. He is so missed by the softball community, and everyone's lives he impacted. He is truly the best coach I've ever had. I am so grateful to have had him in my life, because without him I wouldn't be the person I am today.

Sincerely,

Hannah Carpenter



CITY OF FRIENDSWOOD

City Secretary's Office
910 S. Friendswood Drive, Texas 77546
Phone: (281) 996-6270 Fax: (281) 482-1634
Web: www.ci.friendswood.tx.us

FOR OFFICE USE ONLY

Date Received: _____
Date sent to Mayor: _____
Date of Retreat: _____

FACILITY NAMING APPLICATION

Applicant Information

Applicant Name: James Jamail
Mailing Address: 2517 Sierra Madre St. Friendswood, TX Zip: 77546
Home Phone: _____ Mobil: _____ Email: _____

Facility

Location and description of the Facility to be named: FGSA Softball Fields - "Jesse Torres Field" scoreboard
Has the City named a facility for the person, organization or entity in the past? ☐ Yes ☒ No

Application Category

Select the applicable category for which this application is submitted and describe how the person/family/organization/entity has made a positive, significant impact on the community:

- ☐ Historical Symbolic Category (for nominated families and deceased individuals):

Character: _____

Service to the community: _____

Leadership: _____

Inspiration to others: _____

- ☒ Civic Contribution Category (for nominated families, deceased individuals, organizations, entities):

Character: Jesse Torres

Service to the community: Coach for over 30 years, volunteer coach for FGSA.

Leadership: Coach, mentor

- ☐ Financial Benefactor Category (for nominated families, deceased individuals, organizations, entities):

Financial Contribution Made: _____

☐ Contributed to the successful completion of the Facility

☐ Contributed to the continued operation of the Facility

Signature

I have read and understand the City of Friendswood's Facility Naming Policy and affirm that this application is in compliance with that policy.

[Signature] 10/24/2022
Applicant's Signature (Date)

An additional sheet may be submitted for consideration.

RESOLUTION NO. 2022-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, ADOPTING A FACILITY NAMING POLICY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Friendswood is called upon from time to time to name City facilities, including buildings, parks, roadways and other City-owned property and features thereon; and

WHEREAS, the City Council adopted an appointment policy via minute order in 1995; and

WHEREAS, after reviewing such policy, the City Council desires to amend and restate the same via this resolution in order to update the criteria and procedures used in honoring individuals, organizations and entities in acknowledgement of their positive, significant impacts on and contributions to the City of Friendswood; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, STATE OF TEXAS:

Section 1. That the City Council of the City of Friendswood, Texas, finds that the above-referenced recitals are true and correct.

Section 2. That the City Council of the City of Friendswood, Texas, hereby adopts the Facility Naming Policy, which is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

Section 3. That this resolution shall be effective immediately upon its passage and approval.

PASSED, APPROVED and ADOPTED by the affirmative vote of the City Council of the City of Friendswood on this the 3rd day of October, 2022.


MIKE FOREMAN Mayor

ATTEST:


LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:


KAREN HORNER, City Attorney



Exhibit "A"

City of Friendswood Facility Naming Policy

1. Purpose. The Facility Naming Policy (the "Policy") establishes uniform criteria and procedures applicable to all persons desiring the City Council to name a City facility or a portion thereof in honor or in memory of an individual(s) or in recognition of an organization or entity in acknowledgement of their positive, significant impact on and contributions to the City of Friendswood.
2. Applicability. Under this policy, the following City-owned facilities may be named:
 - a. buildings, including rooms therein,
 - b. parks,
 - c. roadways, and
 - d. other City-owned property and features thereon.

This policy shall not affect the naming of facilities through the subdivision platting process.

3. Criteria
 - a. General Criteria. In naming any facility, the City Council shall consider the following criteria:
 - (1) symbolic names reflecting historical or special events or circumstances;
 - (2) names that are consistent with the positive image of the community;
 - (3) the function of the building, to the extent practical, such as "library" or "activities building";
 - (4) whether the facility has already been named according a naming policy of the City Council, as renaming of facilities should only be made after careful consideration is given to the significance of the existing name versus the name being suggested; and
 - (5) whether another City facility has been named for the individual, entity, as only one facility shall be named or dedicated per individual, family, organization, or entity.

The City Council's decisions should be made objectively, without consideration to illness, misfortune, or incidents creating emotional responses.
 - b. Specific Criteria. In addition to the general criteria specified in subsection a, each naming shall fall within one of the following categories and meet the criteria specified therein:
 - (1) Historical/Symbolic Category. In naming a facility under this category, the City Council shall consider the following of the nominated family or a deceased individual:

- (a) character,
 - (b) service to the community,
 - (c) leadership, and
 - (d) inspiration to others.
 - (2) Civic Contributions Category. In naming a facility for this category, the City Council shall consider the following of the nominated individual, family, organization, or entity:
 - (a) the years of service to the community
 - (b) the positive impact on the development and well-being of the entire community;
 - (3) Financial Benefactor Category. In naming a facility for this category, the City Council shall consider the significant financial contribution made by an individual, family, organization or entity towards the facility. A significant financial contribution will be measured by the impact a single contribution makes toward the successful conclusion or continuing operation of the facility to be named. Depending on the impact, the naming could be for the entire facility or some portion thereof.
4. Application Process. Requests under this Policy shall be submitted on a facility naming application to the City Secretary. Upon the City Secretary's receipt of the application, it shall be reviewed by City staff for completeness and, if complete, referred to the Mayor for his review. If the Mayor determines that the application meets the criteria specified herein, the application shall be reviewed at the next regularly scheduled Council Retreat for which proper notice may be given.
 5. Council Deliberation & Decision. At the Council Retreat, the City Council will review and discuss all applications received. The Mayor, at his discretion, may call an ad hoc committee of two or three Councilmembers to review an application with input by City staff, prior to the City Council's consideration of the item at a regular meeting of the City Council.
 6. Removal of Facility. If a facility that is named is later removed, damaged or destroyed for any reason, the City shall endeavor to preserve any historical dedication acknowledgment but cannot guaranty the same.

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/21/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider a resolution authorizing the City Manager to execute a lease-purchase agreement with Zions Bancorporation, N.A., Salt Lake City, Utah, and approving financing terms for the purchase of an ambulance and SCBA packs for emergency medical and firefighting services within the City.

Originating Department: Administrative Services

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

The FY 2022 -2023 Adopted Budget includes funding to cover part of the for year 1 principal and interest payment of a 5-year capital equipment finance purchase of self-contained breathing apparatus (SCBA packs) for the Friendswood Volunteer Fire Department. The SCBA packs are used to protect firefighters' airways from toxic gas and other harmful particles. The total cost of the SCBA packs is \$411,000.

Future plans to transition emergency medical services (EMS) from a contracted service to a City department within the next two years. For the City to obtain the required state licensing to operate the service, the addition of a fourth ambulance marked as the "City of Friendswood Emergency Medical Services" to the vehicle fleet is necessary. The estimated cost of the ambulance, including the truck chassis and box outfitted with required equipment, is estimated at \$514,000. The time to build and outfit the ambulance will meet the deadline to submit an application to the State of Texas for licensing.

Funding for the principal and interest payments associated with this capital equipment note payable will be the Fire/EMS donations collected through City utility bills for the SCBA packs and the Tax Debt Service Fund for the ambulance.

Staff requested financing proposals and a summary of those proposals is included as an attachment.

Also attached are the following documents:

- Amegy Bank (Zions Bancorporation) proposed terms documents,
- Amegy Bank proposed amortization/payment schedule,
- Equipment quotes, and
- Resolution to approve a lease agreement.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

SCBA packs keep the FVFD firefighters safe during emergency incidents.
The transition from the current volunteer EMS model to a City department and purchasing a fourth

ambulance helps to ensure long-term sustainability to meet Friendswood's population growth and service level expectations.

RECOMMENDATIONS

Staff recommends approval of a capital equipment note payable to Amegy Bank based on the savings to be obtained at the quoted interest rate.

ATTACHMENTS

1. Resolution - Amegy Lease-Purchase
2. Exhibit A - Amegy Terms Friendswood
3. Exhibit B - Amegy Add'l Terms Friendswood Lease
4. Financing Proposals Summary
5. City of Friendswood DSS 4.45% - Payment Schedule
6. e00004329-dtovey, SCBA Quote
7. Freindswood New Q3425-1 - Ambulance Vehicle & Box Only Quote

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE-PURCHASE AGREEMENT WITH ZIONS BANCORPORATION, N.A., SALT LAKE CITY, UTAH IN THE AMOUNT OF NINE HUNDRED TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$925,000.00) AND TO TAKE FURTHER ACTIONS AS MAY REQUIRED IN CONNECTION WITH FINANCING AN AMBULANCE AND SCBA PACKS FOR EMERGENCY MEDICAL AND FIREFIGHTING SERVICES WITHIN THE CITY; APPROVING CERTAIN MATTERS RELATED THERETO; REPEALING ALL RESOLUTIONS OR PARTS OF RESOLUTIONS INCONSISTENT OR IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council has determined that it is in the best interest of the public and a public purpose to finance the purchase of an ambulance and SCBA packs for emergency services within the City (the "Project") with proceeds of a lease-purchase agreement; and

WHEREAS, the City Council of the City of Friendswood (the "City") desires to enter into a master lease-purchase agreement with Zions Bancorporation, N.A., Salt Lake City, Utah, for such purpose; and

WHEREAS, the City Council has reviewed the form of the Lease-Purchase Agreement and has found the terms and conditions thereof acceptable and are in the best interest of the City; and

WHEREAS, the City has complied with all applicable law concerning the Lease-Purchase Agreement; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, STATE OF TEXAS:

Section 1. That the facts and matters set forth in the recitals of this resolution are hereby found to be true and correct.

Section 2. That the City Council hereby determines that the Project shall be financed via a lease-purchase agreement through Zions Bancorporation, N.A., Salt Lake City, Utah, in accordance with Exhibits "A" and "B," which are attached hereto and incorporated herein for all intents and purposes; provided that the amount financed shall not exceed NINE HUNDRED TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$925,000.00), the annual interest rate (in the absence of default or change in tax status) shall not exceed 4.45%, and the financing term shall not exceed five (5) years from closing. The Lease-Purchase Agreement together with all related documents for the closing of the financing (the "Financing Documents") will be consistent with the foregoing terms.

Section 3. That the City Manager and his designees are hereby authorized and directed to execute and deliver all Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated herein.

Section 4. All prior actions of the City and its officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed.

Section 5. All resolutions or parts of resolutions inconsistent or in conflict herewith are, to the extent of such inconsistency, hereby repealed.

Section 6. That this resolution shall be effective immediately upon its passage and approval.

PASSED, APPROVED and ADOPTED by the affirmative vote of the City Council of the City of Friendswood on this the 3rd day of April, 2023.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN HORNER, City Attorney

**City of Friendswood, Texas
Equipment Lease Agreement, Series 2023**Summary of Proposed Terms

<u>Issuer:</u>	City of Friendswood, Texas
<u>Purchaser:</u>	Zions Bancorporation, N.A.
<u>Amount:</u>	\$925,000
<u>Purpose:</u>	The proceeds of the 2023 Lease will be used to fund various pieces of equipment to be used by the City's Volunteer Fire and EMS.
<u>Security:</u>	The 2023 Lease will be undertaken through an Equipment Lease Purchase Agreement directly between the City and the Zions Bancorporation, N.A. The City's undertaking to pay the lease payments under the Equipment Lease Purchase Agreement will be subject to and contingent upon annual appropriation by the City and an expression of the City's moral obligation to pay such debt service. Additionally, the payments under the Equipment Lease Purchase Agreement will be collateralized by a security interest in the Project. The City's undertaking will NOT constitute a pledge of the full faith and credit of the State or any of its political subdivisions, including the City.
<u>Maturity Date:</u>	March 1, 2028
<u>Interest Payments:</u>	Annually on March 1, commencing March 1, 2024
<u>Principal Payments:</u>	Annually March 1, 2024 through final maturity
<u>Interest Rate:</u>	4.45% Fixed Rate, 30/360-day basis (BQ)
<u>Tax Status:</u>	Tax-Exempt
<u>Bank Qualified:</u>	Yes
<u>Optional Redemption:</u>	Callable any time at par plus accrued interest with 30 days' written notice
<u>Closing Date:</u>	April 25, 2023
<u>Reporting Requirement:</u>	Audited financials to be provided within 270 days of fiscal year end.

<u>Rate Lock:</u>	Quoted rate is fixed for 25 days from the bid date. If closing does not occur within 25 days from the bid date, rates would reset to the prevailing market rate.
<u>Bank Closing Costs:</u>	\$0
<u>Annual/Ongoing Cost:</u>	\$0
<u>Credit Approval:</u>	This proposal has been credit reviewed but is subject to final credit approval.

Other terms/conditions:

Bond Counsel will provide at closing, satisfactory to Zion Bancorporation, N.A., (The Purchaser) the following:

- Bond Opinion- addressed to Zion Bancorporation, N.A., satisfactory to the Purchaser dated the date of closing relating to the legality and validity of the note and the excludability of interest on the note from gross income of the holders thereof for federal tax purposes.
- Resolution of Governing Body
- Certificate from authorized officers of the Issuer, in form and substance acceptable to the Purchaser, to the effect that the representations and information of the Issuer contained in this Purchase agreement delivered to us with respect to the Issuer are true and correct when made and as of the closing.
- Acknowledgment of the costs of issuance budget with respect to the issuance of the bonds.
- IRS Form 8038-G
- Tax Certificate
- Purchaser presently intends to hold the Issue until maturity and does not intend to resell.
- If applicable, Title insurance policy in a form and substance satisfactory to the Lender and paid for by the Issuer.
- If applicable, Environmental Questionnaire in regard to the Leased Property completed in a form and substance satisfactory to the Lender.
- To facilitate closing, Zion Bancorporation, N.A., requests a scan of all signed documents be delivered to by 12:00 PM the day before closing.

Role of Bank as Purchaser: Purchaser is acting solely as Purchaser for its own account and not as a fiduciary for Issuer or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor. Purchaser has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of Issuer with respect to the proposed Bond. Issuer shall represent in the Bond documentation that Issuer has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the proposed Bond from its financial, legal and other advisors (and not Purchaser) to the extent that Issuer desired to obtain such advice.

Acquisition/Escrow Account: If applicable, should the City require that the proceeds of the financing be fully disbursed at closing and such disbursement shall not be made directly to any vendor of financed property, Zions Bank will require that such proceeds be deposited for disbursement into an acquisition fund or escrow account set up with a national or state-chartered bank authorized under applicable federal or state law to exercise trust powers. Deposit of such proceeds into a fund set up by state law for the investment of bond proceeds to comply with state money management requirements for municipalities and investment for arbitrage purposes may satisfy this requirement, so long as such fund is not held or controlled by the City. For our files, we would require copies of invoices or requisitions to drawdown funds. This is not an approval process to drawdown.

An escrow or acquisition account shall not be required to the extent that such proceeds are being used to reimburse City for prior expenditures. If the City prefers the proceeds to be disbursed over time (e.g. a draw down), such an acquisition fund or escrow account may not be required.

Purchaser Restrictions: The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the Bonds. The Purchaser will be expected to sign an Investor Letter acknowledging the same.

City of Friendswood, Texas
\$925,000 Equipment Lease, Series 2023

Additional Proposal Terms

<u>Reporting Requirement:</u>	Audited financials to be provided within 270 days of fiscal year end.
<u>Rate Lock:</u>	Quoted rate is fixed for 25 days from the bid date. If closing does not occur within 25 days from the bid date, rates would reset to the prevailing market rate.
<u>Bank Fee:</u>	\$0
<u>MAC Fee:</u>	The issuer is responsible for the Municipal Advisory Council of Texas (MAC) fee.
<u>Optional Redemption:</u>	Callable anytime at par plus accrued interest with 30 days' notice.
<u>Credit Approval:</u>	This proposal has been credit reviewed but is subject to final credit approval. As such, this is not an agreement or commitment to lend.
<u>In-House Legal Review:</u>	This proposal is subject to final in-house legal review.
<u>Other terms/conditions:</u>	

Bond Counsel will provide at closing, satisfactory to **Zions Bancorporation, N. A.**
(The Purchaser) the following:

- Bond Opinion - addressed to **Zions Bancorporation, N. A.**, satisfactory to the Purchaser dated the date of closing relating to the legality and validity of the note and the excludability of interest on the note from gross income of the holders thereof for federal tax purposes.
- Resolution of Governing Body.
- Issuer's Opinion – including no adverse litigation and Issuer to opine that the Issuer is duly and validly created (or included in Bond Counsel Opinion).
- Certificate from authorized officers of the Issuer, in form and substance acceptable to the Purchaser, to the effect that the representations and information of the Issuer contained in this Purchase agreement delivered to us with respect to the Issuer are true and correct when made and as of the closing.
- Acknowledgment of the costs of issuance budget with respect to the issuance of the bonds.
- IRS Form 8038-G.
- Purchaser presently intends to hold the Issue until maturity and does not intend to resell.

<u>Role of Bank as Purchaser:</u>	Purchaser is acting solely as Purchaser for its own account and not as a fiduciary for Issuer or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor. Purchaser has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of Issuer with respect to the proposed Bond. Issuer shall represent in the Bond documentation that Issuer has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the proposed Bond from its financial, legal and other advisors (and not Purchaser) to the extent that Issuer desired to obtain such advice.
<u>Purchaser Restrictions:</u>	The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the Bonds. The Purchaser will be expected to sign an Investor Letter acknowledging the same.
<u>Exempt Status:</u>	Pursuant to Section 2252.908(c)(4), Texas Government Code filing Form 1295 does Not apply to a contract with a publicly traded business entity, including a wholly Owned subsidiary of the business entity. Therefore, we are writing to confirm that <i>Zions Bancorporation, N.A.</i> is a publicly traded (NASDAQ: ZION) business entity and is included in the S&P 500 and NASDAQ Financial 100 indices and are not required to deliver to the Authority a Certificate of Interested Parties Form 1295.

Financing Proposal Summary Ambulance and Self Contained Breathing Apparatus (SCBA) Packs March 2023						
Institution	Interest Rate	Term (Years)	Projected Average Annual Payments	Total Payments	Principal	Interest
Government Capital Corporation	4.793%	5	\$214,544.92	\$1,072,724.60	\$925,000.00	\$147,724.60
Amegy Bank (Zions Bancorporation NA)	4.450%	5	\$209,542.76	\$1,047,713.78	\$925,000.00	\$122,713.78
Truist Bank (formerly BB&T)	No longer offers capital equipment financing less than \$10M to non-ancillary services customers					
Hometown Bank of Friendswood	Does not offer government capital financing services					

City of Friendswood, TX

\$925,000 Lease Indicative Rate

Dated April 3, 2023

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City of Friendswood, TX

\$925,000 Lease Indicative Rate

Dated April 3, 2023

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/03/2023	-	-	-	-	-
03/01/2024	173,097.17	4.450%	37,503.61	210,600.78	210,600.78
03/01/2025	177,627.04	4.450%	33,459.68	211,086.72	211,086.72
03/01/2026	184,288.05	4.450%	25,555.27	209,843.32	209,843.32
03/01/2027	191,318.64	4.450%	17,354.45	208,673.09	208,673.09
03/01/2028	198,669.10	4.450%	8,840.77	207,509.87	207,509.87
Total	\$925,000.00	-	\$122,713.78	\$1,047,713.78	-

Yield Statistics

Bond Year Dollars	\$2,757.61
Average Life	2.981 Years
Average Coupon	4.4499997%
Net Interest Cost (NIC)	4.4499997%
True Interest Cost (TIC)	4.4528131%
Bond Yield for Arbitrage Purposes	4.4528131%
All Inclusive Cost (AIC)	4.4528131%

IRS Form 8038

Net Interest Cost	4.4499997%
Weighted Average Maturity	2.981 Years

City of Friendswood, TX

\$925,000 Lease Indicative Rate

Dated April 3, 2023

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
03/01/2028	Term 1 Coupon	4.450%	4.450%	925,000.00	100.000%	925,000.00
Total	-	-	-	\$925,000.00	-	\$925,000.00

Bid Information

Par Amount of Bonds	\$925,000.00
Gross Production	\$925,000.00
Bid (100.000%)	925,000.00
Total Purchase Price	\$925,000.00
Bond Year Dollars	\$2,757.61
Average Life	2.981 Years
Average Coupon	4.4499997%
Net Interest Cost (NIC)	4.4499997%
True Interest Cost (TIC)	4.4528131%



QUOTE

Number	204880-0
Quote Date	03/06/2023
Page	1

Corporate
 17350 State Hwy 249
 Suite 250
 Houston TX 77064-1142
 (713) 692-0911 Phone
 (713) 692-1591 Fax

Mansfield
 625 S Wisteria St Ste 121
 Mansfield TX 76063-2528
 (817) 467-0911 Phone
 (817) 375-1775 Fax

South Houston
 514 Michigan St
 South Houston TX 77587-3221
 (713) 475-2411 Phone
 (713) 475-2428 Fax

Bill to: FRIENDSWOOD FIRE DEPARTMENT
 1610 WHITAKER DRIVE
 FRIENDSWOOD, TX 77546-4854

Ship to: FRIENDSWOOD FIRE DEPARTMENT
 1610 WHITAKER DRIVE
 FRIENDSWOOD, TX 77546-4854

Cust Code	Ordered By	Salesman	Job/Rel#	Customer PO
FRI001	STAN KOZLOWSKI	DAVID TOVEY		
Entered By		FOB	Ship Via	Terms
DAVID TOVEY		DESTINATION	UPS GROUND	NET 30 DAYS
Customer/Order Instructions				

PRICING PER BUYBOARD CONTRACT 603-20

FOB:DESTINATION

Quantity			U/M	Item #	Description	Price	Extension
Order	Ship	Back					
60	60	60	EA	SCT-7012623502	X3 PRO 2018 EDITION 4.5 W/CGA PARACHUTE BUCKLES, STANDARD BELT QUICK CONNECT HOSE PAK TACKER, ***NO UBESS*** X8814025005304 2 PER CARTON	6850.00	411000.00
SubTotal							411,000.00
Total							411,000.00

QUOTE GOOD FOR 30 DAYS

Customer Quote



2/23/2023 9:45:34 AM

Estimate No: Q3425-0001
Quote Date: 2/20/2023
Expiration Date: 4/6/2023
Salesperson: PB
Payment Terms: Net 30

Invoice To: 10372
Friendswood VFD EMS
City of Friendswood
1610 Whitaker Dr.
Friendswood TX 77546
US

Deliver To:
Friendswood VFD EMS
City of Friendswood
1610 Whitaker Dr.
Friendswood TX 77546
US

Order Instructions:

Limited Edition Discount applied. If any changes to spec a evaluation will be required to make sure discount is still applicable.

No.	Item	Qty	U/M:		Unit Price		Net Amount
1	MODULE Type I 14' Module	1.00	EA	\$	232,625.00	\$	232,625.00
2	CHASSIS 2022 Ford F-450 Diesel	1.00	EA	\$	65,250.00	\$	65,250.00
3	DELIVERY Customer Pick Up - FOB Frazer	0.00	M	\$	2.75	\$	0.00
4	HGAC-NEW HGAC Fee for a New Unit	1.00	EA	\$	1,000.00	\$	1,000.00
5	SpecDoc Configurable item to create the SpecDoc	1.00	EA	\$	0.00	\$	0.00

Frazer will accept returns on parts up to 180 days after shipment. No restocking fee will be charged if the item is returned within 90 days of the original invoice date. All parts returns should be shipped back freight prepaid and require prior approval with a "Returns Material Authorization" (RMA) clearly displayed on the exterior of the shipping package. A credit will be issued towards the customer's account within approximately 7 business days of receipt of the item. If a part is returned after 90 days of the original invoice date a 15% restocking fee will be applied. Frazer Ltd reserves the right to accept returned items at its sole discretion based upon the condition of the item to be placed back into stock. .

Customer Quote



2/23/2023 9:45:34 AM

Estimate No: Q3425-0001
Quote Date: 2/20/2023
Expiration Date: 4/6/2023
Salesperson: PB
Payment Terms: Net 30

Order Instructions:

No.	Item	Qty	U/M:		Unit Price		Net Amount
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Sale Amount: 298,875.00
Order Disc(3.3459%): -10,000.00
Surcharge: N/A
Sales Tax: 0.00
Misc Charges: 0.00
Total Amount: 288,875.00

Frazer will accept returns on parts up to 180 days after shipment. No restocking fee will be charged if the item is returned within 90 days of the original invoice date. All parts returns should be shipped back freight prepaid and require prior approval with a "Returns Material Authorization" (RMA) clearly displayed on the exterior of the shipping package. A credit will be issued towards the customer's account within approximately 7 business days of receipt of the item. If a part is returned after 90 days of the original invoice date a 15% restocking fee will be applied. Frazer Ltd reserves the right to accept returned items at its sole discretion based upon the condition of the item to be placed back into stock. :



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For your convenience, all pricing has been itemized below per quote Q3425-0001 for Friendswood VFD EMS

Base Module	\$ 139,750.00
Chassis Exterior	\$ 26,425.00
Module Exterior	\$ 31,275.00
Chassis Interior	\$ 6,275.00
Module Interior	\$ 28,900.00
Total \$	232,625.00

Items included in above totals:

1. Type I 14' Module	\$ incl
2. This is a CAAS GVS v2.0 Unit	\$ incl

Chassis Exterior:

3. Heat Shielding for Diesel Chassis	\$ 2,025.00
4. Chassis Paint Layout: Keep Factory Paint Color - White	\$ incl
5. Chassis : 2022 Ford F-450, Diesel, 4x2, Regular Cab, 108" Cab to Axle, Ford White (FA90:YO)	\$ incl
6. Suspension: LiquidSpring	\$ 15,550.00
7. Wheel type: Stainless steel covers	\$ incl
8. Road Force Elite tire and wheel balancing	\$ incl
9. Chassis Steps: ArcRite with Sure Grip	\$ 1,350.00
10. Grille Guard: Full Replacement Bumper	\$ 1,750.00
11. 10" and 12" Air Horns	\$ 1,450.00
12. Compressor Type: Fast Recovery	\$ 1,875.00
13. Switching Options: Momentary	\$ 125.00
14. Siren Amplifier: Howler	\$ 1,700.00
15. Passenger's side Grille Light: Whelen M6 Red/Blue Light	\$ 150.00
16. Driver's side Grille Light: Whelen M6 Red/Blue Light	\$ 150.00
17. Passenger's side Intersect Light: Whelen M6 Red/Blue Light	\$ 150.00
18. Driver's side Intersect Light: Whelen M6 Red/Blue Light	\$ 150.00

Chassis Exterior Subtotal \$ 26,425.00

Module Exterior:

19. Power Source: MEPS	\$ 18,950.00
20. Module Paint Layout: White - Frazer White (Frazer White)	\$ incl
21. Rear Wall 3M Conspicuity Layout - Chevron : White Base Color and Red - Translucent Overlay	\$ 2,025.00



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22. Conspicuity Squares on Entry Doors Matching the Rear Wall	\$	625.00
23. Frazer Provided Graphics	\$	3,500.00
24. Body Drop on the Passenger's Side Forward of Rear Wheels	\$	incl
25. Shore Power: Single 30 Amp on Front Wall	\$	incl
26. Pigtail/Plug Option: Pigtail	\$	incl
27. Coax 1: Run coax from location 1 to Chassis	\$	incl
28. Coax 2: Run coax from location 2 to Chassis	\$	incl
29. Coax 3: Run coax from location 3 to Electrical Compartment	\$	incl
30. Coax 4: Run coax from location 4 to Electrical Compartment	\$	incl
31. UNOC - Conspicuity Squares on Entry Doors to be White base with alternating Red and Blue Overlay, with customer's "patch" on top	\$	incl
32. Front Wall Light Layout: Middle 5 Lights	\$	incl
33. Front Wall Light #1: Whelen M9 Blue Light	\$	175.00
34. Front Wall Light #2: Whelen M9 Red Light	\$	175.00
35. Front Wall Light #3: Whelen M9 Clear Light	\$	175.00
36. Front Wall Light #4: Whelen M9 Red Light	\$	175.00
37. Front Wall Light #5: Whelen M9 Blue Light	\$	175.00
38. Front Wall Driver Side Box Light: Whelen M9 Red Light	\$	175.00
39. Front Wall Passenger Box Light: Whelen M9 Red Light	\$	175.00
40. Driver Wall Front Box Light: Whelen M9 Red Light	\$	175.00
41. Driver Wall Rear Box Light: Whelen M9 Red Light	\$	175.00
42. Driver Wheel Well Light: Whelen M9 Red Light	\$	175.00
43. Side Scene Lights: Spectra SPA900	\$	incl
44. O2 Compartment Style: Laydown O2 with Divider and Adjustable Shelf	\$	275.00
45. O2 Rollers for an H Cylinder	\$	incl
46. O2 Cylinder Changing Wrench	\$	125.00
47. O2 Regulator - Ship Loose	\$	250.00
48. Intermediate Compartment Style: Horizontal Adjustable Shelf	\$	incl
49. Electrical Compartment Style: Taller Electrical Compartment	\$	incl
50. Dometic Self-Contained A/C with Exhaust Fan	\$	incl
51. Rear Storage Compartment Style: Rear Storage with Adjustable Shelf with I/O Access	\$	375.00
52. Rear Storage I/O Opening Size: 15" Height Opening	\$	incl



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53. Module Window Option: Sliding Window	\$	incl
54. Upper Rear Wall Light Layout: 3 Across	\$	incl
55. Upper Light #1: Whelen M9 Load Light	\$	250.00
56. Upper Light #2: Whelen M9 Amber Light	\$	175.00
57. Upper Light #3: Whelen M9 Load Light	\$	250.00
58. Lower Light #1: Whelen M9 Brake/Tail/Turn Red Light	\$	275.00
59. Lower Light #2: Whelen M9 Brake/Tail/Turn Red Light	\$	275.00
60. Lower Light #3: Whelen M9 Blue Light	\$	175.00
61. Lower Light #4: Whelen M9 Blue Light	\$	175.00
62. Rear Wall Driver Box Light: Whelen M9 Red Light	\$	175.00
63. Rear Wall Passenger Box Light: Whelen M9 Red Light	\$	175.00
64. Rear Backboard Options: No Shelf	\$	incl
65. Lower BTTs: 2 Grote Lights on each side	\$	incl
66. Treadbrite Add on: Warning Lights Below Rear Entry Doors	\$	775.00
67. Driver Side Treadbrite Light: Whelen M4 Amber Light and Passenger Side Treadbrite Light: Whelen M4 Amber Light	\$	incl
68. Rear Bumper	\$	incl
69. Door Grabbers	\$	incl
70. License Plate Light	\$	incl
71. Passenger Wall Front Box Light: Whelen M9 Red Light	\$	175.00
72. Passenger Wall Rear Box Light: Whelen M9 Red Light	\$	175.00
73. Passenger Wheel Well Light: Whelen M9 Red Light	\$	175.00
74. Front Backboard Style: Double adjustable shelving	\$	175.00
75. Interior Step Option: Double Step Well	\$	incl
76. Passenger Rear Compartment Style: Passenger Side Storage Compartment	\$	incl
Module Exterior Subtotal		\$ 31,275.00
Chassis Interior:		
77. Siren Speakers: Whelen SA 315 Speakers	\$	incl
78. Tap-2 on Primary Siren	\$	incl
79. Siren Option: Whelen C9 Siren in Console	\$	incl
80. Mic 1 on passenger's side slot 1	\$	incl
81. HAAS Alert System: HAAS Alert Responder to Vehicle - 3 Year Sub	\$	incl
82. Slot 1: Single Thicker MDT Plate	\$	125.00



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83. Slot 2: Single Slot Switch Panel	\$	incl
84. Slot 3: Siren 1	\$	incl
85. Slot 4: Radio Plate Item ID 19868	\$	incl
86. Slot 5: Single Blank	\$	incl
87. Slot 6: Single Blank	\$	incl
88. Kussmaul USB at Console	\$	300.00
89. Console Switch Layout : Primary - Secondary - Air Horn - Howler - Side Scene (Driver's Side) - Side Scene (Passenger's Side) - Rear Load - Interior Lights - Kussmaul USB -	\$	incl
90. Console Layout: 6-Slot Console	\$	incl
91. Floor in Front of Console: (2) Survivor Flashlights wired Battery Hot	\$	900.00
92. Rear of Console: Single Mapholder with Cup Holder	\$	450.00
93. Chassis Rear Wall: 4 High Glove Box Holder	\$	375.00
94. Camera System: Voyager 7" Monitor with Back-Up Camera	\$	2,175.00
95. White Back-up Camera	\$	incl
96. Secure-Idle Anti-Theft System	\$	850.00
97. Aftermarket Vinyl Seats	\$	1,100.00
Chassis Interior Subtotal		\$ 6,275.00
Module Interior:		
98. Protek Cushions	\$	incl
99. Cobalt Blue Interior	\$	incl
100. Powdercoated Aluminum Countertops	\$	incl
101. Stainless Steel Grab Rails	\$	incl
102. Front I/O with Lexan Doors	\$	incl
103. Additional Shelf in the Front I/O	\$	125.00
104. 2 High "D" Cylinder Holder in the Front I/O Facing the Rear Wall	\$	250.00
105. Duplex Outlet in the Cabinet Above the Front I/O	\$	incl
106. 15 Qt. Engel Fridge	\$	1,225.00
107. Duplex Outlet on the Front Wall	\$	incl
108. Netting at the Front Corner Area	\$	incl
109. Medvault w/ Wifi	\$	3,625.00
110. UNOC-???- Furnish and install duplex in front wall cabinet left lower corner below shelf. Add hole with grommet for wiring in shelf above duplex	\$	250.00
111. Location 1: 8 Switch panel	\$	incl



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112. Location 2: Single O2 Outlet	\$	incl
113. Location 3: Electric O2 panel with monitor	\$	2,300.00
114. Location 4: Volume Control Knob	\$	incl
115. Location 6: Thermostat	\$	incl
116. Location 7: Blank	\$	incl
117. Location 8: Quad 120 VAC	\$	incl
118. Location 9: Suction	\$	incl
119. Action Wall Switch Layout : Interior Lights; Dimmer; Ventilation Fan; Electric O2; Module Heater - Hi/Off/Low; Blank; Blank; Blank;	\$	incl
120. Technimount LP-15 Monitor Mount (Heavy Duty) on the Action Wall Countertop	\$	1,975.00
121. Sharps Container at Action Wall	\$	incl
122. Acrylic Holder at the Action Wall Cabinet	\$	incl
123. New 6pt Harness at the CPR Seat	\$	700.00
124. Cabinet Aft CPR Seat	\$	1,225.00
125. Rear Door Switch Layout : Blank; Blank; Dump/Bypass (Suspension); Rear Load;	\$	incl
126. Two Seating Positions at the Squad Bench - 1 and 3	\$	incl
127. Harness Type for Seat Position 1: New 6pt Harness	\$	700.00
128. Harness Type for Seat Position 3: New 6pt Harness	\$	700.00
129. Acrylic Holder and Sharps at Squad Bench	\$	1,075.00
130. Double Squad Bench Cabinet	\$	850.00
131. New Glove Box & Handrail at the Head of the Squad Bench	\$	450.00
132. Trashcan With Lid at the Head of the Squad Bench	\$	incl
133. O2 Outlet at the Squad Bench Wall	\$	incl
134. Install Evergreen UV-C air and surface disinfection lamp in ceiling raceway with control unit in electrical compartment	\$	6,000.00
135. O2 Outlet in Ceiling Raceway	\$	450.00
136. IV Hanger on Ceiling Raceway	\$	incl
137. Overhead Grabrails on Both Sides	\$	300.00
138. IV Hanger on Squad Bench Ceiling	\$	incl
139. In-Module Camera at the Rear Position	\$	775.00
140. Head knocker options: With Speakers and Clock	\$	1,275.00
141. Stryker cot tower only (no antler and bar)	\$	incl
142. Floor Options: Customer Provided Stryker Power-LOAD	\$	2,225.00
143. Loncoin II Sapphire Floor	\$	incl



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144. Captain's Chair Type: Captain's Chair with Child Safety Seat and 4pt. Harness	\$	950.00
145. Module Heater : New	\$	1,150.00
146. Customer Provided Items Processing Fee	\$	325.00
Module Interior Subtotal		\$ 28,900.00



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Email this quote along with your PO
to Paul Brown at pbrown@frazerbilt.com

Remit To:

Per TMVCC, we are quoting this through our
licensed franchise dealer, Sterling McCall Ford.

Sterling McCall Ford
6445 Southwest Freeway
Houston TX 77074

Standard Terms and Conditions

INVOICING AND PAYMENT TERMS: Vendor shall submit one (1) original invoice per payment due. The invoice(s) shall include the items listed in accordance with the quote mentioned in the Sale Agreement with reference to the Customer's Purchase Order Number.

If the Sale Agreement provides for any progress (or advance) payments based on specific milestones or activities, Vendor's invoice shall certify to the accomplishment or performance by Vendor of said milestone or activity, and that Customer has obtained a security interest in such Products to the extent of such payment.

Payment shall be due upon receipt of the invoice and delivery of the unit to the Customer unless previously negotiated.

CANCELLATION POLICY: Cancellation of orders must be received 120 days prior to the agreed upon delivery date. If the order is cancelled within the 120 day window, a fee of 25% of the total purchase order price will apply.

DELIVERY TERMS: The products listed in the estimate are to be delivered Free On Board (FOB) Destination to Houston, TX. Customer representative(s) will pick up the unit at upfitter location, 7219 Rampart St., Houston, TX 77081 and transport it to their final destination at customer expense unless otherwise specified in the Vendor quote.



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TERMINATION FOR CAUSE: Customer may terminate this Sale Agreement and any corresponding Purchase Order, or any part thereof, for cause including, but not limited to the following Vendor actions: (1) any default or breach of any of the terms and conditions of the Sale Agreement, (2) failure to provide Customer, upon request, a reasonable assurance of future performance, or (3) bankruptcy, dissolution, or suspension of payments by judicial decree. If Vendor does not cure such failure within a period of five (5) days or such a longer period as Customer may authorize in writing after the date such notice is sent to Vendor, then termination may proceed.

Vendor may also terminate this Sale Agreement and any corresponding Purchase Order for cause, and Vendor will not be in breach of same, in the event any supplier to Vendor fails to deliver Products and/or component parts in a timely fashion and Vendor cannot make alternate accommodations in order to comply with the Parties' agreed upon completion and delivery dates.

CHANGE ORDERS: Vendor has the right to modify the Purchase Order requirements and conditions as needed and will advise Customer in writing of such requested changes. Vendor shall not proceed with any changes without Customer's written authorization. Any request by Customer to change the terms or conditions of the Purchase Order, including product specifications, options, and price, must be made in advance of the production job order release. Any changes made after the release of the production job order will incur a \$350 fee per change order made in a 24 hour period and will be included on a secondary invoice. Vendor reserves the right to refuse changes requested by the Customer.

PROPRIETARY INFORMATION, CONFIDENTIALITY AND ADVERTISING: All commercial, financial or technical information in any form that Vendor provides to Customer shall be deemed proprietary and confidential and Customer shall not disclose such information to third parties without Vendor's written consent. Termination of the Sale Agreement shall not relieve Customer of this confidentiality obligation. Upon Vendor's request, Customer shall return all confidential information to Vendor along with any reproductions, in whole or in part. The confidentiality obligation does not apply to information that is in the public domain through no fault of Customer or to information lawfully within Customer's possession prior to the date of the Purchase Order, as evidenced by Customer's written records.

INDEMNIFICATION: Customer shall fully release, indemnify, defend and hold harmless Vendor, its co-venturers, its contractors, and their respective affiliates, and Vendor's and their respective directors, officers and employees (including agency personnel) ("Vendor Group") from and against any and all claims arising out of the Customer's purchase, use, sale or incorporation of any Products purchased from Vendor into Customer's products or equipment wherein it is claimed or alleged that Vendor's Products are defective or violate any warranty, standard of care, industry standard or governmental regulation or term or condition of any Purchase



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Order without regard to any allegation of negligence on the part of the Vendor Group as it pertains to Vendor's Products.

Vendor shall fully release, indemnify, defend and hold harmless Customer, its co-venturers, its contractors, and their respective affiliates, and the Customer's and their respective directors, officers and employees (including agency personnel) ("Customer Group") from and against any and all claims arising out of the Customer's purchase, use, sale or incorporation of any Products purchased from Vendor into Customer's products or equipment wherein it is claimed or alleged that Vendor's Products are defective or violate any warranty, standard of care, industry standard or governmental regulation or term or condition of any Purchase Order without regard to any allegation of negligence on the part of the Customer Group as it pertains to Vendor's Products.

Customer Initials: _____

LIMITATIONS ON DAMAGES: In the event of any dispute, disagreement or breach alleged by Customer on the part of Vendor, Customer's exclusive and sole remedy shall be repair or replacement, if practical, of the module, or component part, by Vendor. If Vendor is not able to effectuate a repair, replacement, or cure that brings the module, or component part, into compliance with the Parties' agreement, then Vendor shall refund the sale price to Customer. In no event shall Vendor be liable to Customer, or to any third-party acting through Customer, for any additional, consequential or punitive damages, or damages for lost sales, revenue or profits claimed by Customer or any third-party acting through Customer.

FORCE MAJEURE: A force majeure delay shall mean any delay or other unforeseeable causes beyond the reasonable control of the party affected, provided that any such delay is not caused, in whole or in part, by the acts or omissions of the party so delayed and further provided that such party is unable to make up for such delay with reasonable diligence and speed. If any such cause delays Vendor's performance, the delivery date or time for completion may be extended by a period of time reasonably necessary to overcome the effect of such delay; however, Vendor shall take all reasonable measures to mitigate the effects of the force majeure event and to minimize such delay. A party affected by a force majeure event shall notify the other party of such force majeure event within forty-eight (48) hours of its knowledge of such event for the event to be considered a bona fide force majeure event.

TITLE AND RISK OF LOSS: Title to the Products shall transfer to Customer upon receipt of Products by Customer or its agent unless otherwise stated in the Sale Agreement. Notwithstanding the above, risk of loss of the Products shall remain with Vendor until delivered to Customer.



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WAIVER: Vendor's failure to exercise or enforce any right in the Purchase Order, or any other right or privilege under law, or Vendor's waiver of any breach by Customer shall not constitute a waiver or modification of any terms, conditions, privileges or rights whether of the same or similar type, unless Vendor gives such waiver in writing.

LIENS: Vendor waives and relinquishes all existing and future liens and claims (statutory or otherwise) for the Products specified in the Purchase Order, and warrants that the Products will be free and clear of all liens, claims or encumbrances of any kind.

INSPECTION, REVIEW AND WITNESSING: Customer and/or the ultimate owner of the Products have the right to inspect and attend testing of the Products at Vendor's premises (or its supplier's or subcontractor's premises) with reasonable advance notice. If any inspection is made on the premises of Vendor or its supplier, Vendor, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties.

APPLICABLE LAW AND VENUE: The Sale Agreement shall be governed and interpreted in accordance with the laws of the State of Texas, without reference to any principle of conflict of laws. Customer and Vendor expressly exclude the application of the Convention on International Sale of Goods to the Sale Agreement. Venue for all judicial, administrative, or regulatory proceedings shall be Houston, Harris County, Texas.

OWNERSHIP OF DOCUMENTS: Title to all drawings, specifications, calculations, technical data and other documents that Customer submits in accordance with the Purchase Order shall vest with Vendor. Vendor shall have the right to use such documents for any purpose pertaining to the manufacture, assembly, and delivery of the Products.

Title to all drawings, specifications, calculations, technical data, and other documents that Vendor submits to the Customer shall vest with the Customer. Customer shall have the right to use such documents for any purpose pertaining to the installation, operation, and maintenance of the Products.

INSURANCE: Vendor shall comply with the project insurance requirements for which the Products are being provided. Customer shall provide specific reasonable levels required as soon as such levels are available, which shall not exceed \$1,000,000 for any non-statutory category other than excess liability umbrella, which shall not exceed \$4,000,000. When requested by Customer, Vendor shall provide certificates of insurance as proof of same.



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SURVIVAL: The provisions of the following Paragraphs of these Terms and Conditions shall survive any cancellation or termination of the Purchase Order: (Proprietary Information, Confidentiality and Advertising), (Indemnification), (Liens), and (Applicable Law and Venue).

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 02/28/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider an ordinance amending the City's General Budget for Fiscal Year 2022-2023 by approving "Budget Amendment VI" and providing for supplemental appropriation and/or transfer of certain funds.

Originating Department: Administrative Services

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

By its nature, our budget is an estimate of the revenues and expenditures needed to accomplish the City Council and Staff goals for the year. Throughout the year, events occur that require adjustments to the budget. These adjustments may be needed for various reasons, such as the recognition of extraordinary revenues or expenditures, new projects that are authorized by the Council or providing funding for expenditures resulting from extraordinary events like natural disasters. As the need arises, items for budget appropriations are accumulated and then submitted for approval at the City Council meeting each month. The budget adjustments covered by this ordinance comprise the sixth set for fiscal year 2022-2023.

We have attempted to provide as much explanation of the adjustments as possible through two sets of exhibits. Exhibit A provides a narrative explanation of each budget amendment. Exhibit B provides the details of each accounting transaction.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Approval of this budget amendment will allow for timely procurement of program supplies and limit delays in the progress of capital improvement projects.

RECOMMENDATIONS

Recommend approval of the ordinance and exhibits covering Budget Amendment VI 2022–2023.

ATTACHMENTS

1. Ordinance - Budget Amendment No. VI
2. FY23 BA VI Exhibit A 04-03-2023 v2
3. FY23 BA VI Exhibit B 04-03-2023 v2

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING ORDINANCE NO. 2022-19, PASSED AND APPROVED AUGUST 29, 2022, SAME BEING AN ORDINANCE APPROVING AND ADOPTING THE CITY'S GENERAL BUDGET FOR FISCAL YEAR 2022-23, BY APPROVING "BUDGET AMENDMENT VI" THERETO; PROVIDING FOR SUPPLEMENTAL APPROPRIATION AND/OR TRANSFER OF CERTAIN FUNDS; PROVIDING FOR SEVERABILITY; PROVIDING OTHER MATTERS RELATED TO THE SUBJECT; AND PROVIDING FOR THE EFFECTIVE DATE.

WHEREAS, by Ordinance No. 2022-23, the City Council of the City of Friendswood, Texas, adopted its "Original General Budget for Fiscal Year 2022-23"; and

WHEREAS, the City Council has determined that revenues and/or reserves are available for supplemental appropriation, and/or that the transfer of certain funds interdepartmentally is economically feasible and in the best interest of prudent budgeting and for municipal purposes; and

WHEREAS, Section 8.04 of the City Charter provides for amendments after adoption of the budget; and

WHEREAS, the City Council desires to amend said Original General Budget to reflect such supplemental appropriation and/or transfer in the fiscal year 2022-23; NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, STATE OF TEXAS:

Section 1. The facts and matters set forth in the preamble of this ordinance are hereby found to be true and correct.

Section 2. The "Original General Budget of the City of Friendswood, Texas, for the Fiscal Year 2022-23," is hereby amended for municipal purposes as shown on "Budget Amendment VI" to the "Original Budget of the City of Friendswood, Texas, for the Fiscal Year 2022-23" attached hereto. Said Budget Amendment VI shall be attached to and made a part of such Original General Budget by the City Secretary and shall be filed as required by state law. A true and correct copy of said amendment is attached hereto as Exhibits "A" and "B" and is incorporated herein for all intents and purposes.

Section 3. In the event any clause, phrase, provision, sentence, or part of this ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Friendswood, Texas, declares that it would have passed each and every part of the same notwithstanding the

omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 4. This ordinance shall take effect immediately from and after its passage by the City Council of the City of Friendswood, Texas.

PASSED, APPROVED and ADOPTED by the affirmative vote of the City Council of the City of Friendswood on this the 3rd day of April, 2023.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

**City of Friendswood
Budget Amendment Summary
Fiscal Year 2022 – 2023
Budget Amendment VI
April 3, 2023**

1. **Parks & Recreation Donation, \$10,000.** Appropriate funds donated to the Parks and Recreation Department by Hometown Bank of Friendswood for the “Home for the Holidays Lighted Christmas Trail” event. This event took place at the annual Santa in the Park event this year. The donation was received on November 10, 2022.
2. **Emergency Management – Public Safety Building Expansion (Change Order), \$21,027.** Appropriate funds for a change order related to the emergency operations center (EOC) within the public safety building expansion project. Electrical floor trenching was required in the EOC to maximize the functionality and remove barriers to accessibility. The funding source will be 2021 General Obligation Bond funds.
3. **Police Department -- Vehicle Insurance Reimbursement, \$1,499.** Appropriate supplemental insurance reimbursements received from Texas Municipal League Intergovernmental Risk Pool. The emergency response vehicle was damaged in the line of duty and requires repair to be placed back in service. Funding will be appropriated to the Police Department Patrol division vehicle maintenance account for repairs made to unit P440.
4. **City of Houston Southeast Transmission Water Line Project, \$1,524,765.** Appropriate funds for the cost-sharing agreement with the City of Houston and co-participants for the 42-inch Water Main Replacement project. The funding source will be from 2021 Water and Sewer Bond proceeds.
5. **Police Investigation Fund -- Evidence Storage Locker, \$6,297.** Appropriate asset forfeiture funds to the Police Investigation Fund (PIF) operating services account. The police department needs to increase the capacity for physical evidence storage at the PSB. The funding source will be Police Investigation State unassigned fund balance.
6. **2017 CDBG-DR (Harris County) Grant Reimbursement, \$232,987.** Appropriate funds received from the CDBG-DR (Harris County) grant program for the Forest Bend Detention Pond construction. The City received a reimbursement of \$232,987 for construction services. Advance funding for pay application #2 was originally approved at the December 5, 2022 City Council meeting. Therefore, the funds will be appropriated back to unassigned general fund balance.
7. **Parks & Recreation, Parks Division – Donation for Benches at Dog Park, \$7,593** Appropriate donation received from John Gannon and JGI Outdoor Advertising for the purchase of two benches at the Dog Park. Funds will be appropriated to the Parks and Recreation Department’s Parks division capital equipment account.
8. **City Secretary’s Office – Transfer, \$3,000.** Transfer funds from the City Secretary’s Office to the Parks and Recreation Department’s Facilities Division for additional renovations needed in the City Secretary’s suite to create an office for the Legal Assistant. The funding is being transferred from the Contract Services account.

City of Friendswood				
April 3, 2023				
2022-2023 Budget Amendment VI - Exhibit B				
BA Number	Account Number	Project Number	Description	Amount
1	001-0000-38600	LGTTTLREV	Appropriate the donation from Hometown Bank for the "Home for the Holidays Lighted Christmas Trail" event	(10,000)
1	001-6420-452.7910	LGTTTLEXP	Appropriate the donation from Hometown Bank for the "Home for the Holidays Lighted Christmas Trail" event	10,000
2	257-0000-30600	GO1518CONST	Appropriate 2021 General Obligation Bonds for a change order related to electrical trenching in the EOC within the Public Safety Building Expansion project	(21,027)
2	257-7001-419.8591	GO1518CONST	Appropriate 2021 General Obligation Bonds for a change order related to electrical trenching in the EOC within the Public Safety Building Expansion project	21,027
3	001-0000-38310		Appropriate insurance proceeds from TML-IRP for repairs needed to P440 in the Police Patrol Division	(1,499)
3	001-2120-421.6300	P440	Appropriate insurance proceeds from TML-IRP for repairs needed to P440 in the Police Patrol Division	1,499
4	422-0000-30600		Appropriate 2021 Water and Sewer Bond Funds for the cost sharing agreement with COH and co-participants for 42-inch Water Main Replacement project	(1,524,765)
4	422-7001-434.8541	SEWTRLN	Appropriate 2021 Water and Sewer Bond Funds for the cost sharing agreement with COH and co-participants for 42-inch Water Main Replacement project	1,524,765
5	102-0000-30100		Appropriate State Police Investigation Funds for the acquisition of an evidence storage locker system	(6,297)
5	102-2120-421.8800		Appropriate State Police Investigation Funds for the acquisition of an evidence storage locker system	6,297
6	123-10199		Reimburse unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Forest Bend Detention Pond	(232,987)
6	123-26010		Reimburse unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Forest Bend Detention Pond	232,987
6	001-14028		Reimburse unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Forest Bend Detention Pond	(232,987)
6	001-10199		Reimburse unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Forest Bend Detention Pond	232,987
7	001-0000-38600		Appropriate donation received from John Gannon and JGI Outdoor Advertising for two benches at the Dog Park	(7,593)
7	001-6430-456.8800		Appropriate donation received from John Gannon and JGI Outdoor Advertising for two benches at the Dog Park	7,593
8	001-0201-411.7800		Transfer funding from City Secretary's budget to the Facilities Division for additional renovations needed in the City Secretary's suite to create an office for the Legal Assistant	(3,000)
8	001-6460-419.6600		Transfer funding from City Secretary's budget to the Facilities Division for additional renovations needed in the City Secretary's suite to create an office for the Legal Assistant	3,000

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/21/2023

Prepared by: Karen Horner, City Attorney

Subject: Consider the first reading of an ordinance consenting to the rate adjustment requested by Waste Connections of Texas, LLC, d/b/a Waste Connections of Texas, to offset its increased cost in connection with performing services under the Franchise Agreement for the Collection, Hauling, Recycling and Disposal of Municipal Solid Waste and Recyclable Materials in the City of Friendswood.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This proposed ordinance consents to the rate adjustment requested by Waste Connections of Texas, LLC, d/b/a Waste Connections of Texas, ("Waste Connections") to offset its increased cost in connection with performing services under the Franchise Agreement for the Collection, Hauling, Recycling and Disposal of Municipal Solid Waste and Recyclable Materials in the City of Friendswood (the "Franchise Agreement").

On March 4, 2022, the City Council authorized on its second and final reading the Franchise Agreement with Waste Connections for a term of three (3) years, commencing on April 1, 2022. Each year under the agreement, the following annual adjustments are permitted:

1. Rate Adjustment.

Proposed Adjustment: 6.4%

Effective Date: Billing cycle after final passage of the proposed ordinance

This adjustment requires Council approval and is based upon changes in costs to perform the services under the Franchise Agreement. If Council does not approve the increase after Waste Connections demonstrates that the new rate is necessary to offset the increased costs, then Waste Connections may terminate the Franchise Agreement with 120 days' notice.

2. Fuel Cost Adjustment.

Proposed Adjustment: 3%

Effective Date: October 1, 2023

This adjustment does not require Council approval and is based upon the U.S. Energy Administration/Department of Energy published price for diesel Fuel - Gulf Cost Region.

This year's rate adjustment is based upon the CPI-U is as follows:

	Current Rate for Single Family	Proposed Rate Adjustment for Single Family
Monthly curbside refuse and recycling (18-gallon recycling bin)	\$15.20	\$16.17

Monthly Administrative Fee (City revenue)	\$1.52	\$1.62
Total	\$16.72	\$17.79

As such, the monthly increase for a single family resident is \$1.07 per month. The cost for families who utilize a 95 gallon recycle cart will increase by \$0.08 (8 cents) for a total of \$1.23 per month for use of the larger container.

This proposed ordinance approves the rate adjustment as contemplated in the Franchise Agreement based upon a demonstrated need in order to offset the increased cost of providing services under the Franchise Agreement.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. Ordinance - Franchise Rate Increase
2. Waste Connection's Annual Rate Adjustment Request
3. City of Friendswood Pricing Sheet 2023

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, CONSENTING TO THE RATE ADJUSTMENT REQUESTED BY WASTE CONNECTIONS OF TEXAS, LLC, D/B/A WASTE CONNECTIONS OF TEXAS, TO OFFSET ITS INCREASED COST IN CONNECTION WITH PERFORMING SERVICES UNDER THE FRANCHISE AGREEMENT FOR THE COLLECTION, HAULING, RECYCLING AND DISPOSAL OF MUNICIPAL SOLID WASTE AND RECYCLABLE MATERIALS IN THE CITY OF FRIENDSWOOD; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HERewith; PROVIDING FOR SEVERABILITY, PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, on March 4, 2022, the City Council authorized on its second and final reading the Franchise Agreement for the Collection, Hauling, Recycling and Disposal of Municipal Solid Waste and Recyclable Materials in the City of Friendswood (the "Franchise Agreement") with Waste Connections of Texas, LLC, d/b/a Waste Connections of Texas ("Waste Connections") for a term of three (3) years, commencing on April 1, 2022; and

WHEREAS, the Franchise Agreement provides for two annual adjustments – one to offset Waste Connections' increased cost in connection with performing services under the Franchise Agreement (the "Rate Adjustment") and the other to reflect the cost of fuel, based prescribed formula and the U.S. Energy Administration/Department of Energy published price for Diesel Fuel - Gulf Coast Region (the "Fuel Cost Adjustment"); and

WHEREAS, on March 14, 2023, Waste Connections requested the following rate increases:

Adjustment	Adjustment	Effective Date
Rate Adjustment	6.4%	First billing cycle after final passage of this ordinance
Fuel Cost Adjustment	3%	October 1, 2023

; and

WHEREAS, pursuant to Section 10 of the Franchise Agreement, in order for the Rate Adjustment to take effect, the City Council must approve the same; and if the City fails to consent to the increase after Waste Connections demonstrates that such an increase is necessary to offset its costs, Waste Connections may terminate the Franchise Agreement; and

WHEREAS, the City Council believes that Waste Connections has demonstrated that the Rate Adjustment based upon the CPI-U is necessary in order to offset its costs of providing services pursuant to the Franchise Agreement; and

WHEREAS, the City Council recognizes that no approval of the Fuel Cost Adjustment is required so long as the same is consistent with the formula prescribed in the Franchise Agreement; NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD,
STATE OF TEXAS:

Section 1. The facts and matters set forth in the preamble of this ordinance are hereby found to be true and correct.

Section 2. The City Council of the City of Friendswood hereby consents to the Rate Adjustment of 6.4%, as requested by Waste Connections of Texas, LLC, d/b/a Waste Connections of Texas, in order to offset its increased cost in connection with performing services under the Franchise Agreement for the Collection, Hauling, Recycling and Disposal of Municipal Solid Waste and Recyclable Materials in the City of Friendswood. This Rate Adjustment shall be effective for the first billing cycle after final passage of this ordinance.

Section 3. All ordinances or parts of ordinances in conflict or inconsistent with this ordinance are hereby expressly repealed.

Section 4. In the event any clause phrase, provision, sentence, or part of this ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Friendswood, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 5. This ordinance shall take effect immediately from and after its passage by the City Council of the City of Friendswood, Texas.

PASSED and APPROVED by the affirmative vote of the City Council of the City of Friendswood on first reading this 3rd day of April, 2023.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

PASSED, APPROVED and ADOPTED by the affirmative vote of the City Council of the City of Friendswood on second and final reading this 1st day of May, 2023.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney



WASTE CONNECTIONS INC.
Connect with the Future®

March 14, 2023
City of Friendswood
Attn: Morad Kabiri, City Manager
910 S. Friendswood Drive
Friendswood, Texas 77546

RE: Annual Rate Adjustment

Dear Morad Kabri

Waste Connections would like to sincerely thank you for the great opportunity we have had to serve the citizens and community of Friendswood. We thoroughly enjoy and appreciate the relationship between Waste Connections and the City of Friendswood.

Each year we evaluate the CPI-U, and fuel costs per our contract with the city. This year the CPI-U adjustment is 6.4% and fuel adjustment 3%, for a total adjustment of 9.4%. I have enclosed further details of these adjustments with this letter.

We would like to adjust these rates on the May billing cycle.

Should you have any questions or concerns regarding this adjustment or anything else, please feel free to contact me at the office at 281-331-0810.

Best Regards,

Zachary Ryan
District Manager
Waste Connections of TX
Zachary.Ryan@wasteconnections.com

CPI-U Adjustment	6%
Fuel Adjustment	3%
Total Rate Adjustment for 2023	9.48%

6.4%

Economic News Release

 [PRINT](#)

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U. S. city average, by expenditure category

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, January 2023
[1982-84=100, unless otherwise noted]

Expenditure category	Relative Importance Dec. 2022	Unadjusted Indexes			Unadjusted percent change		Seasonally adjusted percent change		
		Jan. 2022	Dec. 2022	Jan. 2023	Jan. 2022- Jan. 2023	Dec. 2022- Jan. 2023	Oct. 2022- Nov. 2022	Nov. 2022- Dec. 2022	Dec. 2022- Jan. 2023
All items	100.000	281.148	296.797	299.170	6.4	0.8	0.2	0.1	0.5
Food	13.531	289.772	316.839	319.136	10.1	0.7	0.6	0.4	0.5
Food at home	8.728	270.711	299.089	301.435	11.3	0.8	0.6	0.5	0.4
Cereals and bakery products	1.164	302.242	345.029	349.294	15.6	1.2	1.2	0.6	1.0

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Sourcekey EMD_EPD2DXL0_PTE_
R30_DPG

Weekly Gulf Coast
No 2 Diesel Ultra
Low Sulfur (0-15
ppm) Retail Prices
(Dollars per Gallon)

Date	
Feb 14, 2022	3.785
Feb 21, 2022	3.83
Feb 28, 2022	3.872
Mar 07, 2022	4.703
Mar 14, 2022	5.11
Mar 21, 2022	4.964
Mar 28, 2022	4.972
Apr 04, 2022	4.929
Apr 11, 2022	4.84
Apr 18, 2022	4.855
Apr 25, 2022	4.916
May 02, 2022	5.21
May 09, 2022	5.339
May 16, 2022	5.295
May 23, 2022	5.216
May 30, 2022	5.18
Jun 06, 2022	5.309
Jun 13, 2022	5.37
Jun 20, 2022	5.453
Jun 27, 2022	5.441
Jul 04, 2022	5.33
Jul 11, 2022	5.217
Jul 18, 2022	5.083
Jul 25, 2022	4.911
Aug 01, 2022	4.801
Aug 08, 2022	4.677
Aug 15, 2022	4.614
Aug 22, 2022	4.619
Aug 29, 2022	4.821
Sep 05, 2022	4.796
Sep 12, 2022	4.76
Sep 19, 2022	4.69
Sep 26, 2022	4.623
Oct 03, 2022	4.557
Oct 10, 2022	4.897
Oct 17, 2022	5.018
Oct 24, 2022	4.987
Oct 31, 2022	4.965
Nov 07, 2022	4.937
Nov 14, 2022	4.886
Nov 21, 2022	4.782
Nov 28, 2022	4.699
Dec 05, 2022	4.524
Dec 12, 2022	4.344
Dec 19, 2022	4.205
Dec 26, 2022	4.164
Jan 02, 2023	4.267
Jan 09, 2023	4.223
Jan 16, 2023	4.224
Jan 23, 2023	4.32
Jan 30, 2023	4.351
Feb 06, 2023	4.249
Feb 13, 2023	4.15

Average:	4.76
Component i:	13.20%
Fraction	0.233193277
Fuel Cost Adjustment:	3%

$$\frac{\text{Base Price} - \text{Annual Average Price}}{\text{Annual Average Price}}$$

$$\frac{4.76 - 3.65}{4.76}$$

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/02/2023

Prepared by: Karen Horner, City Attorney

Subject: Consider a resolution suspending the May 1, 2023, effective date of the proposal by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas – Texas Coast Division to implement interim grip rate adjustments for gas utility investment in 2022.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City of Friendswood is a gas utility customer of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas–Texas Coast Division (“CenterPoint”) and a regulatory authority with an interest in the rates and charges of CenterPoint. CenterPoint made filings with the City and the Railroad Commission of Texas on March 2, 2023, proposing to implement interim rate adjustments (“GRIP Rate Increases”), pursuant to Section 104.301 of the Texas Utilities Code, on all customers served by CenterPoint, effective May 1, 2023. The current filing will increase rates to residential customers by \$2.01 per month. This will increase the current residential customer charge from \$19.94 to \$21.95 per month. Because it is incumbent upon the City, as a regulatory authority, to examine the GRIP Rate Increases to determine its compliance with the Texas Utilities Code, the proposed resolution suspends the proposed increase for 45 days, which is the maximum period allowed by law. During this suspension period, the City's consultants, through the Gulf Coast Coalition of Cities, will review the proposed increases, analyze all necessary information and advise the City about any necessary action needed in relation to the proposed increase.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Resolution - CenterPoint Texas Coast Division GRIP Suspension

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, SUSPENDING THE MAY 1, 2023, EFFECTIVE DATE OF THE PROPOSAL BY CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS – TEXAS COAST DIVISION, TO IMPLEMENT INTERIM GRIP RATE ADJUSTMENTS FOR GAS UTILITY INVESTMENT IN 2022; REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Friendswood, Texas ("City") is a gas utility customer of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas–Texas Coast Division, ("CenterPoint" or "the Company") and a regulatory authority with an interest in the rates and charges of CenterPoint; and

WHEREAS, CenterPoint made filings with the City and the Railroad Commission of Texas on March 2, 2023, proposing to implement interim rate adjustments ("GRIP Rate Increases") pursuant to Section 104.301(a) of the Texas Utilities Code on all customers served by CenterPoint, effective May 1, 2023; and

WHEREAS, it is incumbent upon the City, as a regulatory authority, to examine the GRIP Rate Increases to determine its compliance with the Texas Utilities Code; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, STATE OF TEXAS:

Section 1. That the May 1, 2023, effective date of the GRIP Rate Increases proposed by CenterPoint is hereby suspended for the maximum period allowed by Section 104.301(a) of the Texas Utilities Code to permit adequate time to review the proposed increases, analyze all necessary information, and take appropriate action related to the proposed increases.

Section 2. That the City Secretary is hereby directed to send a copy of this resolution to CenterPoint, care of Keith L. Wall, at 1111 Louisiana Street, CNP Tower 19th Floor, Houston, Texas 77002 and to Thomas Brocato, legal counsel to the City, at Lloyd Gosselink, 816 Congress Ave., Suite 1900, Austin, Texas 78701.

Section 3. This resolution shall be effective immediately upon its passage and approval.

PASSED, APPROVED and ADOPTED by the affirmative vote of the City Council of the City of Friendswood on this the 3rd day of April, 2023.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN HORNER, City Attorney

H:\City Council\Resolutions\2023\04-03-2023\2023 CenterPoint Texas Coast Division GRIP Suspension Resolution.doc

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/23/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider approving a banner permit application for Mary Queen Catholic Church to advertise its annual Mary Queen Parish Festival.

Originating Department: Public Works

Degree of importance: Elective

SUMMARY / ORIGINATING CAUSE

Mary Queen Church is requesting to hang a street banner. The banner will advertise its annual Mary Queen Parish Festival. The banner is requested to be displayed between the dates of April 24, 2023 through April 30, 2023.

All required paperwork has been filled out and all other requirements are being met.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Via the outreach channel of visibility from vehicular traffic on FM 518 in front of Stevenson Park, the Friendswood Community will be able to be informed of the event.

RECOMMENDATIONS

ATTACHMENTS

1. 04-24-23 Mary Queen Catholic Church - Street Banner License Agreement
2. 04-24-23 Mary Queen Parish Festival Street Banner Application
3. Mary Queen Church- Form 1295
4. Certificate-Mary Queen at City of Friendswood for banner April May 2023

STREET BANNER LICENSE AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This Street Banner License Agreement (this "Agreement") is made and entered into this 3rd day of April, 2023, by and between the City of Friendswood, Texas, a home-rule municipal corporation located in Harris and Galveston Counties, Texas (the "City") and Mary Queen Catholic Church, a non-commercial, charitable, nonprofit organization, having a principal place of business located at 606 Cedarwood Drive, Friendswood, Texas (the "Licensee"). The City and the Licensee are each hereinafter referred to as "Party" and are collectively referred to as the "Parties."

For and in consideration of the promises, covenants, terms and provisions contained herein, the Parties hereby agree as follows:

1. City's Obligations.

- 1.01 Subject to Texas Department of Transportation written approval, the City agrees to permit the Licensee to use that portion of the S. Friendswood Drive right-of-way adjacent to Stevenson Park and depicted in Exhibit "A," which is attached hereto and incorporated herein for all intents and purposes, for the purpose of placing a banner over S. Friendswood Drive for a period of seven (7) days from April 24, 2023, to April 30, 2023.
- 1.02 Upon The Licensee's payment of all applicable fees, the City shall install a banner over S. Friendswood Drive on or before April 24, 2023, and shall remove the same on or after April 30, 2023, unless earlier removed in order to protect the public health, safety, and welfare.

2. The Licensee's Obligations

- 2.01 The Licensee shall pay to the City a non-refundable fee of TWENTY-FIVE AND NO/100 DOLLARS (\$25.00). All fees required hereunder shall be paid prior to the installation of the banner. Payment to City hereunder shall be by check, certified or cashier's check or by personal check if drawn on banks for which verification of funds may be obtained.
- 2.02 The Licensee shall conduct its activities so as not to endanger any person or property. The Licensee understand and agrees that should the banner pose a risk of danger to persons or property, the City may remove the banner without advance notice to the Licensee without liability.
- 2.03 The Licensee agrees that the placement, installation and removal of the banner shall be in accordance with all applicable laws, rules and regulations, including, but not limited to, Section 15.8 of Appendix A of the Friendswood City Code.
- 2.04 The Licensee agrees that the banner placed pursuant to the Agreement will be removed by the City upon the expiration of the license term specified in Section 3 below, unless required to be removed earlier for the protection of the public health, safety, and welfare. The Licensee shall be responsible for any and all damage to (i) the right-of-way, including any structure or facility located in, on, over, or under the right-of-way, and/or (ii) any other personal or real property, which damage is caused by the placement, removal or display of the banner. The Licensee shall pick up the banner before 5:00 p.m. on the Monday following the banner's removal. Should the Licensee fail to do so, the banner shall be considered abandoned and the City may keep or dispose of it as it sees fit.

- 2.05 Notwithstanding any other provision in this Agreement, it is further agreed that the City shall not be responsible to any party or parties whatsoever for any claims, demands, losses, suits, judgments for damages or injuries to persons or property by reason of the installation, maintenance, inspection, or use of the banner belonging to the Licensee and constructed, installed or placed on or over public right-of-way.

THE LICENSEE SHALL INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES (COLLECTIVELY IN THIS PARAGRAPH THE "CITY") FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITIES OF EVERY KIND FOR ANY INJURY, DEATH, OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE BANNER CONTEMPLATED HEREIN, OR IN THE PERFORMANCE OF ANY ACT OR ANY OMISSION UNDERTAKEN PURSUANT TO OR IN ANY MANNER RELATED TO THE LICENSE GRANTED HEREBY, WHERE SUCH INJURIES, DEATH OR DAMAGES ARE CAUSED BY THE SOLE OR JOINT NEGLIGENCE OF THE LICENSEE, ITS OFFICERS, AGENTS, CONTRACTORS, OR EMPLOYEES (COLLECTIVELY AS USED HEREIN "THE LICENSEE") OR THE JOINT NEGLIGENCE OF THE CITY AND ANY OTHER PERSON OR ENTITY. IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO, BOTH THE LICENSEE AND THE CITY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS AN INDEMNITY BY THE LICENSEE TO INDEMNIFY, PROTECT AND DEFEND THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE INJURY, DEATH OR DAMAGE AND FROM THE CONSEQUENCES OF THE LICENSEE'S OWN NEGLIGENCE, WHERE THAT NEGLIGENCE IS THE SOLE OR CONCURRING CAUSE OF THE INJURY, DEATH, OR DAMAGE. FURTHERMORE, THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL HAVE NO APPLICATION TO THE CITY FOR ANY CLAIM, LOSS, DAMAGE, CAUSE OF ACTION, SUIT AND LIABILITY WHERE THE INJURY, DEATH OR DAMAGE RESULTS FROM THE SOLE NEGLIGENCE OF THE CITY, UNMIXED WITH THE FAULT OF ANY OTHER PERSON OR ENTITY. IN THE EVENT THAT ANY ACTION OR PROCEEDING IS BROUGHT AGAINST THE OWNER BY REASON OF ANY OF THE INDEMNITIES PROVIDED FOR HEREIN, INCLUDING, BUT NOT LIMITED TO, THOSE INCLUDED ELSEWHERE IN THIS CONTRACT, THE CONTRACTOR FURTHER AGREES AND COVENANTS TO DEFEND THE ACTION OR PROCEEDING BY LEGAL COUNSEL ACCEPTABLE TO THE OWNER. The indemnities

provided for herein, including, but not limited to, those elsewhere in this Contract, will survive the expiration or termination of this Agreement.

- 2.06 The Licensee shall maintain throughout the term of this Agreement the following coverages, written by a carrier that is licensed and admitted to do business in the State of Texas and having an A.M. Best Rating of A:VII or higher.

Commercial General Liability Policy;

- General aggregate of \$1,000,000.
- Minimum of \$500,000 per occurrence.
- Coverage shall be broad form.
- No coverage shall be deleted from the standard policy without notification of individual exclusions being attached for review and acceptance.
- Waiver of subrogation in favor of the City
- City, its officers, agents and employees shall be listed as additional insureds

Prior to the execution of this Agreement and thereafter upon request, The Licensee shall provide certificates of insurance to the City evidencing the coverages required herein.

3. Term

Except as otherwise provided herein, the term of this Agreement shall begin on the date signed by the City Manager and shall continue in full force and effect until the Banner is removed and the right-of-way is restored; provided that Sections 2.04 – 2.06 shall not expire but shall remain in full force and effect.

4. General Conditions

- 4.01 Neither the City nor the Licensee shall sell, assign, or transfer any of its rights or obligations under this Agreement in whole or in part during the term hereof.
- 4.02 Failure of either Party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing thereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce, by an appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.
- 4.03 This Agreement shall in all respects be interpreted and construed in accordance with and governed by the laws of the State of Texas, regardless of the place of its execution or performance. The place of making and the place of performance for all purposes shall be Friendswood, Galveston County, Texas.
- 4.04 All Parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.
- 4.05 In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any Party hereto on the basis that such Party did or did not author the same.
- 4.06 This Agreement, together with Section 15.8 of Appendix A of the Friendswood City Code, contains all the agreements of the Parties relating to the subject matter hereof and is the full and final expression of the agreement between the Parties. This Agreement shall not be amended or modified without the express written consent of both Parties hereto.

Executed in duplicate originals, this the ____ day of April, 2023.

CITY OF FRIENDSWOOD, TEXAS

MORAD KABIRI, City Manager (Date)

ATTEST:

LETTIE BRYSCH, City Secretary

THE LICENSEE:

(Signature) 3/24/2023 (Date)

John Laine

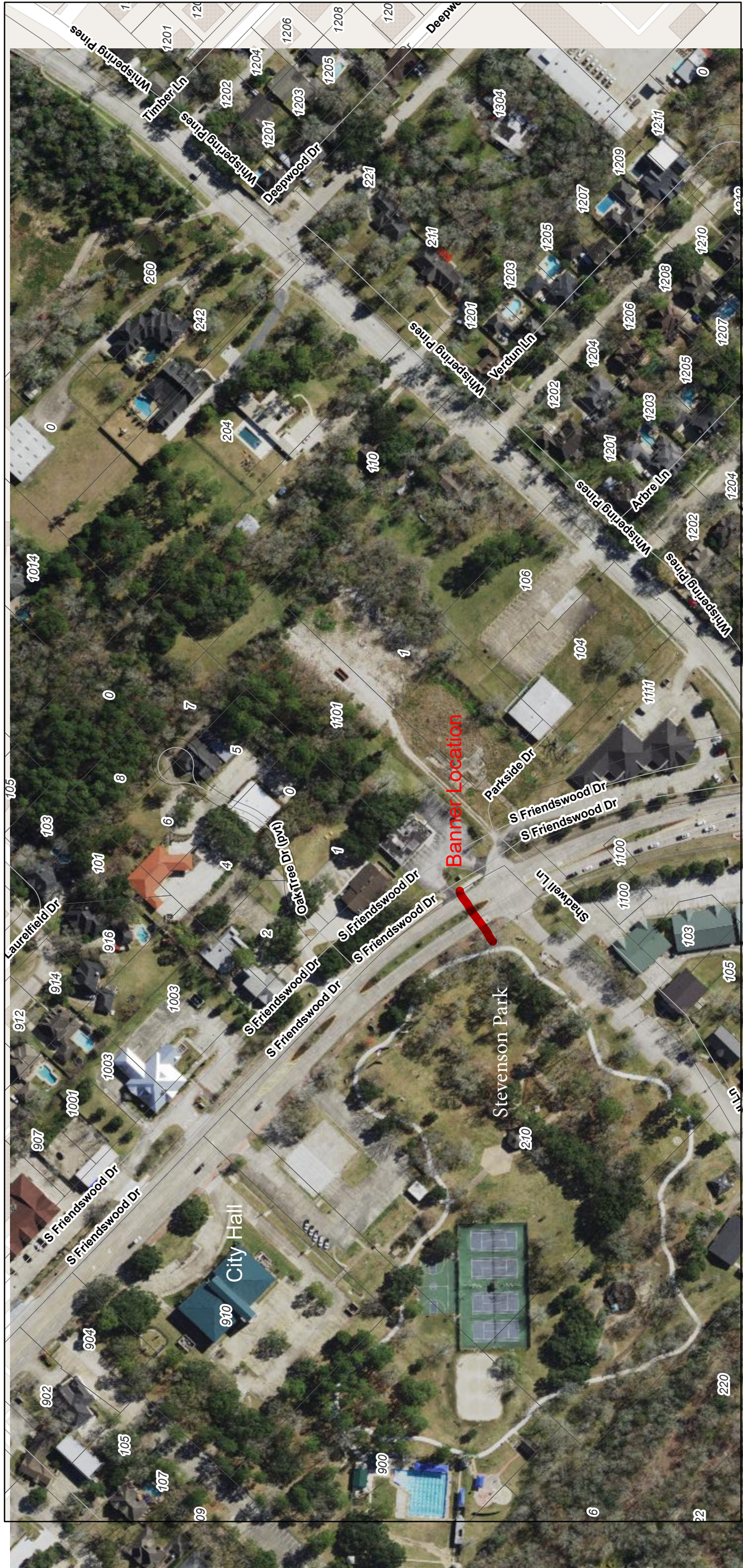
(Printed Name)

Business Manager

(Title)

Friendswood, Texas

Exhibit "A"



9/22/2022, 2:33:49 PM

City Limits

Streets

Galveston_County-Lot_Lines

Parcels

Parcels Owner Information

Houston-Galveston Area Council | Esri Community Maps Contributors, City of Houston, Brazoria County, HPB, Texas Parks & Wildlife, © OpenStreetMap, Microsoft, CONANP, Esri, HERE, Garmin, Foursquare, SafeGraph, GeoTechnologies, Inc. METI/NASA USGS, EPA, NPS, US Census Bureau, USDA

City of Houston - Our Communities

City of Friendswood Staff

Houston- Galveston Area Council, Esri Community Maps Contributors, City of Houston, Brazoria County, HPB, Texas Parks & Wildlife, © OpenStreetMap, Microsoft, CONANP, Esri, HERE, Garmin, Foursquare, SafeGraph, GeoTechnologies, Inc, METI/

City of Friendswood Staff

STREET BANNER USE PERMIT APPLICATION

The below charitable, non-profit organization has given proof that the banner is of a design and material type acceptable by the City of Friendswood and is hereby approved for the City of Friendswood to connect to its designated poles per the December 15, 2003 agreement with Texas New Mexico Power Company.

Date: 3/24/2023

Charitable, Non-Profit Organization Name: MARY QUEEN CHURCH

Address: 606 CEDARWOOD DR - Friendswood TX 77546

Mailing Address: SAME

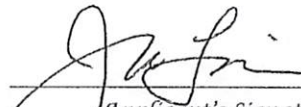
Contact Name: ROSE MARY BAEZ

Phone: (281) 482-1391

Effective Dates: ~~4-18-23~~ 4-24-23 THROUGH ~~5-8-23~~ 4-30-23 *mc*

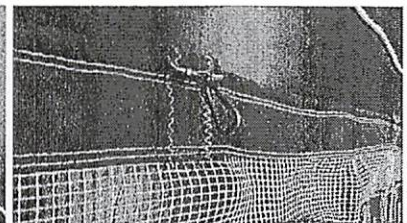
Banner Title: MARY QUEEN PARISH FESTIVAL

Banner Meets City of Friendswood Banner Requirement


Applicant's Signature

Each banner shall be constructed of porous netting material of at least eighty percent (80%) cotton mesh netting. No banner shall be more than twenty-five feet (25') in width or more than four feet (4') in height. All Banners shall have approved connecting fasteners along the top and tie-down ropes connected to each corner.

Example Banner & Approved Fastener:



During elections when City "Vote" banners are in place; only one additional banner shall be permitted to be positioned. A maximum of two banners can be positioned. No banner shall be permitted to be placed for a period of more than seven (7) consecutive days unless approved by the Texas Department of Transportation.

No banner permitted shall be erected except at Stevenson Park across South Friendswood Drive. The Street Banner Use Permit, License Agreement and Texas Department of Transportation Permit Application **MUST BE** submitted 30 days before the event. The original Certificate of Insurance must be attached to the application showing the City of Friendswood as the additional insured on the certificate.

Application for Use of State of Texas Right of Way for Temporary Signs for Special Events

Please print or type information

Date: 3/24/2023

To the Texas Department of Transportation (TxDOT)
c/o Area Engineer Galveston County, Texas

This form must be received at least 7 days prior to proposed use on the right of way.

Applicant MARY QUEEN CHURCH proposes to place a
sign within the right of way of Highway FM 518 Location Across from Stevenson Park on
FM 518 in Friendswood, TX in Galveston County, Texas.

☐ Check here for placement of multiple signs and submit the information requested on the Supplemental Sheet.

The temporary structure/vehicle will be placed _____ feet from the roadway and will have
the following characteristics:

Mounting Height 25 ft Thickness _____
✓ Sign Dimensions (Height, Width, Length) 4' x 24'
✓ Sign Material Vinyl Mesh
Sign Support Dimensions Posts 32.75 ft x 9 in dia; Wire cable 63 ft 8 in
Sign Support Material 2 ea wooden posts, 3 ea steel wire cables
✓ Proposed Text Mary Queen Parish Festival

Background Color GRAY MESH Legend Color Red White Blue

✓ The right of way will be used FROM DATE Monday April 17 TO DATE Monday May 8, 2023
(maximum of 60 days) and the nature of the event is PARISH FESTIVAL

The sponsor of the event, if applicable, is MARY QUEEN CHURCH

I will avoid or minimize impacts, and will, at my own expense, restore or repair damage resulting from this event.

I will be responsible for any damages or accidents that may occur during the term of this permit and save TxDOT and
the State of Texas harmless.

I will abide by all applicable federal, state and local environmental laws, regulations, ordinances, and any conditions
or restrictions required by TxDOT to protect natural and cultural resources of the right of way.

If this event causes hazardous traffic conditions to develop, I will cease the activity until corrective measures have
been implemented.

It is expressly understood that TxDOT reserves the right to enforce the terms and conditions that it may deem
necessary for the protection of the transportation facility and safety of the traveling public.

By signing below, I agree to the conditions/provisions included in this application. I am authorized to sign on the
behalf of the organization holding the event.

MARY QUEEN CHURCH
Applicant John Laine
By Business Manager
Title John Laine
Signature John Laine

606 Cedarwood Dr.
Mailing Address
Friendswood TX 77546
City, 381 State 482 Zip 1391
Area Code Telephone Number

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/23/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider approving a banner permit application for The Harbor (Friendswood Community Church) to advertise its annual Easter Sunday Services.

Originating Department: Public Works

Degree of importance: Elective

SUMMARY / ORIGINATING CAUSE

The Harbor (Friendswood Community Church) is requesting to hang a street banner. The banner will advertise its annual church services on Easter Sunday. The banner will be displayed between the dates of April 4, 2023 through April 10, 2023. The wording on the banner will state "Easter at The Harbor"

All required paperwork has been properly filled out and all other requirements have been met.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Via the outreach channel of visibility from vehicular traffic on FM 518 in front of Stevenson Park, the Friendswood Community will be able to be informed of the event.

RECOMMENDATIONS

Staff seeks consideration of approval from Mayor & City Council for the hanging of the new street banner.

ATTACHMENTS

1. The Harbor- Street Banner License Agreement
2. Banner Application COI Back Up

STREET BANNER LICENSE AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This Street Banner License Agreement (this "Agreement") is made and entered into this 3rd day of April, 2023, by and between the City of Friendswood, Texas, a home-rule municipal corporation located in Harris and Galveston Counties, Texas (the "City") and The Harbor, a non-commercial, charitable, nonprofit organization, having a principal place of business located at 2821 W. Parkwood Avenue, Friendswood, Texas (the "Licensee"). The City and the Licensee are each hereinafter referred to as "Party" and are collectively referred to as the "Parties."

For and in consideration of the promises, covenants, terms and provisions contained herein, the Parties hereby agree as follows:

1. City's Obligations.

- 1.01 Subject to Texas Department of Transportation written approval, the City agrees to permit the Licensee to use that portion of the S. Friendswood Drive right-of-way adjacent to Stevenson Park and depicted in Exhibit "A," which is attached hereto and incorporated herein for all intents and purposes, for the purpose of placing a banner over S. Friendswood Drive for a period of seven (7) days from April 4, 2023 to April 10, 2023.
- 1.02 Upon The Licensee's payment of all applicable fees, the City shall install a banner over S. Friendswood Drive on or before April 4, 2023, and shall remove the same on April 10, 2023, unless earlier removed in order to protect the public health, safety, and welfare.

2. The Licensee's Obligations

- 2.01 The Licensee shall pay to the City a non-refundable fee of TWENTY-FIVE AND NO/100 DOLLARS (\$25.00). All fees required hereunder shall be paid prior to the installation of the banner. Payment to City hereunder shall be by check, certified or cashier's check or by personal check if drawn on banks for which verification of funds may be obtained.
- 2.02 The Licensee shall conduct its activities so as not to endanger any person or property. The Licensee understand and agrees that should the banner pose a risk of danger to persons or property, the City may remove the banner without advance notice to the Licensee without liability.
- 2.03 The Licensee agrees that the placement, installation and removal of the banner shall be in accordance with all applicable laws, rules and regulations, including, but not limited to, Section 15.8 of Appendix A of the Friendswood City Code.
- 2.04 The Licensee agrees that the banner placed pursuant to the Agreement will be removed by the City upon the expiration of the license term specified in Section 3 below, unless required to be removed earlier for the protection of the public health, safety, and welfare. The Licensee shall be responsible for any and all damage to (i) the right-of-way, including any structure or facility located in, on, over, or under the right-of-way, and/or (ii) any other personal or real property, which damage is caused by the placement, removal or display of the banner. The Licensee shall pick up the banner before 5:00 p.m. on the Monday following the banner's removal. Should the Licensee fail to do so, the banner shall be considered abandoned and the City may keep or dispose of it as it sees fit.

- 2.05 Notwithstanding any other provision in this Agreement, it is further agreed that the City shall not be responsible to any party or parties whatsoever for any claims, demands, losses, suits, judgments for damages or injuries to persons or property by reason of the installation, maintenance, inspection, or use of the banner belonging to the Licensee and constructed, installed or placed on or over public right-of-way.

THE LICENSEE SHALL INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES (COLLECTIVELY IN THIS PARAGRAPH THE "CITY") FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITIES OF EVERY KIND FOR ANY INJURY, DEATH, OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE BANNER CONTEMPLATED HEREIN, OR IN THE PERFORMANCE OF ANY ACT OR ANY OMISSION UNDERTAKEN PURSUANT TO OR IN ANY MANNER RELATED TO THE LICENSE GRANTED HEREBY, WHERE SUCH INJURIES, DEATH OR DAMAGES ARE CAUSED BY THE SOLE OR JOINT NEGLIGENCE OF THE LICENSEE, ITS OFFICERS, AGENTS, CONTRACTORS, OR EMPLOYEES (COLLECTIVELY AS USED HEREIN "THE LICENSEE") OR THE JOINT NEGLIGENCE OF THE CITY AND ANY OTHER PERSON OR ENTITY. IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO, BOTH THE LICENSEE AND THE CITY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS AN INDEMNITY BY THE LICENSEE TO INDEMNIFY, PROTECT AND DEFEND THE CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE INJURY, DEATH OR DAMAGE AND FROM THE CONSEQUENCES OF THE LICENSEE'S OWN NEGLIGENCE, WHERE THAT NEGLIGENCE IS THE SOLE OR CONCURRING CAUSE OF THE INJURY, DEATH, OR DAMAGE. FURTHERMORE, THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL HAVE NO APPLICATION TO THE CITY FOR ANY CLAIM, LOSS, DAMAGE, CAUSE OF ACTION, SUIT AND LIABILITY WHERE THE INJURY, DEATH OR DAMAGE RESULTS FROM THE SOLE NEGLIGENCE OF THE CITY, UNMIXED WITH THE FAULT OF ANY OTHER PERSON OR ENTITY. IN THE EVENT THAT ANY ACTION OR PROCEEDING IS BROUGHT AGAINST THE OWNER BY REASON OF ANY OF THE INDEMNITIES PROVIDED FOR HEREIN, INCLUDING, BUT NOT LIMITED TO, THOSE INCLUDED ELSEWHERE IN THIS CONTRACT, THE CONTRACTOR FURTHER AGREES AND COVENANTS TO DEFEND THE ACTION OR PROCEEDING BY LEGAL COUNSEL ACCEPTABLE TO THE OWNER. The indemnities provided for herein, including, but not limited to, those elsewhere in this Contract, will survive the expiration or termination of this Agreement.

- 2.06 The Licensee shall maintain throughout the term of this Agreement the following coverages, written by a carrier that is licensed and admitted to do business in the State of Texas and having an A.M. Best Rating of A:VII or higher.

Commercial General Liability Policy;

- General aggregate of \$1,000,000.
- Minimum of \$500,000 per occurrence.
- Coverage shall be broad form.
- No coverage shall be deleted from the standard policy without notification of individual exclusions being attached for review and acceptance.
- Waiver of subrogation in favor of the City
- City, its officers, agents and employees shall be listed as additional insureds

Prior to the execution of this Agreement and thereafter upon request, The Licensee shall provide certificates of insurance to the City evidencing the coverages required herein.

3. Term

Except as otherwise provided herein, the term of this Agreement shall begin on the date signed by the City Manager and shall continue in full force and effect until the Banner is removed and the right-of-way is restored; provided that Sections 2.04 – 2.06 shall not expire but shall remain in full force and effect.

4. General Conditions

4.01 Neither the City nor the Licensee shall sell, assign, or transfer any of its rights or obligations under this Agreement in whole or in part during the term hereof.

4.02 Failure of either Party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing thereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce, by an appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

4.03 This Agreement shall in all respects be interpreted and construed in accordance with and governed by the laws of the State of Texas, regardless of the place of its execution or performance. The place of making and the place of performance for all purposes shall be Friendswood, Galveston County, Texas.

4.04 All Parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

4.05 In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any Party hereto on the basis that such Party did or did not author the same.

4.06 This Agreement, together with Section 15.8 of Appendix A of the Friendswood City Code, contains all the agreements of the Parties relating to the subject matter hereof and is the full and final expression of the agreement between the Parties. This Agreement shall not be amended or modified without the express written consent of both Parties hereto.

Executed in duplicate originals, this the ____ day of April, 2023.

CITY OF FRIENDSWOOD, TEXAS

MORAD KABIRI, City Manager (Date)

ATTEST:

LETTIE BRYSCH, City Secretary

THE LICENSEE:

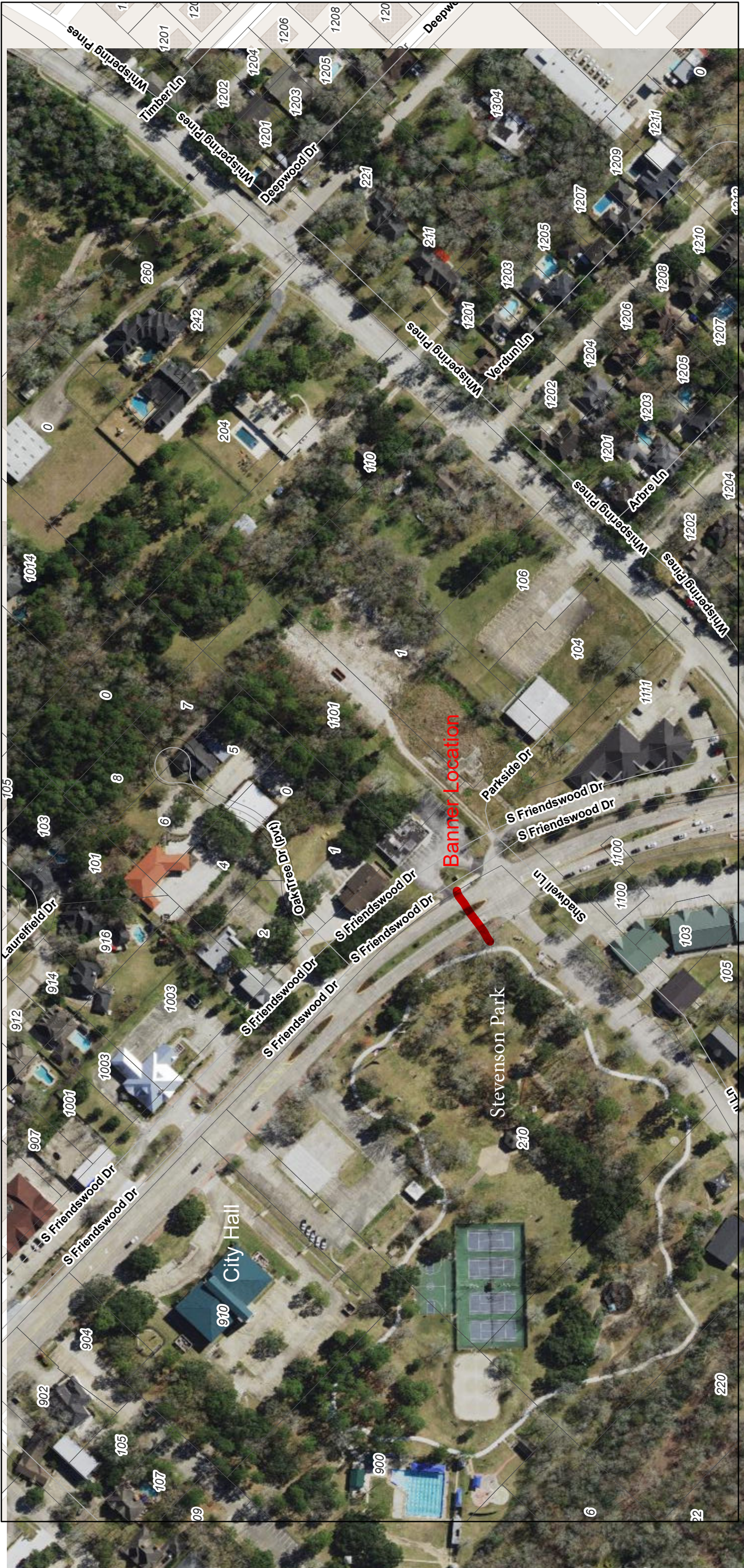
(Signature) (Date)

(Printed Name)

(Title)

Friendswood, Texas

Exhibit "A"



9/22/2022, 2:33:49 PM

City Limits

Streets

Galveston_County- Lot_Lines

Parcels

Parcels Owner Information

1:2,257

0 0.02 0.04 0.09 mi

0 0.04 0.07 0.14 km

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FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/16/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider authorizing a Buyout License Agreement with Janet and Ignatius Leonards for property located at 401 Richmond Lane.

Originating Department: Parks and Recreation

Degree of importance: As we acquire more and more Buyout Properties, Parks and Recreation has continued to seek out and coordinate license agreements with other entities.

SUMMARY / ORIGINATING CAUSE

This item authorizes a new license agreement for the property located at 401 Richmond Lane in accordance with the Open Space Guidelines. The property is located in the Heritage Estates Subdivision. The adjacent homeowners, Janet and Ignatius Leonards, are requesting to take over maintenance of this lot.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Approved License Agreements help to relieve the financial and maintenance burden.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. License Agreement_Leonards- 401 Richmond Lane
2. Questionnaire and GIS for lot License_Ignatius & Janet Leonards_02-15-2023_Redacted

LICENSE AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GALVESTON §

This License Agreement is made and entered into this 3rd day of April, 2023, by and between the City of Friendswood, Texas, a municipal corporation located in Galveston and Harris Counties, Texas, having its City Hall located at 910 South Friendswood Drive, Friendswood, Texas, hereinafter referred to as "Licensor," and Ignatius & Janet Leonards being located at 502 Colonial Dr. Friendswood, Texas 77546, hereinafter referred to as "Licensee."

WITNESSETH:

1. **Premises:** Licensor hereby grants to Licensee the right, privilege, and license to use the property located at 401 Richmond Lane, Friendswood, Galveston County, Texas, hereinafter referred to as the "Premises," and being more particularly described as follows:

Abstract 151, S. McKissick Survey,
Lot 6, Block 5, Heritage Estates, Section 1
Friendswood, Galveston County, Texas

2. **Use:** The License granted hereby to Licensee shall and does authorize Licensee to use and occupy the Premises nonexclusively for the purpose of maintaining and using as open space, in accordance with the Licensor's open space use guidelines. Licensee is authorized to construct such improvements, and only those improvements, as may be consented to in writing by Licensor's Floodplain Manager. Licensee covenants not to use the Premises in any manner that would preclude Licensor's future use of any portion of the Premises or easement thereon consistent with the Licensor's open space guidelines. Licensor hereby reserves the right to use the Premises in the future for utilities, parks, or any other use consistent with Licensor's open space guidelines.

3. **Term:** The term of this License shall be for a period of ten (10) years, commencing On April 3, 2023, and terminating at midnight, April 2, 2033. This ten (10) year term is renewable by Licensee for one (1) additional ten (10) year term by written notice provided by Licensee to Licensor a minimum of thirty (30) days prior to the termination date of this License Agreement.

4. **Consideration:** In consideration for the License granted hereby, Licensee shall pay to the respective Homeowner's Association all Homeowners' Association fees and dues associated with the Premises each year for the term of this License Agreement (hereinafter "License Fees"). Licensee shall also maintain the Premises in accordance with all applicable ordinances of the City of Friendswood, policies of the respective Homeowner's Association, and any applicable restrictive covenants covering the Premises.

5. **Access:** Licensee is hereby given and granted the right of ingress and egress over and across the Premises for such purposes as may be needed in conjunction with the rights granted in this License Agreement. Such right of ingress and egress shall be over existing roads, parking lots, or other roads that may be established by Licensee hereafter, subject to the prior written approval of Licensor's Flood Plain Manager. Licensee, subject to approval by Licensor's Flood Plain Manager, which approval shall not be unreasonably withheld, may improve any lands of Licensor in keeping with the purposes of the open space of the Premises.

6. **Utilities at Licensee's Cost:** Licensee shall be solely responsible for and promptly pay any and all charges for gas, electricity, telephone service, or any other utility used or consumed by Licensee on the Premises. Licensee may have an electrical current meter installed on the Premises, and Licensee thereof shall pay for the cost of such meter and of installation, maintenance, and repair.

7. **Holding Over:** If Licensee should continue occupancy of the Premises after the expiration of the primary term or any extension of this License, without the exercise of an option or the execution by Licensor and Licensee of a new License Agreement, then Licensee shall be deemed to be occupying the Premises as a licensee-at-sufferance on a month-to-month basis, subject to all the covenants and obligations of this License Agreement.

8. **Notice:** Any notice required hereunder shall be given in writing and shall be delivered by hand or sent by United States Registered or Certified Mail, postage prepaid addressed as follows:

If to Licensor:	City Friendswood, Texas 910 South Friendswood Drive Friendswood, Texas 77546 Attention: City Manager
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If to Licensee:	Ignatius & Janet Leonards 502 Colonial Dr. Friendswood, Texas 77546 Email: ileonards@iwl.net Phone: 832-453-1203 cell
-----------------	---

Either party hereto may change its address to which said notice shall be delivered or mailed by giving notice of such change as provided above. Notice shall be deemed given when delivered (if delivered by hand) or when postmarked (if sent properly by mail).

9. **Liability and Indemnity:** Licensee agrees to indemnify and save Licensor harmless from and against any and all claims (including costs and expenses of defending against such claims) arising or alleged to arise from any negligence, gross negligence, or wrongful act of whatsoever nature, of Licensee or Licensee's agents, employees, or contractors occurring or in anywise incident to, in connection with, or arising directly or indirectly out of this License Agreement. Licensee agrees to use and occupy the Premises at its own risk and hereby releases Licensor, its officers, agents and employees, from all claims for any damage or injury caused by

or as a result of any negligence or wrongful act or omission of Licensee, its officers, agents, employees, or contractors, unless due to the negligence, gross negligence, or wrongful act of whatsoever nature of Licensor, its agents or employees.

10. **Termination:** Either party hereto shall have the right to terminate this License at any time upon providing the other party thirty (30) days advance written notice. Upon notice of termination by either party, Licensee shall return the Premises to the condition of the Premises at the time of the execution of this License Agreement, normal wear and tear excepted.

11. **Defaults and Remedies:** Notwithstanding any other provision contained in this License Agreement to the contrary, Licensee shall not be in default under this License until:

A. In the case of a failure to pay License Fees or other sums due under this License, fifteen (15) days after receipt of written notice thereof from Licensor; or

B. In the case of any other default, thirty (30) days after receipt of written notice thereof from Licensor; provided, however, where any such default cannot reasonably be cured within thirty (30) days, Licensee shall not be deemed to be in default under the License if Licensee commences to cure such default within said thirty (30) day period and thereafter diligently pursues such cure to completion.

In the event of Licensee's default in the payment of License Fees or Licensee's failure to comply with any other material provision of this License, Licensor may, at its option, terminate this License without affecting its right to sue for all past due License Fees, and any other damages to which Licensor may be entitled. Should Licensor be entitled to collect License Fees or damages and be forced to do so through its attorney, or by other legal procedures, Licensor shall, upon receipt of a favorable ruling, be entitled to its reasonable costs and attorney fees thereby incurred, upon said collection.

12. **Taxes:** Licensee shall pay annually an amount equal to any increase in ad valorem taxes that may be attributable to any improvement to the Premises made by Licensee. If Licensor pays such tax, Licensee shall reimburse Licensor for the amount of any such tax payment within sixty (60) days of the receipt of sufficient documentation indicating the amount paid and the calculation of Licensee's pro-rata share. Upon written request by Licensee, Licensor shall furnish evidence of payment of all taxes.

13. **Improvements:** Licensee covenants and agrees that it will not construct, erect, or place any improvements on the Premises or other real property owned by Licensor without the prior written consent of the Licensor.

14. **Assignment:** Licensee shall not assign (by sublease or other means) any rights granted it under this License Agreement without the prior written consent of Licensor's Floodplain Manager, which consent shall not be unreasonably withheld.

15. **Other Conditions:**

A. Whenever under the License the consent or approval of either party is required or a determination must be made by either party, no such consent or approval shall be unreasonably withheld or delayed, and all such determinations shall be made on a reasonable basis and in a reasonable manner. Provided, however, nothing contained herein shall be construed to limit or restrict the exercise of Licensor of its legislative authority, specifically, but not limited to, matters relating to building, zoning, and other land development regulatory matters.

B. Licensor covenants that Licensee shall, upon the payment of License Fees and observation of covenants and conditions herein, possess the right, privilege, and license to use the Premises during the term of this License Agreement and as may be extended without hindrance, ejection, or molestation by Licensor, or by any person claiming under Licensor or any other licensee of Licensor.

C. In the event that any government or public body shall take all or such part of the Premises thereby making it physically or financially infeasible for the Premises to be used in the manner it was intended to be used by this License Agreement, Licensee shall have the right to terminate this License effective as of the date of the taking by the condemning party and the License Fees shall be prorated appropriately. However, if only a portion of the Premises is taken, and Licensee does not elect to terminate this License under this provision, then License Fees provided under this License shall be abated proportionately as to the portion taken which is not then usable by Licensee and this License shall continue.

D. Licensee shall not use the Premises in any way which interferes with the use of the surrounding Licensor property by Licensor, or lessees or licensees of Licensor, with rights in the Premises prior in time to Licensee's (subject to Licensee's rights under this License Agreement, including, without limitation, non-interference). Similarly, Licensor shall not use, nor shall Licensor permit its lessees, licensees, employees, invitees or agents to use, any portion of the Premises in any way, which interferes with the operations of Licensee. Such interference shall be deemed a material breach by the interfering party, who shall, upon written notice from the other, be responsible for terminating said interference. In the event such interference does not cease promptly, the parties acknowledge that continuing interference may cause irreparable injury and, therefore, the injured party shall have the right, in addition to any other rights it may have at law or in equity, to bring a court action to enjoin such interference or to terminate this License immediately upon written notice.

16. **Severability and Substitution of Valid Provisions:** In the event that any provision of this License Agreement shall be found to be void or unenforceable, such finding shall not be construed to render any other provision of this License either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are invalid or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either party.

17. **Entire Agreement and Binding Effect:** This License and any attached exhibits signed or initialed by the parties constitute the entire agreement between Licenser and Licensee; no prior written nor prior, contemporaneous, or subsequent oral promises or representations shall be binding. This License shall not be amended or changed except by written instrument signed by both parties hereto. Paragraph captions herein are for convenience only, and neither limit nor amplify the provisions of this instrument. The provisions of this License shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties.

IN WITNESS WHEREOF, Licenser and Licensee have executed this License Agreement as of the date and year first above written.

LICENSOR:

CITY OF FRIENDSWOOD, TEXAS

By:

Mike Foreman
Mayor

ATTEST:

Leticia Brysch
City Secretary

LICENSEE:

By:

Ignatius Leonards

By:

Janet Leonards

February 15, 2023

Re. City of Friendswood Open Space Licensing Program

Dear,

On June 22, 2004, the City of Friendswood received formal notification from the Governor's Division of Emergency Management that our Tropical Storm Allison Buyout Project is now closed. As you know, we had been anxiously awaiting this formal notification in order to proceed with our Open Space Licensing Program.

In order to provide the most appropriate use for each of the 136 lots obtained in the Buyout Project, our Open Space Committee identified the following priorities:

1. Galveston County Consolidated Drainage District *(Complete)*
2. City of Friendswood Parks and Recreation Department *(Complete)*
3. Homeowners Associations *(Complete)*
4. **Homeowners** *(Available)*

At this time, we would like to request that you please review the enclosed information and determine if you are interested in pursuing this unique opportunity.

Specific items to note include:

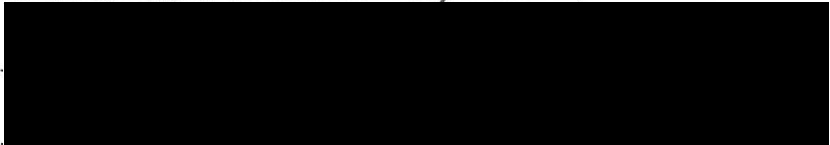
- There is no direct fee associated with this Licensing Program; therefore, it is not considered a "Lease".
- The Homeowner agrees to maintain the lots to the City and HOA standards.
- The Homeowner agrees to pay any HOA dues corresponding to the Buyout lots.
- The Homeowner would be able to use the Buyout lots for open space, green space, common parks, common garden areas, etc. with the stipulation that no structures, impervious cover, or fencing be placed on the lots.

This is just a brief summary, so please refer to the actual Agreement for further details. Once you have made a decision on which lot(s) you would like included within your Licensing Agreement, please let me know by completing the attached questionnaire, so that we can draft the final documents for signature.

In order to expedite the final phase of this Program, I am requesting a response from all potential licensors of these lots within the next 30 days.

We look forward to working with you to ensure that the remaining Buyout lots are maintained in the most effective and efficient manner. If you have any questions, please do not hesitate to call 281-996-3220.

City of Friendswood
Buyout Lot Licensing Program
Adjacent Homeowner's Questionnaire

Name(s): Janet & Ignatius Leonards
Address: 502 Colonial Dr, Friendswood, TX 77546
Phone: 
Email:

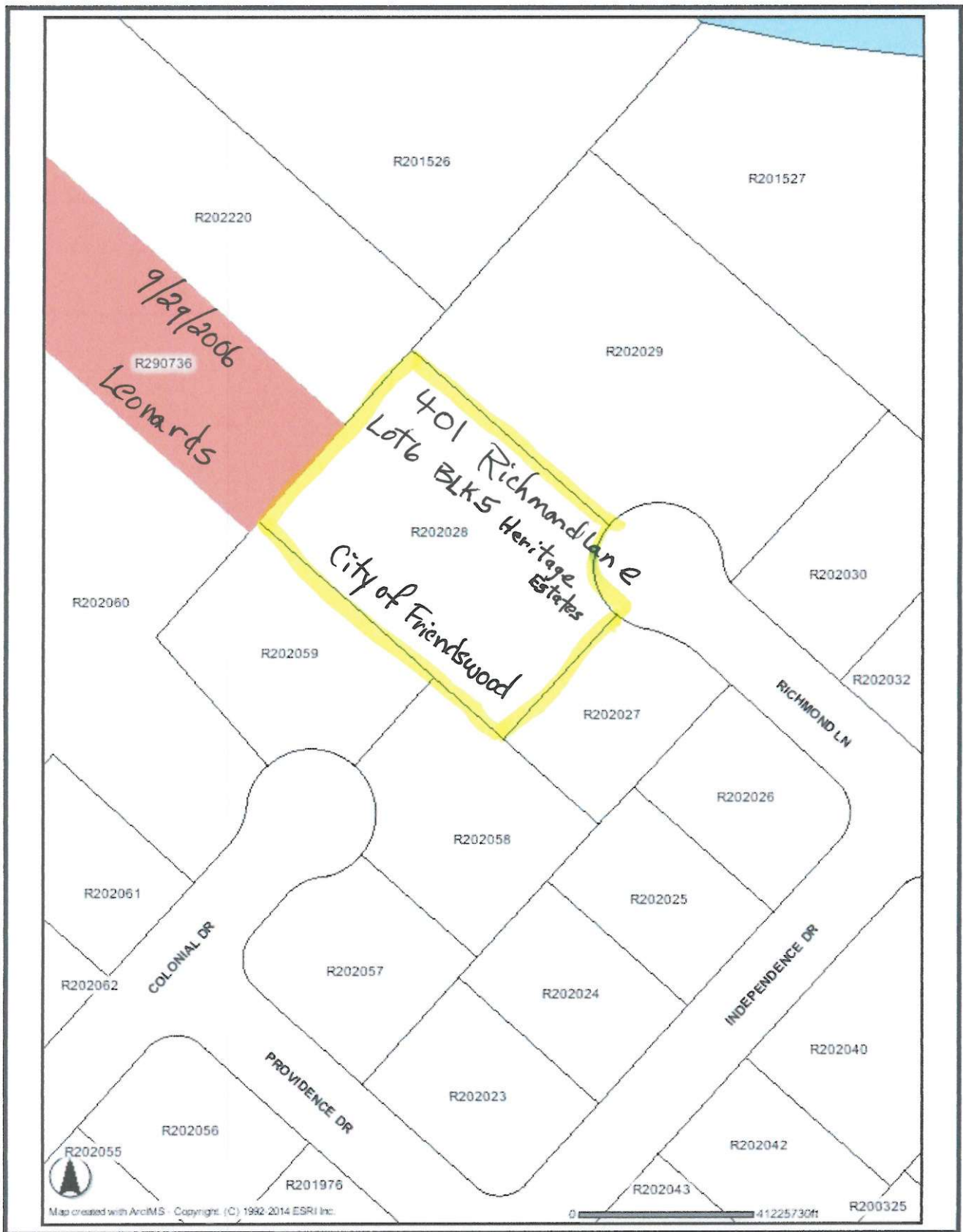
I have lived at this address since*: September 29, 2006

* In the event that more than one homeowner expresses interest in the same property, priority will be given to the one who has lived at their current address the longest.

I am interested in licensing the following lot(s): Lot 6 Block 5 Heritage Estates
(401 Richmond Lane) R202028

I am NOT interested in licensing any of the Buyout Lot properties. _____

Please return this form within the next 30 days to:
City of Friendswood
Community Services
910 S. Friendswood
Friendswood, TX 77546



Current Owner				Legal Description		Exemptions		Market		
LEONARDS, IGNATIUS & JANET (O320718) 502 COLONIAL DR FRIENDSWOOD, TX 77546				ABST 151 PAGE 4 PT OF LOT 6 (6-6) BLK 9 FRIENDSWOOD SUB				8,200		
Situs Address				History Information						
				2014	2013	2012	2011			
				Imp HS	-	-	-	-		
				Imp NHS	-	-	-	-		
				Land HS	-	-	-	-		
				Land NHS	\$8,200	\$8,200	\$8,200	\$8,200		
				Ag Mkt	-	-	-	-		
				Ag Use	-	-	-	-		
				Tim Mkt	-	-	-	-		
				Tim Use	-	-	-	-		
				HS Cap	-	-	-	-		
				Assessed	\$8,200	\$8,200	\$8,200	\$8,200		
				Type	Description	Area	Improvements Year Built	Eff Year	Value	
Building Attributes										
Construction	Foundation	Exterior	Interior	Roof	Flooring					
Heat/AC	Baths	Fireplace	Year Built	Rooms	Bedrooms					
Land Segments										
SPTB	Description	Area	Market	Ag Value						
C1	Back Acreage	1.079	8,200							

Current Owner			Legal Description		Exemptions		Market	
CITY-FRIENDSWOOD (0276462) PO BOX 1286 FRIENDSWOOD, TX 77549-1286			ABST 151 PAGE 4 LOT 6 BLK 5 HERITAGE ESTATES		EX		58,570	
Situs Address			History Information		Entities		Assessed	
			2014	2013	2012	2011		
			Imp HS	-	-	-		
			Imp NHS	-	-	-		
			Land HS	-	-	-		
			Land NHS	\$58,570	\$58,570	\$58,570		
			Ag Mkt	-	-	-		
			Ag Use	-	-	-		
			Tim Mkt	-	-	-		
			Tim Use	-	-	-		
			HS Cap	-	-	-		
			Assessed	\$58,570	\$58,570	\$58,570		
Building Attributes			Improvements		Value			
Construction	Foundation	Exterior	Interior	Roof	Flooring	Type	Description	Area
Heat/AC	Baths	Fireplace	Year Built	Rooms	Bedrooms			
Land Segments			Area		Market		Ag Value	
SPTB Description	Area		41609F		58,570			
C9 Public Use								

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/22/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider authorizing a Buyout License Agreement with Carl J. Castoreno, II, and Rosa Maruri for property located at 5342 and 5338 Appleblossom Lane.

Originating Department: Parks and Recreation

Degree of importance: As we acquire more and more Buyout Properties, Parks and Recreation has continued to seek out and coordinate license agreements with other entities.

SUMMARY / ORIGINATING CAUSE

This item authorizes a new license agreement for the property located at 5342 and 5338 Appleblossom Lane in accordance with the Open Space Guidelines . The property is located in Wedgewood Village Subdivision. Directly behind the two properties on Appleblossom reside the homeowners Carl J. Castoreno, II and Rosa Maruri, who live on Whittier Oaks Drive. Mr. Castoreno and Ms. Maruri are requesting to take over maintenance of both lots.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Approved License Agreements help to relieve the financial and maintenance burden.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. License Agreement - 5342 & 5338 Appleblossom Lane_Redacted
2. Homeowner Questionnaire and Site Location - Appleblossom_Redacted

LICENSE AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF GALVESTON §

This License Agreement is made and entered into this 3rd day of April, 2023, by and between the City of Friendswood, Texas, a municipal corporation located in Galveston and Harris Counties, Texas, having its City Hall located at 910 South Friendswood Drive, Friendswood, Texas, hereinafter referred to as "Licensor," and Carl J. Castoreno II, and Rosa Maruri whose address is 5315 Whittier Oaks Dr., Friendswood, Texas 77546, hereinafter, whether singular or plural, referred to as "Licensee."

WITNESSETH:

1. **Premises:** Licensor hereby grants to Licensee the right, privilege, and license to use the property located at 5342 & 4338 Appleblossom Lane, Friendswood, Harris County, Texas, hereinafter referred to as the "Premises," and being more particularly described as follows:

Lots 37 and 38, Block 1, Wedgewood Village, Section 8 U/R
Friendswood, Harris County, Texas

2. **Use:** The License granted hereby to Licensee shall and does authorize Licensee to use and occupy the Premises nonexclusively for the purpose of maintaining and using as open space, in accordance with the Licensor's open space use guidelines. Licensee is authorized to construct such improvements, and only those improvements, as may be consented to in writing by Licensor's Floodplain Manager. Licensee covenants not to use the Premises in any manner that would preclude Licensor's future use of any portion of the Premises or easement thereon consistent with the Licensor's open space guidelines. Licensor hereby reserves the right to use the Premises in the future for utilities, parks, or any other use consistent with Licensor's open space guidelines.

3. **Term:** The term of this License shall be for a period of ten (10) years, commencing On April 3, 2023, and terminating at midnight, April 2, 2033. This ten (10) year term is renewable by Licensee for one (1) additional ten (10) year term by written notice provided by Licensee to Licensor a minimum of thirty (30) days prior to the termination date of this License Agreement.

4. **Consideration:** In consideration for the License granted hereby, Licensee shall pay to the respective Homeowner's Association all Homeowners' Association fees and dues associated with the Premises each year for the term of this License Agreement (hereinafter "License Fees"). Licensee shall also maintain the Premises in accordance with all applicable ordinances of the City of Friendswood, policies of the respective Homeowner's Association, and any applicable restrictive covenants covering the Premises.

5. **Access:** Licensee is hereby given and granted the right of ingress and egress over and across the Premises for such purposes as may be needed in conjunction with the rights granted in this License Agreement. Such right of ingress and egress shall be over existing roads, parking lots, or other roads that may be established by Licensee hereafter, subject to the prior written approval of Licensor's Flood Plain Manager. Licensee, subject to approval by Licensor's Flood Plain Manager, which approval shall not be unreasonably withheld, may improve any lands of Licensor in keeping with the purposes of the open space of the Premises.

6. **Utilities at Licensee's Cost:** Licensee shall be solely responsible for and promptly pay any and all charges for gas, electricity, telephone service, or any other utility used or consumed by Licensee on the Premises. Licensee may have an electrical current meter installed on the Premises, and Licensee thereof shall pay for the cost of such meter and of installation, maintenance, and repair.

7. **Holding Over:** If Licensee should continue occupancy of the Premises after the expiration of the primary term or any extension of this License, without the exercise of an option or the execution by Licensor and Licensee of a new License Agreement, then Licensee shall be deemed to be occupying the Premises as a licensee-at-sufferance on a month-to-month basis, subject to all the covenants and obligations of this License Agreement.

8. **Notice:** Any notice required hereunder shall be given in writing and shall be delivered by hand or sent by United States Registered or Certified Mail, postage prepaid addressed as follows:

If to Licensor:

City Friendswood, Texas
910 South Friendswood Drive
Friendswood, Texas 77546
Attention: City Manager

If to Licensee:

Carl J. Castoreno II
Rosa Maruri
5315 Whittier Oaks Dr.,
Friendswood, Texas 77546

Either party hereto may change its address to which said notice shall be delivered or mailed by giving notice of such change as provided above. Notice shall be deemed given when delivered (if delivered by hand) or when postmarked (if sent properly by mail).

9. **Liability and Indemnity:** Licensee agrees to indemnify and save Licensor harmless from and against any and all claims (including costs and expenses of defending against such claims) arising or alleged to arise from any negligence, gross negligence, or wrongful act of whatsoever nature, of Licensee or Licensee's agents, employees, or contractors occurring or in anywise incident to, in connection with, or arising directly or indirectly out of this License Agreement. Licensee agrees to use and occupy the Premises at its own risk and hereby releases

Licensor, its officers, agents and employees, from all claims for any damage or injury caused by or as a result of any negligence or wrongful act or omission of Licensee, its officers, agents, employees, or contractors, unless due to the negligence, gross negligence, or wrongful act of whatsoever nature of Licensor, its agents or employees.

10. **Termination:** Either party hereto shall have the right to terminate this License at any time upon providing the other party thirty (30) days advance written notice. Upon notice of termination by either party, Licensee shall return the Premises to the condition of the Premises at the time of the execution of this License Agreement, normal wear and tear excepted.

11. **Defaults and Remedies:** Notwithstanding any other provision contained in this License Agreement to the contrary, Licensee shall not be in default under this License until:

A. In the case of a failure to pay License Fees or other sums due under this License, fifteen (15) days after receipt of written notice thereof from Licensor; or

B. In the case of any other default, thirty (30) days after receipt of written notice thereof from Licensor; provided, however, where any such default cannot reasonably be cured within thirty (30) days, Licensee shall not be deemed to be in default under the License if Licensee commences to cure such default within said thirty (30) day period and thereafter diligently pursues such cure to completion.

In the event of Licensee's default in the payment of License Fees or Licensee's failure to comply with any other material provision of this License, Licensor may, at its option, terminate this License without affecting its right to sue for all past due License Fees, and any other damages to which Licensor may be entitled. Should Licensor be entitled to collect License Fees or damages and be forced to do so through its attorney, or by other legal procedures, Licensor shall, upon receipt of a favorable ruling, be entitled to its reasonable costs and attorney fees thereby incurred, upon said collection.

12. **Taxes:** Licensee shall pay annually an amount equal to any increase in ad valorem taxes that may be attributable to any improvement to the Premises made by Licensee. If Licensor pays such tax, Licensee shall reimburse Licensor for the amount of any such tax payment within sixty (60) days of the receipt of sufficient documentation indicating the amount paid and the calculation of Licensee's pro-rata share. Upon written request by Licensee, Licensor shall furnish evidence of payment of all taxes.

13. **Improvements:** Licensee covenants and agrees that it will not construct, erect, or place any improvements on the Premises or other real property owned by Licensor without the prior written consent of the Licensor.

14. **Assignment:** Licensee shall not assign (by sublease or other means) any rights granted it under this License Agreement without the prior written consent of Licensor's Floodplain Manager, which consent shall not be unreasonably withheld.

15. **Other Conditions:**

A. Whenever under the License the consent or approval of either party is required or a determination must be made by either party, no such consent or approval shall be unreasonably withheld or delayed, and all such determinations shall be made on a reasonable basis and in a reasonable manner. Provided, however, nothing contained herein shall be construed to limit or restrict the exercise of Licensor of its legislative authority, specifically, but not limited to, matters relating to building, zoning, and other land development regulatory matters.

B. Licensor covenants that Licensee shall, upon the payment of License Fees and observation of covenants and conditions herein, possess the right, privilege, and license to use the Premises during the term of this License Agreement and as may be extended without hindrance, ejection, or molestation by Licensor, or by any person claiming under Licensor or any other licensee of Licensor.

C. In the event that any government or public body shall take all or such part of the Premises thereby making it physically or financially infeasible for the Premises to be used in the manner it was intended to be used by this License Agreement, Licensee shall have the right to terminate this License effective as of the date of the taking by the condemning party and the License Fees shall be prorated appropriately. However, if only a portion of the Premises is taken, and Licensee does not elect to terminate this License under this provision, then License Fees provided under this License shall be abated proportionately as to the portion taken which is not then usable by Licensee and this License shall continue.

D. Licensee shall not use the Premises in any way which interferes with the use of the surrounding Licensor property by Licensor, or lessees or licensees of Licensor, with rights in the Premises prior in time to Licensee's (subject to Licensee's rights under this License Agreement, including, without limitation, non-interference). Similarly, Licensor shall not use, nor shall Licensor permit its lessees, licensees, employees, invitees or agents to use, any portion of the Premises in any way, which interferes with the operations of Licensee. Such interference shall be deemed a material breach by the interfering party, who shall, upon written notice from the other, be responsible for terminating said interference. In the event such interference does not cease promptly, the parties acknowledge that continuing interference may cause irreparable injury and, therefore, the injured party shall have the right, in addition to any other rights it may have at law or in equity, to bring a court action to enjoin such interference or to terminate this License immediately upon written notice.

16. **Severability and Substitution of Valid Provisions:** In the event that any provision of this License Agreement shall be found to be void or unenforceable, such finding shall not be construed to render any other provision of this License either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are invalid or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either party.

17. **Entire Agreement and Binding Effect:** This License and any attached exhibits signed or initialed by the parties constitute the entire agreement between Licensor and Licensee; no prior written nor prior, contemporaneous, or subsequent oral promises or representations shall be binding. This License shall not be amended or changed except by written instrument signed by both parties hereto. Paragraph captions herein are for convenience only, and neither limit nor amplify the provisions of this instrument. The provisions of this License shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties.

IN WITNESS WHEREOF, Licensor and Licensee have executed this License Agreement as of the date and year first above written.

LICENSOR:

CITY OF FRIENDSWOOD, TEXAS

By:

Mike Foreman
Mayor

ATTEST:

Leticia Brysch
City Secretary

LICENSEES:

By:

Carl J. Castoreno II

By:

Rosa Maruri

March 1, 2023

Re. City of Friendswood Open Space Licensing Program

Dear,

On June 22, 2004, the City of Friendswood received formal notification from the Governor's Division of Emergency Management that our Tropical Storm Allison Buyout Project is now closed. As you know, we had been anxiously awaiting this formal notification in order to proceed with our Open Space Licensing Program.

In order to provide the most appropriate use for each of the 136 lots obtained in the Buyout Project, our Open Space Committee identified the following priorities:

1. Galveston County Consolidated Drainage District *(Complete)*
2. City of Friendswood Parks and Recreation Department *(Complete)*
3. Homeowners Associations *(Complete)*
4. **Homeowners** *(Available)*

At this time, we would like to request that you please review the enclosed information and determine if you are interested in pursuing this unique opportunity.

Specific items to note include:

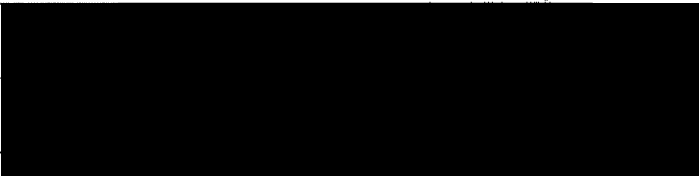
- There is no direct fee associated with this Licensing Program; therefore, it is not considered a "Lease".
- The Homeowner agrees to maintain the lots to the City and HOA standards.
- The Homeowner agrees to pay any HOA dues corresponding to the Buyout lots.
- The Homeowner would be able to use the Buyout lots for open space, green space, common parks, common garden areas, etc. with the stipulation that no structures, impervious cover, or fencing be placed on the lots.

This is just a brief summary, so please refer to the actual Agreement for further details. Once you have made a decision on which lot(s) you would like included within your Licensing Agreement, please let me know by completing the attached questionnaire, so that we can draft the final documents for signature.

In order to expedite the final phase of this Program, I am requesting a response from all potential licensors of these lots within the next 30 days.

We look forward to working with you to ensure that the remaining Buyout lots are maintained in the most effective and efficient manner. If you have any questions, please do not hesitate to call 281-996-3220.

City of Friendswood
Buyout Lot Licensing Program
Adjacent Homeowner's Questionnaire

Name(s): Rosa Maruni
Carl J. Castoreno II
Address: 5315 Whittier Oaks Dr.
Phone: 
Email: 

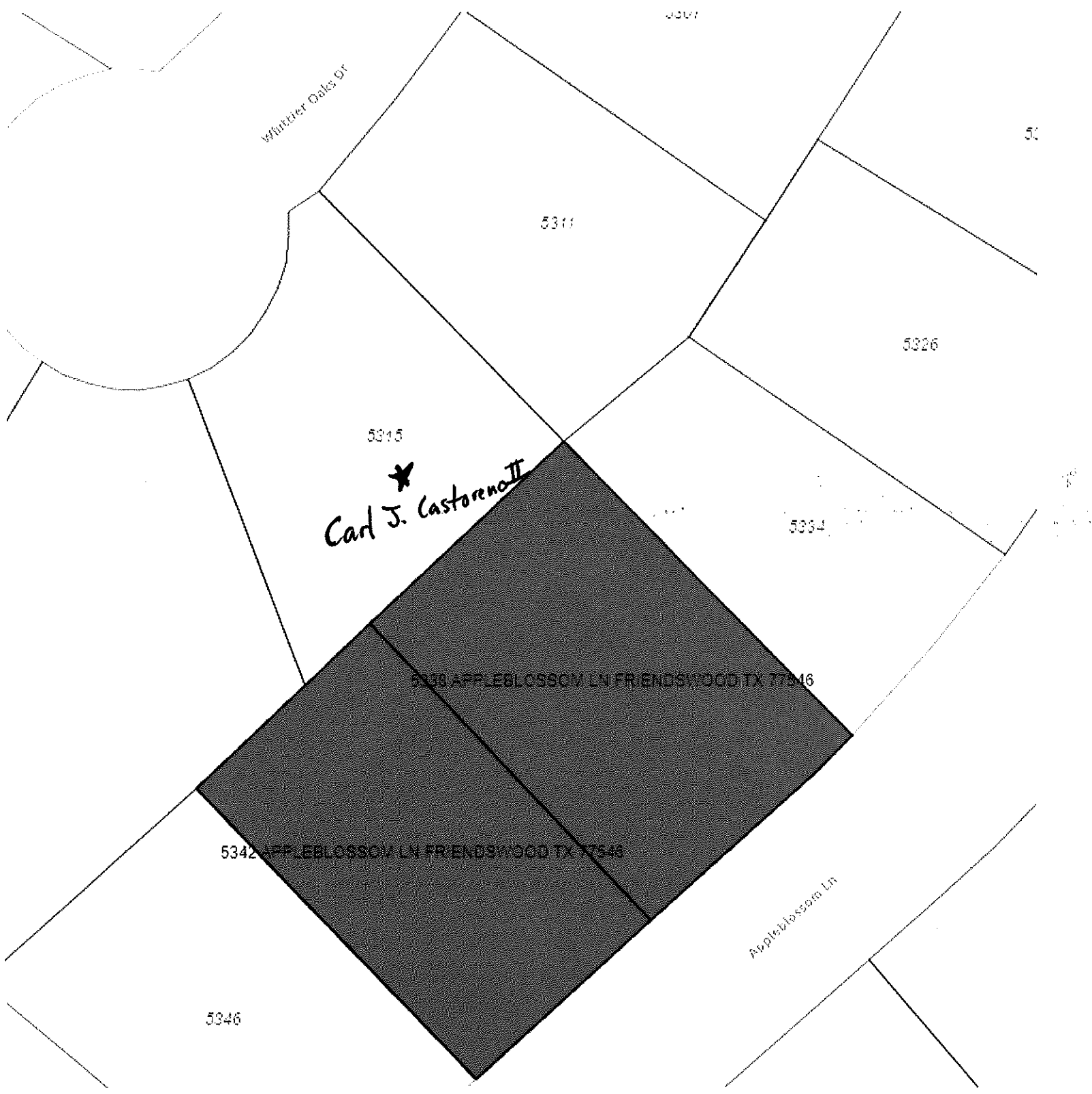
I have lived at this address since*: Feb. 28th, 2023

* In the event that more than one homeowner expresses interest in the same property, priority will be given to the one who has lived at their current address the longest.

I am interested in licensing the following lot(s): 5342 + 5338
Apple blossom Ln.

I am NOT interested in licensing any of the Buyout Lot properties. _____

Please return this form within the next 30 days to:
City of Friendswood
Parks & Recreation Department
910 S. Friendswood
Friendswood, TX 77546



FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/01/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider accepting the 2021-2022 Concrete Street Maintenance Program and the commencement of the contractor's one-year maintenance period.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Work associated with the City's 2021-2022 Concrete Street Maintenance Program has been completed. This project has enabled the City to complete maintenance needed to roadways, curb, crack sealing, and miscellaneous items. Funding for this project was provided through the 2021/2022 FY General Fund allocation for street maintenance.

City Staff has inspected the aforementioned infrastructure and found it to be built in compliance with City specifications.

The City has received a one-year maintenance bond from the contractor, Greenscape Six, LLC, to correct any work found deficient during this one-year period.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. 00790 - Certification of Completion for Friendswood
2. Maintenance Bond - Greenscape Six, LLC

DOCUMENT 00790

CONTRACTOR'S CERTIFICATION OF FINAL COMPLETION

PROJECT NAME: 2021-2022 Concrete Street Maintenance Program

PROJECT NUMBER: ST2022C

BID No.: 2022-02

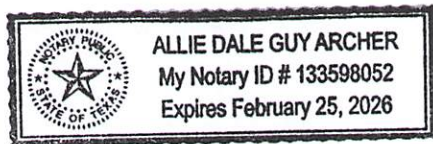
CONTRACT DATED: March 7, 2022

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Mike Archer who, being by me duly sworn, on his oath says that he or she represents Greenscape Six, LLC the Contractor who has performed a contract with the City of Friendswood for the construction of the Work described above, and is duly authorized to make this affidavit; that he or she has personally examined the Work described above as required by the Contract Documents; that said Work and all items thereof have been completed and all known defects made good; that all surplus material, refuse, dirt and rubbish have been cleaned up and removed or disposed of as directed by the Project Manager; that all parts of Work are in a neat, tidy, finished condition and ready in all respects for acceptance by the City; that all gravel or shell roadway surfaces removed during the course of the Work have been replaced in accordance with the City of Friendswood Technical Specifications, that rates of pay for all labor employed on said Work have not been below the minimum set out in "Labor Classification and Minimum Wage Scale" in the Contract Documents and that within the knowledge of affiant all just bills for labor and material and for the rental or use of any equipment or apparatus, used in, on, or in connection with the Work have been paid in full by the Contractor.

Mike Archer

Affiant's Signature

SWORN AND SUBSCRIBED before me on 2.21.23
Date



Allie Archer

Notary Public in and for the State of Texas

Allie Archer

Print or type name

My Commission Expires: 2.25.26
Expiration Date

THIS IS TO CERTIFY that I have thoroughly inspected the Work performed by the above named Contractor on the above described Contract and find all things in accordance with the Contract documents governing this Work.

00790-2

Hailee Medwedeff

**Hailee Medwedeff, CFM, ENV SP
Projects Coordinator
City of Friendswood**

02/21/2023

Date

END OF DOCUMENT

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/22/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider authorizing the final acceptance of the Avalon at Friendswood Section 1 Public Paving and Utilities Improvements Project.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City began its one-year maintenance period for Avalon at Friendswood Section 1 Public Paving and Utilities Improvements in January 2022. The maintenance bond has reached its obligation. This agenda item is to authorize the final acceptance of the Avalon at Friendswood Section 1 Public Paving and Utilities Improvements and to formerly release that bond.

City Staff conducted a one-year warranty inspection and found everything to be in working order.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Hurtada Construction Company will have its bond released immediately upon final acceptance by the City Council.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. 00645 - Release of Bond - Avalon Section 1

RELEASE OF BOND

Date: April 03, 2023

Project Name: Avalon at Friendswood Section 1

TO: Hurtado Construction Company
9614 FM 1464
Richmond, TX 77407

The Contractor and the Surety having complied with the provisions of the General Conditions, and all work is in accordance with the Contract Documents at the end of the one-year Warranty. This Project was brought before the City Council on January 10, 2022, for the acceptance of the One-Year Maintenance Period. The City Council accepts the One-Year Maintenance as complete and renders this obligation null and void, releasing the One-Year Maintenance Bond from Liberty Mutual Fire Insurance Company, which is enclosed.

Jildardo Arias, PE, CFM, ENV SP
Director of Engineering, City Engineer

JA/hv

END OF DOCUMENT

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/29/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider accepting the Bay Area Boulevard Concrete Repairs and the commencement of the contractor's one-year maintenance period.

Originating Department: Engineering

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

Pavecon Ltd. Co. ("Pavecon") recently completed emergency concrete pavement repairs on Bay Area Boulevard. These repairs were authorized by City Council at its December 5, 2022 meeting. Seven inches of concrete were removed and the road subgrade was stabilized using lime. There was also a damaged guardrail that was replaced.

City Staff has inspected the infrastructure and found it to be built in compliance with City specifications.

The City has received a one-year maintenance bond from the contractor to correct any work found deficient during this period.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Bay Area Emergency Repairs Maintenance Bond

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/29/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider accepting the Bay Area Boulevard – December 2022 Project and the commencement of the contractor's one-year maintenance period.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Pavecon Ltd. Co. ("Pavecon") recently completed concrete pavement repairs on Bay Area Boulevard. Seven inches of concrete were removed, and the road subgrade was stabilized using lime. This work was done in the vicinity of additional work Pavecon was already performing as an emergency repair.

City Staff has inspected the infrastructure and found it to be built in compliance with City specifications.

The City has received a one-year maintenance bond from the contractor, Pavecon, LTD., to correct any work found deficient during this period.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. 2022 Bay Area Repair Maintenance Bond

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/29/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider accepting the 2021-2022 Street Striping Maintenance Program and the commencement of the contractor's one-year maintenance period.

Originating Department: Engineering

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

Work associated with the City of Friendswood's 2021-2022 Street Striping Maintenance Program has been completed. This project included 40,000 LF of striping on Sunset Drive, the south end of Blackhawk Boulevard, Whispering Pines, West Boulevard, and Manison Parkway; stop bars on Friendswood Parkway; and a bike lane on San Joaquin. Funding for this project was provided through the 21/22 FY General Fund allocation for street maintenance.

City Staff has inspected the aforementioned project and found it to be in compliance with City specifications.

The City has received a one-year maintenance bond from the contractor, Pavcon LTD., to correct any work found deficient during the one-year period.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. FY22 Street Striping Maintenance Bond

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 02/28/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider approving the ad valorem tax report for February 2023.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. Gal Co Tax Feb 2023



Cheryl E. Johnson, PCC
Assessor and Collector of Taxes
County of Galveston
722 Moody Avenue, Galveston, Texas 77550
Toll Free (877) 766-2284 Fax: (409) 766-2479
Email: galcotax@co.galveston.tx.us



March 8, 2023

The Governmental Entities of the Galveston County Tax Assessor/Collector's Office:

I, Cheryl E. Johnson, Tax Assessor and Collector of the County of Galveston do solemnly swear that this statement of collections made by me and the disposition thereof during the month of February, 2023 is true and correct.

Under my hand and seal this 8th day of March, 2023.

Cheryl E. Johnson
on behalf of Cheryl E. Johnson

Cheryl E. Johnson, PCC
Galveston County Tax Assessor/Collector

cc: Randall Rice, County Auditor
Linebarger, Goggan, Blair, & Simpson
Perdue, Brandon, Fielder, Collins, & Mott
Assessment & Collection Partners:

City of Bayou Vista
City of Clear Lake Shores (delinquent)
City of Dickinson
City of Friendswood
City of Galveston
City of Hitchcock
City of Jamaica Beach
City of Kemah
City La Marque
City of League City
City of Santa Fe
City of Texas City
City of Tiki Island
Dickinson Independent School District
Galveston Independent School District
High Island Independent School District
Hitchcock Independent School District
College of the Mainland
Bay Colony West MUD

Galveston Community College
GC Drainage District No. 1
GC Drainage District No. 2
GC Emergency Services Dist. No. 1
GC Emergency Services Dist. No. 2
GC Fresh Water Supply Dist. No. 6
Bacliff MUD
Bayview MUD
Galveston County MUD No. 12
Galveston County MUD No. 13
Galveston County MUD No. 44
San Leon MUD
Tara Glen MUD
GC Navigation District No. 1
WCID No. 1
WCID No. 12
WCID No. 19
Westwood Management District

03/03/2023 09:14:05 4226200
TC298-D SELECTION: DEPOSIT
RECEIPT DATE: ALL
LOCATION: ALL

TAX COLLECTION SYSTEM
DEPOSIT DISTRIBUTION
FROM: 02/01/2023 THRU 02/28/2023
JURISDICTION: 0337 FRIENDWD CITY

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INCLUDES AG ROLLBACK

YEAR	FUND	TAX RATE	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	TIF AMOUNT	DISBURSE TOTAL	ATTORNEY	OTHER FEES	REFUND AMOUNT	PAYMENT AMOUNT
2022	M & O	.388560	1,938,618.08	.00	15,705.69	.00	1,954,323.77	577.50	391.78	.00	1,955,293.05
	I & S	.098754	492,707.37	.00	3,991.72	.00	496,699.09	.00	.00	.00	496,699.09
	TOTAL	.487314	2,431,325.45	.00	19,697.41	.00	2,451,022.86	577.50	391.78	.00	2,451,992.14
2021	M & O	.385147	6,440.35	.00	1,594.67	.00	8,035.02	2,186.62	.00	.00	10,221.64
	I & S	.102167	1,708.37	.00	422.99	.00	2,131.36	.00	.00	.00	2,131.36
	TOTAL	.487314	8,148.72	.00	2,017.66	.00	10,166.38	2,186.62	.00	.00	12,353.00
2020	M & O	.392153	1,301.65	.00	454.01	.00	1,755.66	333.74	.00	.00	2,089.40
	I & S	.095161	315.84	.00	110.18	.00	426.02	.00	.00	.00	426.02
	TOTAL	.487314	1,617.49	.00	564.19	.00	2,181.68	333.74	.00	.00	2,515.42
2019	M & O	.432160	261.22	.00	123.48	.00	384.70	92.00	.00	.00	476.70
	I & S	.089279	53.97	.00	25.52	.00	79.49	.00	.00	.00	79.49
	TOTAL	.521439	315.19	.00	149.00	.00	464.19	92.00	.00	.00	556.19
2018	M & O	.437173	141.95	.00	86.60	.00	228.55	55.67	.00	.00	284.22
	I & S	.095218	30.92	.00	18.86	.00	49.78	.00	.00	.00	49.78
	TOTAL	.532391	172.87	.00	105.46	.00	278.33	55.67	.00	.00	334.00
ALL	M & O		1,946,763.25	.00	17,964.45	.00	1,964,727.70	3,245.53	391.78	.00	1,968,365.01
ALL	I & S		494,816.47	.00	4,569.27	.00	499,385.74	.00	.00	.00	499,385.74
ALL	TOTAL		2,441,579.72	.00	22,533.72	.00	2,464,113.44	3,245.53	391.78	.00	2,467,750.75
DLQ	M & O		8,145.17	.00	2,258.76	.00	10,403.93	2,668.03	.00	.00	13,071.96
DLQ	I & S		2,109.10	.00	577.55	.00	2,686.65	.00	.00	.00	2,686.65
DLQ	TOTAL		10,254.27	.00	2,836.31	.00	13,090.58	2,668.03	.00	.00	15,758.61
CURR	M & O		1,938,618.08	.00	15,705.69	.00	1,954,323.77	577.50	391.78	.00	1,955,293.05
CURR	I & S		492,707.37	.00	3,991.72	.00	496,699.09	.00	.00	.00	496,699.09
CURR	TOTAL		2,431,325.45	.00	19,697.41	.00	2,451,022.86	577.50	391.78	.00	2,451,992.14

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TAX COLLECTION SYSTEM
TAX COLLECTOR MONTHLY REPORT
FROM 08/01/2022 TO 02/28/2023

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INCLUDES AG ROLLBACK

FISCAL START: 08/01/2022 END: 07/31/2023 JURISDICTION: 0337 FRIENDWD CITY

	CERT TAXABLE VALUE	ADJUSTMENTS	ADJ TAX VALUE	TAX RATE	TAX LEVY	PAID ACCTS
CURRENT YEAR	4,778,686,394	135,645,517	4,914,331,911	0 00.487314	22,866,155.74	15,879

YEAR	TAXES DUE	MONTH ADJ	ADJUSTMENT YTD	LEVY PAID	PAID YTD	BALANCE	COLL %	YTD UNCOLL
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2022	22,218,569.13	647,586.61	647,586.61	21,626,618.72	21,626,618.72	1,239,537.02	94.58	0.00
2021	183,112.68	50,590.99-	50,590.99-	62,047.80	62,047.80	70,473.89	46.82	0.00
2020	40,724.70	29,769.76-	29,769.76-	23,183.38-	23,183.38-	34,138.32	11.62-	0.00
2019	31,463.95	10,261.95-	10,261.95-	2,108.77-	2,108.77-	23,310.77	9.95-	0.00
2018	20,734.77	37.21-	37.21-	4,783.90	4,783.90	15,913.66	23.11	0.00
2017	13,655.17	.00	0.00	12.53	12.53	13,642.64	.09	0.00
2016	12,123.04	.00	0.00	5.51	5.51	12,117.53	.05	0.00
2015	11,833.72	.00	0.00	6.96	6.96	11,826.76	.06	0.00
2014	12,474.54	.00	0.00	0.00	0.00	12,474.54		0.00
2013	9,677.98	.00	0.00	0.00	0.00	9,677.98		0.00
2012	9,566.41	.00	0.00	0.00	0.00	9,566.41		0.00
2011	6,897.31	.00	0.00	0.00	0.00	6,897.31		0.00
2010	3,613.44	.00	0.00	0.00	0.00	3,613.44		0.00
2009	5,164.80	.00	0.00	0.00	0.00	5,164.80		0.00
2008	4,281.97	.00	0.00	0.00	0.00	4,281.97		0.00
2007	1,321.11	.00	0.00	0.00	0.00	1,321.11		0.00
2006	2,707.18	.00	0.00	269.28	269.28	2,437.90	9.95	0.00
2005	1,298.61	.00	0.00	128.00	128.00	1,170.61	9.86	0.00
2004	640.47	.00	0.00	0.00	0.00	640.47		0.00
2003	647.12	.00	0.00	0.00	0.00	647.12		0.00
2002	512.76	.00	0.00	0.00	0.00	512.76		0.00
2001	263.32	.00	0.00	0.00	0.00	263.32		0.00
***	22,591,284.18	556,926.70	556,926.70	21,668,580.55	21,668,580.55	1,479,630.33		0.00
CURR	22,218,569.13	647,586.61	647,586.61	21,626,618.72	21,626,618.72	1,239,537.02		0.00
DELQ	372,715.05	90,659.91-	90,659.91-	41,961.83	41,961.83	240,093.31		0.00

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TAX COLLECTION SYSTEM
DEPOSIT DISTRIBUTION
REVERSALS DETAIL SCHEDULE
FROM: 02/01/2023 THRU 02/28/2023
JURISDICTION: 337 FRIENDMD CITY

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INCLUDES AG ROLIBACK

YEAR	DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2021	RF230221	1034960000040	202112	121.83-	0.00	0.00	0.00 HK18	121.83	0.00 RF
2021	RF230221	1034960000040	202112	0.00	0.00	0.00	0.00 HK18	121.83-	121.83-RF
2021	RF230221	1206360010034	202112	422.70-	0.00	0.00	0.00 HK18	422.70	0.00 RF
2021	RF230221	1206360010034	202112	0.00	0.00	0.00	0.00 HK18	422.70-	422.70-RF
2021	RF230214	168788	202302	20.79-	0.00	2.70-	4.70-CERT	0.00	28.19-TR
2021	RF230214	412958	202206	0.00	0.00	0.00	0.00 CERT	487.32-	487.32-RF
2021	RF230214	412958	202206	487.32-	0.00	0.00	0.00 CERT	487.32	0.00 RF
2021	RF230214	434314	202206	487.32-	0.00	0.00	0.00 CERT	487.32	0.00 RF
2021	RF230214	434314	202206	0.00	0.00	0.00	0.00 CERT	487.32-	487.32-RF

2021 TOTAL

1,539.96-

0.00

2.70-

4.70-

0.00

1,547.36-

2022	902022723T	1004080000013	202212	358.68-	0.00	0.00	0.00 CERT	0.00	358.68-TR
2022	RF230202	1022360000014	202207	13.56-	0.00	0.00	0.00 CERT	13.56	0.00 RF
2022	RF230202	1022360000014	202207	0.00	0.00	0.00	0.00 CERT	13.56-	13.56-RF
2022	RF230202	1022360000014	202301	112.00-	0.00	0.00	0.00 CERT	112.00	0.00 RF
2022	RF230202	1022360000014	202301	0.00	0.00	0.00	0.00 CERT	112.00-	112.00-RF
2022	RF230221	1034960000040	202301	0.00	0.00	0.00	0.00 HK06	169.57-	169.57-RF
2022	RF230209	1034960000016	202302	169.57-	0.00	0.00	0.00 HK06	169.57	0.00 RF
2022	RF230209	1034960000016	202302	0.00	0.00	0.00	0.00 CERT	1,035.34-	1,035.34-RF
2022	RF230209	1034960000016	202302	967.61-	0.00	67.73-	0.00 CERT	1,035.34	0.00 RF
2022	929022323T	1043980010030	202212	672.35-	0.00	0.00	0.00 CERT	0.00	672.35-TR
2022	RF230223	1043990010030	202212	672.35-	0.00	0.00	0.00 CERT	672.35	0.00 RF
2022	RF230223	1043990010030	202212	0.00	0.00	0.00	0.00 CERT	672.35-	672.35-RF
2022	924020623CHC	1050130000018	202301	383.91-	0.00	0.00	0.00 CERT	0.00	383.91-TR
2022	RF230202	1055780000002	202301	278.65-	0.00	0.00	0.00 CERT	278.65	0.00 RF
2022	RF230202	1055780000002	202301	0.00	0.00	0.00	0.00 CERT	278.65-	278.65-RF
2022	RF230221	1055780000003	202302	0.00	0.00	0.00	0.00 CERT	529.49-	529.49-RF
2022	RF230221	1055780000003	202302	494.85-	0.00	34.64-	0.00 HK06	529.49	0.00 RF
2022	RF230202	1063210000004	202301	0.00	0.00	0.00	0.00 CERT	924.26-	924.26-RF
2022	RF230202	1063210000004	202301	0.00	0.00	0.00	0.00 CERT	924.26	0.00 RF
2022	941022323T	1084720000031	202301	312.04-	0.00	0.00	0.00 CERT	0.00	312.04-TR
2022	941022323T	1084720000031	202301	90.48-	0.00	0.00	0.00 CERT	0.00	90.48-TR
2022	941022323T	1084720000031	202301	312.04-	0.00	0.00	0.00 CERT	0.00	312.04-TR
2022	941022323T	1084720000031	202301	0.00	0.00	0.00	0.00 CERT	714.56-	714.56-RF
2022	RF230201	1084720000031	202301	714.56-	0.00	0.00	0.00 CERT	714.56	0.00 RF
2022	RF230201	1084720000031	202301	815.59-	0.00	57.09-	0.00 CERT	872.68-	872.68-RF
2022	RF230222	1084720000061	202302	0.00	0.00	0.00	0.00 CERT	872.68-	872.68-RF
2022	RF230222	1084720000061	202302	1,385.89-	0.00	0.00	0.00 HK06	1,385.89	0.00 RF
2022	RF230221	1206360010034	202212	0.00	0.00	0.00	0.00 HK06	1,385.89-	1,385.89-RF
2022	RF230221	1206360010034	202212	106.34-	0.00	0.00	0.00 HK06	106.34	0.00 RF
2022	RF230221	1209130010020	202301	0.00	0.00	0.00	0.00 HK06	106.34-	106.34-RF
2022	RF230221	1209130010020	202301	0.00	0.00	0.00	0.00 HK06	1,997.92	0.00 RF
2022	RF230228	1254280090016	202302	1,867.21-	0.00	130.71-	0.00 CERT	1,997.92	0.00 RF
2022	RF230228	1254280090016	202302	0.00	0.00	0.00	0.00 CERT	1,997.92-	1,997.92-RF

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JURISDICTION: 337 FRIENDMD CITY

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INCLUDES AG ROLLBACK

YEAR	DEPOSIT	ACCOUNT NUMBER	EFY YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE / REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2022	RF230221	1254280090023	202212	300.12-	0.00	0.00	0.00 HK06	300.12	0.00 RF
2022	RF230221	1254280090023	202212	0.00	0.00	0.00	0.00 HK06	300.12-	300.12-RF
2022	902022823T	1294700060014	202302	1,204.34-	0.00	21.45-	0.00 HK01	0.00	1,225.79-TR
2022	QR230228	1294700060014	202302	284.99-	0.00	0.00	0.00 HK01	0.00	284.99-TR
2022	QR230228	1294700060014	202302	306.45-	0.00	0.00	0.00 HK01	0.00	306.45-TR
2022	QR230228	1294700060014	202302	306.45-	0.00	0.00	0.00 HK01	0.00	306.45-TR
2022	RF230203	1294700060014	202302	1,145.59-	0.00	80.20-	0.00 HK01	1,225.79-	1,225.79-RF
2022	RF230203	1294700060014	202302	0.00	0.00	0.00	0.00 HK06	2,754.93	2,754.93-RF
2022	RF230214	1408520010001	202212	2,754.93-	0.00	0.00	0.00 HK06	15,675.29-	15,675.29-RF
2022	RF230209	1408520010001	202302	0.00	0.00	0.00	0.00 2251	15,675.29	0.00 RF
2022	RF230209	146565	202302	0.00	0.00	1,025.48-	0.00 2251	0.00	1,521.98-RI
2022	864020923PHC	168095	202301	1,521.98-	0.00	0.00	0.00 2251	229.17	0.00 RF
2022	RF230207	168256	202301	229.17-	0.00	0.00	0.00 CERT	229.17	229.17-RF
2022	RF230207	168256	202301	0.00	0.00	0.00	0.00 CERT	338.67	0.00 RF
2022	RF230208	168261	202301	1,002.06-	0.00	0.00	0.00 22511TX049	0.00	1,002.06-RI
2022	864020923PHC	168425	202301	0.00	0.00	0.00	0.00 CERT	338.67	338.67-RF
2022	RF230208	168425	202301	338.67-	0.00	0.00	0.00 CERT	0.00	0.00 RF
2022	RF230207	168512	202301	821.17-	0.00	0.00	0.00 225106TX085	0.00	821.17-RI
2022	864020923PHC	168442	202301	0.00	0.00	0.00	0.00 CERT	256.82-	256.82-RF
2022	RF230207	168512	202301	256.82-	0.00	0.00	0.00 CERT	256.82	0.00 RF
2022	RF230209	168538	202302	0.00	0.00	0.00	0.00 CERT	892.71-	892.71-RF
2022	RF230209	168538	202302	0.00	0.00	0.00	0.00 CERT	892.71	0.00 RF
2022	864020923PHC	168575	202301	834.30-	0.00	58.41-	0.00 CERT	0.00	845.93-RI
2022	RF230207	168623	202302	845.93-	0.00	6.67-	0.00 CERT	102.00	0.00 RF
2022	RF230208	168714	202301	95.33-	0.00	0.00	0.00 CERT	102.00-	102.00-RF
2022	RF230208	168714	202301	221.59-	0.00	0.00	0.00 CERT	221.59	0.00 RF
2022	RF230224	168744	202302	0.00	0.00	0.00	0.00 CERT	221.59-	221.59-RF
2022	RF230224	168744	202302	0.00	0.00	0.00	0.00 CERT	144.81-	144.81-RF
2022	RF230208	168771	202301	135.34-	0.00	9.47-	0.00 CERT	112.91-	112.91-RF
2022	RF230208	168771	202301	0.00	0.00	0.00	0.00 CERT	112.91	0.00 RF
2022	RF230208	168771	202301	112.91-	0.00	0.00	0.00 CERT	112.91	112.91-RF
2022	RF230208	168771	202301	0.00	0.00	0.00	0.00 CERT	112.91	0.00 RF
2022	RF230208	168771	202301	112.91-	0.00	0.00	0.00 CERT	112.91	112.91-RF
2022	864021623CHC	168788	202302	1,182.22-	0.00	82.76-	0.00 CERT	0.00	1,264.98-TR
2022	864020923PHC	168869	202301	1,400.74-	0.00	0.00	0.00 2250	0.00	1,400.74-RI
2022	RF230202	169121	202301	0.00	0.00	0.00	0.00 CERT	293.52-	293.52-RF
2022	RF230202	169121	202301	293.52-	0.00	0.00	0.00 CERT	293.52	0.00 RF
2022	RF230209	171514	202302	0.00	0.00	0.00	0.00 CERT	4,448.64-	4,448.64-RF
2022	RF230209	171514	202302	4,157.61-	0.00	291.03-	0.00 CERT	270.65	0.00 RF
2022	RF230203	184199	202301	270.65-	0.00	0.00	0.00 CERT	270.65	270.65-RF
2022	RF230203	184199	202301	0.00	0.00	0.00	0.00 CERT	907.71-	907.71-RF
2022	RF230211	184201	202302	0.00	0.00	59.38-	0.00 CERT	907.71	0.00 RF
2022	RF230211	184201	202302	848.33-	0.00	0.00	0.00 CERT	363.08-	363.08-RF
2022	RF230222	184269	202302	0.00	0.00	0.00	0.00 CERT	363.08	363.08-RF

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TAX COLLECTION SYSTEM
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REVERSALS DETAIL SCHEDULE
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JURISDICTION: 337 FRIENDWD CITY

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INCLUDES AG ROLIBACK

YEAR DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2022 RF230222	184269	202302	339.33-	0.00	23.75-	0.00 CERT	363.08	0.00 RF
2022 RF230203	184332	202302	0.00	0.00	0.00	0.00 CERT	1,382.47-	1,382.47-RF
2022 RF230203	184332	202302	1,292.03-	0.00	90.44-	0.00 CERT	1,382.47	0.00 RF
2022 QR230202	201128	202212	159.89-	0.00	0.00	0.00 CERT	0.00	159.89-TR
2022 QR230202	201128	202212	159.89-	0.00	0.00	0.00 CERT	0.00	159.89-TR
2022 QR230202	201128	202212	123.08-	0.00	0.00	0.00 CERT	0.00	123.08-TR
2022 RF230203	201279	202302	810.68-	0.00	56.74-	0.00 CERT	867.42	0.00 RF
2022 RF230203	201279	202302	0.00	0.00	0.00	0.00 CERT	867.42-	867.42-RF
2022 RF230203	201412	202301	371.32-	0.00	0.00	0.00 CERT	371.32	0.00 RF
2022 RF230203	201412	202301	0.00	0.00	0.00	0.00 CERT	371.32-	371.32-RF
2022 RF230203	201794	202301	1,391.57-	0.00	0.00	0.00 CERT	0.00	1,391.57-RF
2022 RF230203	201839	202301	0.00	0.00	0.00	0.00 CERT	143.94-	143.94-RF
2022 RF230203	201839	202301	143.94-	0.00	0.00	0.00 CERT	143.94	0.00 RF
2022 RF230203	202019	202302	0.00	0.00	0.00	0.00 CERT	1,525.46-	1,525.46-RF
2022 RF230203	202019	202302	1,425.67-	0.00	99.79-	0.00 CERT	1,525.46	0.00 RF
2022 RF230224	202240	202302	0.00	0.00	0.00	0.00 CERT	354.47-	354.47-RF
2022 RF230224	202240	202302	331.28-	0.00	23.19-	0.00 CERT	354.47	0.00 RF
2022 RF230217	202275	202302	0.00	0.00	0.00	0.00 CERT	564.45-	564.45-RF
2022 RF230217	202275	202302	527.53-	0.00	36.92-	0.00 CERT	564.45	0.00 RF
2022 RF230209	202276	202301	0.00	0.00	0.00	0.00 CERT	594.36-	594.36-RF
2022 RF230209	202276	202301	594.36-	0.00	0.00	0.00 CERT	594.36	0.00 RF
2022 RF230209	202281	202301	990.47-	0.00	0.00	0.00 CERT	0.00	990.47-RF
2022 RF230209	202281	202301	1,488.11-	0.00	0.00	0.00 CERT	0.00	1,488.11-RF
2022 RF230206	202419	202301	378.65-	0.00	0.00	0.00 CERT	378.65	0.00 RF
2022 RF230206	202419	202301	0.00	0.00	0.00	0.00 CERT	378.65-	378.65-RF
2022 RF230206	202501	202301	1,849.31-	0.00	0.00	0.00 CERT	0.00	1,849.31-RF
2022 RF230222	202518	202302	263.82-	0.00	18.47-	0.00 CERT	282.29	0.00 RF
2022 RF230222	202518	202302	0.00	0.00	0.00	0.00 CERT	282.29-	282.29-RF
2022 RF230222	202518	202302	1,047.16-	0.00	0.00	0.00 CERT	0.00	1,047.16-TR
2022 RF230224	202847	202302	0.00	0.00	67.49-	0.00 CERT	1,031.57-	1,031.57-RF
2022 RF230208	203198	202301	964.08-	0.00	0.00	0.00 CERT	1,031.57	0.00 RF
2022 RF230208	203198	202301	210.56-	0.00	0.00	0.00 CERT	210.56-	210.56-RF
2022 RF230203	219325	202301	0.00	0.00	0.00	0.00 CERT	604.61	0.00 RF
2022 RF230203	219325	202301	604.61-	0.00	0.00	0.00 CERT	604.61	0.00 RF
2022 RF230203	219334	202302	1,531.03-	0.00	107.17-	0.00 CERT	1,638.20	0.00 RF
2022 RF230203	219334	202302	0.00	0.00	0.00	0.00 CERT	1,638.20-	1,638.20-RF
2022 RF230203	231348	202302	0.00	0.00	0.00	0.00 CERT	137.96-	137.96-RF
2022 RF230203	231348	202302	128.93-	0.00	9.03-	0.00 CERT	137.96	0.00 RF
2022 RF230208	241328	202301	0.00	0.00	0.00	0.00 CERT	618.21-	618.21-RF
2022 RF230208	241328	202301	618.21-	0.00	0.00	0.00 CERT	618.21	0.00 RF
2022 RF230203	287534	202301	1,665.69-	0.00	0.00	0.00 CERT	0.00	1,665.69-TR
2022 RF230203	287534	202301	2,726.72-	0.00	0.00	0.00 CERT	0.00	2,726.72-RF
2022 RF230203	292423	202301	1,090.40-	0.00	0.00	0.00 CERT	0.00	1,090.40-TR
2022 RF230211	292423	202302	0.00	0.00	0.00	0.00 CERT	1,076.29-	1,076.29-RF

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T2398-M SELECTION: DEPOSIT

4226200

TAX COLLECTION SYSTEM
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YEAR	DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE /REV	RETUND AMOUNT	PAYMENT AMOUNT CAT
2022	RF230211	229423	202302	1,005.88-	0.00	70.41-	0.00 22S0	1,076.29	0.00 RF
2022	RF230207	229912	202301	646.21-	0.00	0.00	0.00 22S0	646.21	0.00 RF
2022	RF230207	229912	202301	0.00	0.00	0.00	0.00 22S0	646.21-RF	646.21-RF
2022	RF230203	306676	202301	0.00	0.00	0.00	0.00 CERT	216.72-	216.72-RF
2022	RF230203	306676	202301	216.72-	0.00	0.00	0.00 CERT	216.72	0.00 RF
2022	924020723CHC	306953	202301	1,804.76-	0.00	0.00	0.00 CERT	0.00	1,804.76-TR
2022	RF230208	306953	202302	0.00	0.00	0.00	0.00 CERT	1,916.98-	1,916.98-RF
2022	RF230208	306953	202302	1,791.57-	0.00	125.41-	0.00 CERT	1,916.98	0.00 RF
2022	RF230201	308646	202301	0.00	0.00	0.00	0.00 CERT	580.28-	580.28-RF
2022	RF230201	308646	202301	580.28-	0.00	0.00	0.00 CERT	580.28	0.00 RF
2022	RF230203	310203	202302	2,538.70-	0.00	177.71-	0.00 CERT	2,716.41	0.00 RF
2022	RF230203	310203	202302	0.00	0.00	0.00	0.00 CERT	2,716.41-	2,716.41-RF
2022	RF230207	310232	202302	332.01-	0.00	23.24-	0.00 CERT	355.25	0.00 RF
2022	RF230207	310232	202302	0.00	0.00	0.00	0.00 CERT	355.25-	355.25-RF
2022	RF230222	310236	202302	0.00	0.00	0.00	0.00 CERT	869.98-	869.98-RF
2022	RF230222	310236	202302	813.07-	0.00	56.91-	0.00 CERT	869.98	0.00 RF
2022	RF230203	361972	202302	2,433.91-	0.00	170.38-	0.00 CERT	2,604.29-	2,604.29-RF
2022	RF230203	366074	202302	0.00	0.00	0.00	0.00 CERT	2,117.83-	2,117.83-RF
2022	RF230203	366074	202302	0.00	0.00	0.00	0.00 CERT	2,117.83	0.00 RF
2022	RF230203	366420	202302	1,979.28-	0.00	138.55-	0.00 CERT	1,344.87-	1,344.87-RF
2022	RF230203	366420	202302	0.00	0.00	87.98-	0.00 CERT	1,344.87	0.00 RF
2022	RF230222	366432	202302	1,256.89-	0.00	0.00	0.00 CERT	49.23-	49.23-RF
2022	RF230222	366432	202302	0.00	0.00	3.22-	0.00 CERT	49.23	0.00 RF
2022	RF230222	366432	202302	46.01-	0.00	0.00	0.00 CERT	1,566.41-	1,566.41-RF
2022	RF230222	366432	202302	0.00	0.00	102.48-	0.00 CERT	1,566.41	0.00 RF
2022	RF230222	366432	202302	1,463.93-	0.00	123.82-	0.00 CERT	0.00	1,892.73-RF
2022	967104022323	36685	202302	1,768.91-	0.00	0.00	0.00 CERT	1,150.74	0.00 RF
2022	RF230206	394251	202301	1,150.74-	0.00	0.00	0.00 CERT	1,150.74-	1,150.74-RF
2022	RF230206	400935	202301	0.00	0.00	0.00	0.00 CERT	627.68	0.00 RF
2022	RF230208	400935	202301	627.68-	0.00	0.00	0.00 CERT	627.68	0.00 RF
2022	RF230208	400935	202301	0.00	0.00	0.00	0.00 CERT	627.68	0.00 RF
2022	RF230223	401006	202302	0.00	0.00	0.00	0.00 CERT	298.40-	298.40-RF
2022	RF230223	401006	202302	278.88-	0.00	19.52-	0.00 CERT	298.40	0.00 RF
2022	RF230206	401061	202301	0.00	0.00	0.00	0.00 22S1	557.69-	557.69-RF
2022	RF230206	401061	202301	557.69-	0.00	0.00	0.00 CERT	557.69	0.00 RF
2022	864020723PHC	412046	202301	252.08-	0.00	0.00	0.00 CERT	0.00	252.08-TR
2022	864020723PHC	412046	202301	252.08-	0.00	0.00	0.00 CERT	0.00	252.08-TR
2022	864020723PHC	412046	202301	252.08-	0.00	0.00	0.00 CERT	0.00	252.08-TR
2022	RF230203	412742	202302	2,172.83-	0.00	152.10-	0.00 CERT	2,324.93	0.00 RF
2022	RF230203	412742	202302	0.00	0.00	0.00	0.00 CERT	2,324.93-	2,324.93-RF
2022	RF230210	412757	202302	0.00	0.00	0.00	0.00 CERT	354.16-	354.16-RF
2022	RF230210	412757	202302	330.99-	0.00	23.17-	0.00 CERT	354.16	0.00 RF
2022	RF230203	436321	202302	0.00	0.00	0.00	0.00 CERT	1,942.36-	1,942.36-RF
2022	RF230203	436321	202302	1,815.26-	0.00	127.08-	0.00 CERT	1,942.36	0.00 RF
2022	924020623CHC	508764	202301	2,887.64-	0.00	0.00	0.00 CERT	0.00	2,887.64-TR

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TAX COLLECTION SYSTEM
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JURISDICTION: 337 FRIENDMD CITY

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YEAR	DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2022	924020323CHC	511964	202301	2,138.82-	0.00	0.00	0.00 CERT	0.00	2,138.82-TR
2022	RF230207	511964	202302	1,998.90-	0.00	139.92-	0.00 CERT	2,138.82	0.00 RF
2022	RF230207	511964	202302	0.00	0.00	0.00	0.00 CERT	2,138.82-	2,138.82-TR
2022	RF230208	516166	202301	0.00	0.00	0.00	0.00 CERT	413.00-	413.00-RF
2022	RF230208	516166	202301	413.00-	0.00	0.00	0.00 CERT	413.00	0.00 RF
2022	RF230208	516166	202201	0.00	0.00	0.00	0.00 CERT	35.82-	35.82-RF
2022	RF230208	516166	202201	35.82-	0.00	46.35-	0.00 CERT	35.82	0.00 RF
2022	9020202823T	521163	202302	2,602.44-	0.00	0.00	0.00 CERT	0.00	2,648.79-TR
2022	QR230228	521163	202302	662.20-	0.00	0.00	0.00 CERT	0.00	662.20-TR
2022	QR230228	521163	202302	662.20-	0.00	0.00	0.00 CERT	0.00	662.20-TR
2022	RF230203	521163	202302	615.84-	0.00	0.00	0.00 CERT	0.00	615.84-TR
2022	RF230203	521163	202302	0.00	0.00	0.00	0.00 CERT	0.00	0.00 RF
2022	RF230209	521196	202302	2,475.50-	0.00	173.29-	0.00 CERT	2,648.79-	2,648.79-TR
2022	RF230209	521196	202302	0.00	0.00	0.00	0.00 CERT	2,648.79	0.00 RF
2022	RF230209	521196	202302	5,078.08-	0.00	0.00	0.00 CERT	5,433.55-	5,433.55-RF
2022	864020123PHC	523907	202301	2,315.72-	0.00	355.47-	0.00 CERT	5,433.55	0.00 RF
2022	924020623CHC	524724	202301	4,660.72-	0.00	0.00	0.00 CERT	0.00	2,315.72-RI
2022	RF230201	601290	202301	0.00	0.00	0.00	0.00 CERT	0.00	4,660.72-TR
2022	RF230201	601290	202301	1,069.29-	0.00	0.00	0.00 CERT	1,069.29-	1,069.29-RF
2022	RF230228	601299	202302	0.00	0.00	0.00	0.00 CERT	1,069.29	0.00 RF
2022	RF230228	601299	202302	3,720.91-	0.00	260.46-	0.00 CERT	3,981.37-	3,981.37-RF
2022	RF230203	704522	202301	0.00	0.00	0.00	0.00 CERT	3,981.37	0.00 RF
2022	RF230203	704522	202301	87.53-	0.00	0.00	0.00 CERT	87.53-	87.53-RF
2022	RF230208	706972	202301	0.00	0.00	0.00	0.00 CERT	87.53	0.00 RF
2022	RF230203	716157	202302	371.90-	0.00	0.00	0.00 CERT	371.90-	371.90-RF
2022	RF230203	716157	202302	0.00	0.00	0.00	0.00 CERT	371.90	0.00 RF
2022	941020823T	720416	202302	621.35-	0.00	43.49-	0.00 CERT	664.84-	664.84-RF
2022	941020823T	720416	202302	679.17-	0.00	0.00	0.00 CERT	664.84	0.00 RF
2022	941020823T	720416	202302	679.17-	0.00	0.00	0.00 CERT	0.00	679.17-TR
2022	941020823T	720416	202302	631.63-	0.00	0.00	0.00 CERT	0.00	679.17-TR
2022	941020823T	720416	202302	679.17-	0.00	47.54-	0.00 CERT	0.00	631.63-TR
2022	RF230203	720416	202302	0.00	0.00	0.00	0.00 CERT	0.00	726.71-TR
2022	RF230203	720416	202302	2,538.95-	0.00	177.73-	0.00 CERT	2,716.68-	2,716.68-RF
2022	RF230203	722918	202301	0.00	0.00	0.00	0.00 CERT	2,716.68	0.00 RF
2022	RF230203	722918	202301	33.97-	0.00	0.00	0.00 CERT	33.97-	33.97-RF
2022	RF230203	729954	202302	0.00	0.00	0.00	0.00 CERT	33.97	0.00 RF
2022	RF230203	729954	202302	361.38-	0.00	25.30-	0.00 22S0	366.68-	366.68-RF
2022	RF230203	732405	202302	0.00	0.00	0.00	0.00 CERT	366.68	0.00 RF
2022	RF230203	732405	202302	996.40-	0.00	69.75-	0.00 CERT	1,066.15-	1,066.15-RF
2022	924020723CHC	736653	202301	5,366.64-	0.00	0.00	0.00 CERT	0.00	5,366.64-TR
2022	RF230208	736653	202301	5,352.52-	0.00	0.00	0.00 CERT	5,352.52	0.00 RF
2022	RF230208	736653	202301	0.00	0.00	0.00	0.00 CERT	5,352.52-	5,352.52-RF
2022	RF230203	745744	202302	0.00	0.00	0.00	0.00 CERT	489.12-	489.12-RF
2022	RF230203	745744	202302	457.12-	0.00	32.00-	0.00 CERT	489.12	0.00 RF
2022	RF230203	746088	202302	954.28-	0.00	66.79-	0.00 22S0	1,021.07	0.00 RF

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YEAR DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE / REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2022 RP230203	746088	202302	0.00	0.00	0.00	0.00 2280	1,021.07-	1,021.07-RF
2022 TOTAL			147,030.91-	0.00	5,298.08-	0.00	0.00	152,328.99-
TOTAL REVERSALS			148,570.87-	0.00	5,300.78-	4.70-	0.00	153,876.35-

TAX COLLECTION SYSTEM
DEPOSIT DISTRIBUTION
SUMMARY OF PAYMENTS AND REVERSALS
FROM: 02/01/2023 THRU 02/28/2023
JURISDICTION: 337 FRIENDWD CITY

YEAR DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE / REV	REFUND AMOUNT	PAYMENT AMOUNT
	2018 TOTAL		172.87	0.00	105.46	55.67	0.00	334.00
	2019 TOTAL		315.19	0.00	149.00	92.00	0.00	556.19
	2020 TOTAL		1,617.49	0.00	564.19	333.74	0.00	2,515.42
	2021 TOTAL		9,688.68	0.00	2,020.36	2,191.32	0.00	13,900.36
	2022 TOTAL		2,578,356.36	0.00	25,387.27	577.50	0.00	2,604,321.13
	TOTAL PAYMENTS		2,590,150.59	0.00	28,226.28	3,250.23	0.00	2,621,627.10
	2021 TOTAL		1,539.96-	0.00	2.70-	4.70-	0.00	1,547.36-
	2022 TOTAL		147,030.91-	0.00	5,298.08-	0.00	0.00	152,328.99-
	TOTAL REVERSALS		148,570.87-	0.00	5,300.78-	4.70-	0.00	153,876.35-
	TOTAL FOR UNIT		2,441,579.72	0.00	22,925.50	3,245.53	0.00	2,467,750.75

ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2022
JURISDICTION: 0337 FRIENDWD CITY

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	CERTIFIED ROLL	ROLL AS OF 08/01/2022	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/28/2023
LAND VALUE	6,593,325,295	6,593,325,295	51,683,943	370,030-	51,313,913	6,644,639,208
AG EXCLUSION	32,486,183	32,486,183	204,746	0	204,746	32,690,929
IMPROVEMENTS	873,775,097	873,775,097	159,436,406	40,964,368-	118,472,038	992,247,135
APPRAISED VALUE	6,593,325,295	6,593,325,295	211,120,349	41,334,398-	169,785,951	6,763,111,246
EXEMPTIONS	1,782,152,718	1,782,152,718	49,659,174	15,518,740-	34,140,434	1,816,293,152
TAXABLE VALUE	4,778,686,394	4,778,686,394	161,461,175	25,815,658-	135,645,517	4,914,331,911
LEVY	22,218,569.13	22,218,569.13	1,150,270.18	502,683.57-	647,586.61	22,866,155.74
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,595	10,595	343	87	90	10,685
OVER 65	3,475	3,475	89	43	49	3,524
DISABLED	180	180	5	3	3	183
VETERAN	253	253	11	2	3	256
TOTAL EXEMPT	84	84	0	0	0	84

ALL PROPERTY

	CERTIFIED ROLL	ROLL AS OF 08/01/2022	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/28/2023
LAND VALUE	5,827,810,207	5,827,810,207	0	41,048-	41,048-	5,827,769,159
AG EXCLUSION	33,691,313	33,691,313	0	0	0	33,691,313
IMPROVEMENTS	775,157,465	775,157,465	1,504,253	8,517,900-	7,013,647-	768,143,818
APPRAISED VALUE	5,827,810,207	5,827,810,207	1,504,253	8,558,948-	7,054,695-	5,820,755,512
EXEMPTIONS	1,579,451,702	1,579,451,702	987,783	2,513,580	3,501,363	1,582,953,065
TAXABLE VALUE	4,214,667,192	4,214,667,192	516,470	11,072,528-	10,556,058-	4,204,111,134
LEVY	183,112.68	183,112.68	2,780.49	53,371.48-	50,590.99-	132,521.69
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,298	10,298	0	23	23	10,321
OVER 65	3,255	3,255	0	12	12	3,267
DISABLED	181	181	0	0	0	181
VETERAN	240	240	0	2	2	242
TOTAL EXEMPT	84	84	0	0	0	84

ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2020
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	CERTIFIED ROLL	ROLL AS OF 08/01/2022	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/28/2023
LAND VALUE	5,043,274.252	5,043,274.252	0	0	0	5,043,274.252
AG EXCLUSION	27,337,308	27,337,308	0	0	0	27,337,308
IMPROVEMENTS	706,413,340	706,413,340	1,360,902	5,939,479-	4,578,577-	701,834,763
APPRAISED VALUE	5,043,274.252	5,043,274.252	1,360,902	5,939,479-	4,578,577-	5,038,695,675
EXEMPTIONS	1,218,139,975	1,218,139,975	794,384	781,058	1,575,442	1,219,715,417
TAXABLE VALUE	3,797,796,969	3,797,796,969	566,518	6,720,537-	6,154,019-	3,791,642,950
LEVY	40,724.70	40,724.70	2,760.72	32,530.48-	29,769.76-	10,954.94
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,220	10,220	0	11	11	10,231
OVER 65	3,163	3,163	0	7	7	3,170
DISABLED	182	182	0	0	0	182
VETERAN	221	221	0	2	2	223
TOTAL EXEMPT	80	80	0	0	0	80

ALL PROPERTY

	CERTIFIED ROLL	ROLL AS OF 08/01/2022	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/28/2023
LAND VALUE	4,537,437,822	4,537,437,822	0	0	0	4,537,437,822
AG EXCLUSION	24,683,691	24,683,691	0	0	0	24,683,691
IMPROVEMENTS	645,931,872	645,931,872	0	2,183,270-	2,183,270-	643,748,602
APPRAISED VALUE	4,537,437,822	4,537,437,822	0	2,183,270-	2,183,270-	4,535,254,552
EXEMPTIONS	1,018,439,121	1,018,439,121	0	118,429-	118,429-	1,018,320,692
TAXABLE VALUE	3,494,315,010	3,494,315,010	0	2,064,841-	2,064,841-	3,492,250,169
LEVY	31,463.95	31,463.95	.00	10,261.95-	10,261.95-	21,202.00
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE						
EXEMPTION COUNTS:						
HOMESTEADS	10,000	10,000	0	0	0	10,000
OVER 65	2,975	2,975	0	0	0	2,975
DISABLED	181	181	0	0	0	181
VETERAN	205	205	0	0	0	205
TOTAL EXEMPT	74	74	0	0	0	74

ALL PROPERTY

	CERTIFIED ROLL	ROLL AS OF 08/01/2022	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/28/2023
LAND VALUE	4,207,374.518	4,207,374.518	0	0	0	4,207,374.518
AG EXCLUSION	23,842,910	23,842,910	0	0	0	23,842,910
IMPROVEMENTS	617,900,409	617,900,409	0	1,990-	1,990-	617,898,419
APPRAISED VALUE	4,207,374.518	4,207,374.518	0	1,990-	1,990-	4,207,372,528
EXEMPTIONS	891,117,422	891,117,422	0	5,000	5,000	891,122,422
TAXABLE VALUE	3,292,414,186	3,292,414,186	0	6,990-	6,990-	3,292,407,196
LEVY	20,734.77	20,734.77	.00	37.21-	37.21-	20,697.56
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE						
EXEMPTION COUNTS:						
HOMESTEADS	10,001	10,001	0	0	0	10,001
OVER 65	2,897	2,897	0	0	0	2,897
DISABLED	0	0	0	0	0	0
VETERAN	204	204	0	1	1	205
TOTAL EXEMPT	0	0	0	0	0	0

Summary of Jurisdiction Remittances Processed Property Tax File

Batch Seq
4227955

For Remitted Deposit Dates 02/01/2023 thru 02/28/2023 as of 03/06/2023

Report run on: March 6, 2023 11:08 AM

Tax Unit		M & O Total	I & S Total	TIF Levy	TIF Interest	Fee Total	Total
337 FRIENDWD CITY							
ACH 81260	Print Date:02/07/2023						
	Current	136,511.15	34,694.77	0.00	0.00	0.00	171,205.92
	Delq	2,816.19	747.03	0.00	0.00	0.00	3,563.22
Last Deposit Date	02/01/2023	\$139,327.34	\$35,441.80	\$0.00	\$0.00	\$0.00	\$174,769.14
ACH 81307	Print Date:02/08/2023						
	Current	850,423.11	216,138.29	0.00	0.00	0.00	1,066,561.40
	Delq	2,460.69	619.75	0.00	0.00	0.00	3,080.44
Last Deposit Date	02/03/2023	\$852,883.80	\$216,758.04	\$0.00	\$0.00	\$0.00	\$1,069,641.84
ACH 81353	Print Date:02/09/2023						
	Current	766,343.12	194,769.15	0.00	0.00	0.00	961,112.27
	Delq	3,977.56	1,048.81	0.00	0.00	0.00	5,026.37
Last Deposit Date	02/11/2023	\$770,320.68	\$195,817.96	\$0.00	\$0.00	\$0.00	\$966,138.64
ACH 81398	Print Date:02/09/2023						
	Current	1,157.34	294.15	0.00	0.00	391.78	1,843.27
Last Deposit Date	02/11/2023	\$1,157.34	\$294.15	\$0.00	\$0.00	\$391.78	\$1,843.27
ACH 81440	Print Date:02/13/2023						
	Current	16,415.97	4,172.22	0.00	0.00	0.00	20,588.19
	Delq	3.15	0.76	0.00	0.00	0.00	3.91
Last Deposit Date	02/10/2023	\$16,419.12	\$4,172.98	\$0.00	\$0.00	\$0.00	\$20,592.10
ACH 81484	Print Date:02/15/2023						
	Current	19,118.64	4,859.06	0.00	0.00	0.00	23,977.70
	Delq	(743.00)	(197.10)	0.00	0.00	0.00	(940.10)
Last Deposit Date	02/14/2023	\$18,375.64	\$4,661.96	\$0.00	\$0.00	\$0.00	\$23,037.60
ACH 81524	Print Date:02/17/2023						
	Current	11,053.56	2,809.31	0.00	0.00	0.00	13,862.87
	Delq	299.42	76.90	0.00	0.00	0.00	376.32
Last Deposit Date	02/15/2023	\$11,352.98	\$2,886.21	\$0.00	\$0.00	\$0.00	\$14,239.19
ACH 81563	Print Date:02/22/2023						
	Current	5,528.92	1,405.19	0.00	0.00	0.00	6,934.11
	Delq	624.36	154.76	0.00	0.00	0.00	779.12
Last Deposit Date	02/16/2023	\$6,153.28	\$1,559.95	\$0.00	\$0.00	\$0.00	\$7,713.23
ACH 81602	Print Date:02/22/2023						
	Current	18,577.65	4,721.55	0.00	0.00	0.00	23,299.20
Last Deposit Date	02/17/2023	\$18,577.65	\$4,721.55	\$0.00	\$0.00	\$0.00	\$23,299.20
ACH 81636	Print Date:02/23/2023						
	Current	8,841.74	2,247.19	0.00	0.00	0.00	11,088.93
	Delq	(430.37)	(114.16)	0.00	0.00	0.00	(544.53)
Last Deposit Date	02/21/2023	\$8,411.37	\$2,133.03	\$0.00	\$0.00	\$0.00	\$10,544.40
ACH 81673	Print Date:02/24/2023						
	Current	11,326.28	2,878.60	0.00	0.00	0.00	14,204.88
	Delq	1,183.00	293.44	0.00	0.00	0.00	1,476.44
Last Deposit Date	02/22/2023	\$12,509.28	\$3,172.04	\$0.00	\$0.00	\$0.00	\$15,681.32

Summary of Jurisdiction Remittances Processed Property Tax File

Batch Seq

4227955

For Remitted Deposit Dates 02/01/2023 thru 02/28/2023 as of 03/06/2023

Report run on: March 6, 2023 11:08 AM

Tax Unit		M & O Total	I & S Total	TIF Levy	TIF Interest	Fee Total	Total
337 FRIENDWD CITY							
ACH 81715	Print Date:02/28/2023						
	Current	24,878.10	6,322.89	0.00	0.00	0.00	31,200.99
	Delq	43.17	11.45	0.00	0.00	0.00	54.62
Last Deposit Date	02/23/2023	\$24,921.27	\$6,334.34	\$0.00	\$0.00	\$0.00	\$31,255.61
ACH 81757	Print Date:02/28/2023						
	Current	26,897.05	6,836.02	0.00	0.00	0.00	33,733.07
Last Deposit Date	02/24/2023	\$26,897.05	\$6,836.02	\$0.00	\$0.00	\$0.00	\$33,733.07
ACH 81797	Print Date:02/28/2023						
	Current	27,818.45	7,070.20	0.00	0.00	0.00	34,888.65
	Delq	169.76	45.01	0.00	0.00	0.00	214.77
Last Deposit Date	02/27/2023	\$27,988.21	\$7,115.21	\$0.00	\$0.00	\$0.00	\$35,103.42
ACH 81839	Print Date:03/06/2023						
	Current	29,432.69	7,480.50	0.00	0.00	0.00	36,913.19
Last Deposit Date	02/28/2023	\$29,432.69	\$7,480.50	\$0.00	\$0.00	\$0.00	\$36,913.19
Total:		\$1,964,727.70	\$499,385.74	\$0.00	\$0.00	\$391.78	\$2,464,505.22

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 02/28/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider approving the minutes of the City Council Regular Meeting held on March 6, 2023.

Originating Department: City Secretary

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to review and approve the minutes of the City Council Regular Meeting held on March 6, 2023.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. March 6, 2023, City Council Regular Meeting Minutes (Draft)

**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF FRIENDSWOOD
MARCH 6, 2023**

THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD MET IN A REGULAR MEETING ON MONDAY, MARCH 6, 2023, AT 6:00 P.M. IN THE COUNCIL CHAMBERS, FRIENDSWOOD CITY HALL, LOCATED AT 910 S. FRIENDSWOOD DRIVE, FRIENDSWOOD, TEXAS, WITH THE FOLLOWING MEMBERS PRESENT CONSTITUTING A QUORUM:

Steve Rockey	Councilmember
Sally Branson	Councilmember
Trish Hanks	Councilmember
Robert J. Griffon	Councilmember
John Scott	Councilmember
Brent Erenwert	Mayor Pro Tem
Mike Foreman	Mayor
Morad Kabiri	City Manager
Karen Horner	City Attorney
Leticia Brysch	City Secretary

1. CALL TO ORDER

Mayor Foreman called the meeting to order with a quorum present at 6:00 P.M.; all members were present with the exception of Councilmember Hanks who arrived late.

2. INVOCATION

The invocation was led by Senior Pastor James Bass with Friendswood Methodist Church.

3. PLEDGE OF ALLEGIANCE - United States and State of Texas

Mayor Foreman led the Pledge of Allegiance of the United States and to the State of Texas.

4. COUNCIL FOR A DAY

A. Consider a proclamation declaring March 10, 2023, as Wedgewood Elementary School Day in the City of Friendswood, Texas.

Mayor Foreman introduced the students and teachers from Wedgewood Elementary. He noted that the Council for a Day Program allows for second graders from the three elementary schools in Friendswood to “take over” the council dais and sit-in for the council and staff members. The participants included the following:

Position	Student Name	Teacher Name
Councilmember 1 (Rockey)	Carson Stephen	Avery Long

Councilmember 2 (Branson)	Jude Pratt	Kathlein Tavera
Councilmember 3 (Hanks)	D’Kylor Frank	Alexis Nettles
Mayor (Foreman)	Scarlette Garcia	Kathlein Tavera
Councilmember 4 (Griffon)	Sarah Sandoval	Alexis Nettles
Councilmember 5 (Scott)	Paisley Buford	Lesly Chavez
Mayor Pro Tem (Erenwert)	Cadence Jordan	Karli Anderson
City Attorney (Horner)	Andrea Gaspar	Avery Long
City Manager (Kabiri)	Michael Emig	Lesly Chavez
City Secretary (Brysch)	Crosby Peterman	Karli Anderson

A motion was made by Councilmember Carson Stephen (Steve Rockey) and seconded by Councilmember Jude Pratt (Sally Branson) proclaiming March 10, 2023, as Wedgewood Elementary School Day in the City of Friendswood. The vote was the following:

Ayes: Scarlette Garcia (Mike Foreman), Councilmember Carson Stephen (Steve Rockey), Councilmember Sarah Sandoval (Robert J. Griffon), Councilmember Paisley Buford (John Scott) and Mayor Pro Tem Candence Jordan (Brent Erenwert).

Nays: None.

Absent: Councilmember D’Kylor Frank (Trish Hanks) and Councilmember Jude Pratt (Sally Branson)

The item passed.

Mayor Foreman recessed the meeting at 6:15p.m. for the Council for a Day reception.

Mayor Foreman reconvened the meeting at 6:24 p.m.

5. COUNCIL COMMENTS AND REPORTS

A. Present an update on Houston-Galveston Area Council Year In Review.

Councilmember Rockey stated that he had recently attended a tour of the Public Safety Facility’s renovations and was very impressed with the workmanship and progress of the project.

Councilmember Hanks stated that she had also attended the Public Safety Building’s tour and was also very happy with the progress. She also noted that Ms. Marsha Conrad was set to be appointed onto the Planning and Zoning Commission and felt she would do a good job, she also mentioned that the pollinator garden has started to bloom and thanked KFB committee.

Councilmember Griffon stated that he was looking forward to hearing the drainage project updates from Deputy Director of Engineering, Ms. Samantha Haritos.

Councilmember Branson stated that Mayor Foreman had requested that she give an overview of the work completed by H-GAC in the last year, so she introduced a video highlighting said work.

Mayor Foreman stated that Councilmember Branson had served as the Chairperson on the H-GAC Board of Directors, and she had done a wonderful job representing City Council and the City of Friendswood over the last five years, and if you didn't know since we are city over 25,000 residents, means we have one member on the board, with the exception of Houston and Harris County, each have two members.

6. PUBLIC COMMENT

Mr. John Adam Hill requested to speak before the Council regarding his candidacy for the position of Councilmember, Position No. 5, at the May 6, 2023, General Election.

Ms. Rosanne Scott requested to speak before the Council regarding on-street parking on FM 518 related to the Chara Dance Class. She requested "No Parking at Any time" signs on Hunters Lane, as she felt it was a safety concern.

Mr. Gerry Corona requested to speak before the Council regarding safety concerns for cars lining up to pick up children or drop off their kids on the street near Chara Dance Studio. There are young drivers that need to be able to come in and out of the subdivision, which is congested by the parked drivers. He also requested "No Parking at Any time" signs.

Mr. Don Scott requested to speak before the Council regarding safety concerns for cars lining up to pick up children or drop off their kids on the street near Chara Dance Studio that impact the intersection of Hunters Lane and FM 518.

Mr. John Penny requested to speak before the Council regarding the same safety concerns; i.e., parking and lighting issues related to Chara Dance Studio parking. He also recommended the "No Parking Anytime" signs in the area to keep children from being harmed.

Ms. Rosalie Murphy requested to speak before the Council in regard to selecting the Grand Marshal to the 4th of July Parade. She wanted to recommend her father who is a World War II Merchant Marine Veteran. He was awarded the Congressional Medal of Honor last May. He is lives in Friendswood and would like for him to be considered.

Mr. Joe Matranga requested to speak before the Council regarding his candidacy for the position left open by Councilmember Scott, Councilmember, Positions No. 5 at the May 6, 2023, General Election.

Councilmember Rockey asked that the City Manager to bring back an item to discuss at a future meeting the options related to "on street parking" on Hunters Lane. City Manager Morad Kabiri stated that he can bring an item back for discussion; however, he noted that he had spoken to the Police, Fire Marshal, Community Development, and Engineering about the need for the elimination of on-street parking in this area, and their consensus was that the circumstances and facts do not call for the prohibition of on-street parking at this location. Mr. Kabiri stated that in order to place a prohibition of any sort on a public roadway, we have to have a warrant that's justified by a study and nothing warrants restricting parking at this location to allow for people to be legally towed.

7. COMMITTEES OR SPECIAL REPORTS

A. Receive the Planning & Zoning Commission Annual Report.

Planning and Zoning Commission Chairman Tom Hinkley presented the item and stated that in the last few years there have been some changes on the Commission as it relates to its membership but felt that all the new members have brought another level of expertise and understanding of these complex issues. Mr. Hinkley noted that following Planning and Zoning accomplishments for 2022:

- Recommendation to Council to Amend the Garden Home District Zoning Regulations,
- Recommendation to Council to Amend the Plan Unit Development Criteria,
- Worked on updating the Comprehensive Plan to incorporate the 2020 Census Data,
- Conducted annual review of the Permitted Use Table – no changes made,
- Worked on Sidewalk Fund, eliminating the sidewalk fund which enabled Public Works to install sidewalks that were never installed,
- Key 2023 Projects – continue updating the Comprehensive Plan, Zoning Ordinances, the Permitted Use Table, setback requirements for abandoned oil wells, overhead/underground utilities, review and update Sign Ordinances, and lastly review, recommend updates to the Design Criteria Manual parking standards.

B. Receive the Zoning Board of Adjustment Annual Report.

Mayor Foreman stated that the ZBOA's annual report was attached to the agenda packet for the Council's review. Mayor Foreman thanked the ZBOA members for all their hard work in the previous year.

8. WORK SESSION

A. Receive and discuss an update regarding the drainage projects in the City of Friendswood.

Deputy Director Samantha Haritos presented the item and gave the following updates on the City's ongoing drainage projects:

Frenchman's Creek Green Space Project: This project is a Community Block Grant Development Project (CDBG). Buildings 1-5 have been purchased, they are in the process of being demolished or will be soon, and after that, the HOA will need to turn over the property in order for the City to close out the project. Mayor Foreman asked who does the HOA duties after all the tenants move out? City Manager Morad Kabiri stated that ultimately the last owner, in conjunction with the predominant owners, the City of Friendswood and Galveston County will represent the Homeowner's Association.

Forest Bend Offline Detention Project: As of February 2023, 35,000 cubic yards have been excavated at this site. The project is 40% complete with Trails A, B and C being almost complete. Staff is looking at a fall completion, and is waiting on the General Land Office (GLO) to approve \$300,000 in extra funding, that will come from Harris County Community Services Department.

Three Detention Basins Along Coward's Creek: This project is part of an interlocal project with Galveston County Consolidated Drainage District. Geotech has been completed and currently the

hydraulic and hydrology analysis is in progress. Once this stage is completed, staff will have a better idea of what the offline detention pond layouts will look, and it will be at this time that the engineering design can begin.

Friendswood Regional Storm Water Detention Basin: This project has been given an official name, the Friendswood Regional Storm Water Detention Basin and staff is hopeful that this project will receive a \$10 million allocation from the State of Texas that is pending award. If this funding source comes through, then the interlocal agreement for this project will include the Whitcomb Offline Detention Project. The notices for the first public meeting related to this project have been sent out, and the meeting is scheduled for March 28, 2023, at 6:30P.M. The meeting will be a virtual meeting, and everyone is invited to attend. At this point, a lot of the environmental studies for this project, have been completed; however, the Federal Aviation Administration required additional evaluations to review the project's impact on the flight patterns of birds, which could potentially fly in proximity to the airport as a result of this project.

Master Drainage Plan: Currently, staff is working on an interlocal agreement for an update Master Drainage Plan, which should be executed early summer 2023. This agreement will also include a Comprehensive Urban and Riverine Flood Mitigation Plan. Once the agreement is finalized and executed, staff will put out for a Request for Qualifications for a Regional Master Drainage Plan, probably around mid to late summer 2023.

Friendswood FMA 2022 C&CB Project Scoping for Flood Mitigation Project (FMA = Flood Mitigation Assistance): Staff is working on putting in a grant request application for a scoping project for the Whitcomb and Blackhawk Detention Projects, which include the following:

- The FMA Estimated Cost of the project is \$175,840, 90% Federal Share and 10% local share. The City of Friendswood would be responsible for about \$17,584.
- This project may reduce the 100-year flooding elevations by up to 1-foot.
- The project includes Inline and Offline Detention.
- Could potentially pursue additional flood mitigation grants for a full project once the cost benefit analysis has been done.

Mr. Kabiri stated that, if for whatever reason, the interlocal agreement doesn't come through with the State of Texas funding for the FM 1959, and the Friendswood Regional Detention Basin or the Whitcomb property, the city has another opportunity for funding through the FMA grants. The Engineering staff is working hard to try to identify all funding options knowing that each one may or may not come through because these projects involve multiple partners and funding sources that are not guaranteed.

Council thanked Ms. Haritos for the update and the Engineering Department's hard work.

9. CITY MANAGER'S REPORT

A. Recognize the 34th consecutive Certificate of Achievement for Excellence in Financial Reporting for the FY21 Annual Comprehensive Financial Report.

City Manager Morad Kabiri presented the item and stated that Administrative Services Office led by Katina Hampton has secured our 34th, and let that sink into you, thirty-four years in a row, they've secured the Government Finance Officers Association Award for Excellence in financial reporting.

B. Recognize the Friendswood Library for receiving the Texas Municipal Library Directors Association's Achievement of Excellence in Libraries Award for 2022.

City Manager Morad Kabiri presented the item and stated that this is the 9th year in a row that the Library has received this recognition. He further noted that there are only 73 out of the 542 public libraries (top, 15%) in the State of Texas, that receive this recognition, so well done.

C. Present an update of the Greater Harris County 9-1-1 Emergency Network Overview.

City Manager Morad Kabiri presented the item and stated that The Greater Harris County 911 recently published their annual statistics for dispatching services related to 911 calls; the State has a standard time frame in which 90% of the 911 calls have to be answered within 15 seconds. The City of Friendswood was recognized for answering 99.6% of its calls within 15 seconds. Well done to the team of dispatchers.

D. Recognize Keep Friendswood Beautiful for receiving the Gold Star recognition for 2023 from Keep Texas Beautiful.

City Manager Morad Kabiri presented the item and stated that the folks in Keep Friendswood Beautiful, the volunteers, and staff that spend countless hours in the community, keeping the parks and various landscape improvements throughout the community beautiful, and always looking nice, were recognized by the parent organization, Keep Texas Beautiful, as a Gold Star Affiliate. He noted that only 70 out of 300 Keep Texas Beautiful affiliates received this designation, so well done to KFB.

10. BUSINESS ITEMS

A. Consider approving the Friendswood Library Long-Range Strategic Plan.

This item approves the Friendswood Library Long-Range Strategic Plan, which was approved by the Library Board on January 17, 2023. The long-range plan serves as a primary tool for library development and to maintain library accreditation with the Texas State Library and Archives Commission (TSLAC).

A motion was made by Councilmember Rockey and seconded by Councilmember Hanks, to approve the Friendswood Library Long-Range Strategic Plan. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Councilmember Robert J. Griffon, Councilmember John Scott, and Mayor Pro Tem Brent Erenwert.

Nays: None.

The item passed unanimously.

B. Consider approving the expenditures described in Friendswood Downtown Economic Development Corporation's Resolution No. 2023-01, which authorizes Change Order No. 1 with Pfeiffer & Sons, Ltd, and establishes an owner's contingency for the FM 518 Illumination Project.

This item approves expenditures described in the Friendswood Downtown Economic Development Corporation's (FDEDC) Resolution No. 2023-02, which approved Change Order No. 1 in the amount of \$21,500.00 and authorized an owner's contingency in the amount of \$213,547.00, for use by the City Manager for changes in the scope of the work in order to accomplish the FM 518 Illumination Project approved by the Board and the City Council.

A motion was made by Councilmember Branson and seconded by Councilmember Hanks to approve the expenditures described in Friendswood Downtown Economic Development Corporation's Resolution No. 2023-01. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Councilmember Robert J. Griffon, Councilmember John Scott, and Mayor Pro Tem Brent Erenwert.

Nays: None.

The item passed unanimously.

C. Consider approving a contract with Audio Visual Technologies Group, Inc., for an audio-visual solution for the training room at the Public Safety Building through BuyBoard.

This item approves a contract with Audio Visual Technologies Group, Inc., for an audio-visual solution for the training room at the Public Safety Building.

The scope of work associated with this contract includes installation and integration of audiovisual systems for the City's Public Safety Building Training and Conference Rooms, to include programming and owner training of a complete audiovisual system with projectors, screens, flat screen displays, speakers, microphones, cameras and all associated components in four spaces used by the Police Department for training and conferencing.

Funding will be provided by the Police Departments FFE funds associated with the Public Safety Building Expansion Project. This purchase will be made through the City's cooperative purchasing agreement with BuyBoard.

A motion was made by Councilmember Hanks and seconded by Councilmember Scott to approve a contract with the Audio Visual Technologies Group, Inc. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Mayor Pro Tem Brent Erenwert.

Nays: None.

The item passed unanimously.

D. Consider awarding the 2023 Tank Rehabilitation Project to CFG Industries, LLC (Bid 2023-01).

This item awards the 2023 Tank Rehabilitation Project to CFG Industries, LLC, for Bid 2023-01, for work to be done on four water tanks within the City of Friendswood's water distribution system that have been pegged for routine maintenance and rehabilitation. The work will include interior and exterior paint blasting and re-coating, repair of rusted and corroded ladders, metal plates, and appurtenances, and structural repairs.

This bid was previously awarded to the lowest bidder; however, the City terminated that contract as such bidder was unable to overcome various hurdles. CFG Industries was the second lowest bidder with a bid in the amount of \$1,918,375. Funding for the project will come from the 2021 Water/Sewer Bond Series.

A motion was made by Councilmember Rockey and seconded by Councilmember Branson to award the 2023 Tank Rehabilitation Project to CFG Industries, LLC (Bid 2023-01). The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Councilmember Robert J. Griffon, Councilmember John Scott, and Mayor Pro Tem Brent Erenwert.

Nays: None.

The item passed unanimously.

11. PROPOSED RESOLUTIONS & ORDINANCES

A. Consider a resolution adopting the City Council's Reimbursement Policy.

This resolution adopts the City Council's Reimbursement Policy, which will replace the current policy which was most recently adopted on November 17, 2008. The purpose of the policy is to establish rules and procedures concerning reimbursement of expenses for City Councilmembers while conducting City business in accordance with Section 3.04 of the Charter. The following is a summary of some of the changes:

Section	Possible Amendment
2.01	Clarifies that the per diem will be paid for meals occurring during the specified time away from the City.
2.01	States that alcohol is not a reimbursable expense.
2.01	Increases the amount for tips, tolls, parking and fares not requiring a receipt from \$10.00 to \$15.00.
2.01	Omits any reference to expenses of spouses, as such expenses will be reimbursable only to the extent allowed by state law.

2.02	Adds miscellaneous expenses which may be reimbursed by the City upon request with proper documentation, including: 1. Mileage in personal vehicle while driving on City business and not associated with out-of-town travel (\$50.00/month max); 2. Telephone expenses related to City business (\$35.00 max); and 3. Other expenses approved in writing by the Mayor.
3	States that free transportation or lodging in exchange for points, etc., will not be reimbursed.
4	Establishes a seven (7) day timeline by which Councilmembers must submit expenses.

A motion was made by Councilmember Hanks and seconded by Mayor Pro Tem Erenwert to approve Resolution No. 2023-8, related to Item 11.A, as submitted. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Councilmember Robert J. Griffon, Councilmember John Scott, and Mayor Pro Tem Brent Erenwert.

Nays: None.

The item passed unanimously.

RESOLUTION NO. 2023-8

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, ADOPTING THE CITY COUNCIL'S REIMBURSEMENT POLICY; PROVIDING A REPEALING CLAUSE, CONTAINING A SAVINGS CLAUSE; AND PROVIDING FOR THE EFFECTIVE DATE.

B. Consider an ordinance amending the City's General Budget for Fiscal Year 2022-2023 by approving "Budget Amendment V" and providing for supplemental appropriation and/or transfer of certain funds.

This ordinance approves budget amendments for the following:

1. Public Works – Sanitary Sewer Phase IV Construction, \$1,368,119. Appropriate funding as part of the long-range sanitary sewer assessment and rehabilitation program. Public Works will execute Phase IV (Construction & Rehabilitation) based on the findings of Phase II which was part of an assessment phase. The Phase II Study Report outlines the recommended rehabilitation to assist in reducing sewer inflows to basin FM-08. The contract was awarded at the December 5, 2022 City Council meeting. The funding source will be 2018 Water Sewer Bond Construction funds and will include the schedule of values subtotal of \$1,115,095 plus an additional \$253,024 in owner's contingency.
2. Engineering Department - Vehicle Insurance Reimbursement, \$863. Appropriate insurance reimbursements received from Texas Municipal League Intergovernmental Risk Pool. The service vehicle was damaged and requires repairs to be placed back in service. Funding will be appropriated to the Engineering Department Capital Projects division vehicle maintenance account for repairs made to unit PW84.

3. Police Department - Vehicle Insurance Reimbursement, \$5,506. Appropriate supplemental insurance reimbursements received from Texas Municipal League Intergovernmental Risk Pool. The emergency response vehicles were damaged in the line of duty and require repairs to be placed back in service. Funding will be appropriated to the Police Department Patrol division vehicle maintenance account for repairs made to units P427 & P430.
4. Community Rating System – Transfer, \$11,000. Transfer funds from the Engineering Department to the Community Development Department for a Community Rating System (CRS) consultation. Staff initially planned to transition this responsibility from Community Development to Engineering, but the transition has not come to fruition this fiscal year. Additionally, the cost of completing the consultation has increased substantially. Therefore, funding is also being transferred between accounts within the Code Enforcement Division.
5. Friendswood Public Library – Donation, \$60. Appropriate directed donation received for the purchase of books in memorial. The funding source will be unassigned general fund balance. Funds will be appropriated to the Library’s operating budget.
6. Community Development Block Grant - Disaster Recovery, Reimbursement, \$26,280. Appropriate funds received from the CDBG-DR (Galveston County) grant program for assistance provided to homeowners during the Frenchman’s Creek acquisition. The City received a reimbursement of \$28,712.76 for actual relocation assistance costs. Advance funding, based on an estimate, was originally approved at the August 2, 2021, City Council meeting in the amount of \$26,280. Therefore, the funds will be appropriated back to unassigned general fund balance.
7. Community Development Block Grant - Disaster Recovery, Reimbursement, \$996,000. Appropriate funds received from the CDBG-DR (Galveston County) grant program for acquisition of Frenchman’s Creek, Building #4. The City received a reimbursement of \$995,696.92 for actual acquisition costs. Advance funding, based on an estimate, was originally approved at the September 12, 2022, City Council meeting in the amount of \$996,000. Therefore, the funds will be appropriated back to the 2021 General Obligation Bonds.
8. Fire Marshal’s Office – Transfer, \$4,336. Transfer funds from the Fire Marshal’s Office to the Construction in Progress Division for additional renovations needed in the Fire Marshal’s suite within the Public Safety Building Renovation project. The funding is being transferred from the Contract Services account.
9. Public, Educational, and Governmental Access (PEG) - Refund, \$822. Appropriate a refund of PEG reserves for damages incurred during the studio renovation project. HVAC duct work was accidentally damaged by the vendor during the studio renovation. The vendor reimbursed the City’s costs associated with repairs to the duct work. The funding will be refunded to restricted general fund balance from PEG Channel revenue.
10. Friendswood Downtown Economic Development Corporation – FM 518 Illumination Change Order #1 and Owner’s Contingency, \$235,047. Appropriate funds for FM 518 Illumination

Installation project Change Order #1 in the amount of \$21,500 and Owner's Contingency of \$213,547. Pfeiffer & Son, LTD was awarded the original contract at the August 1, 2022, City Council meeting. Funding will come from the 1/8th cent sales tax approved in May of 2016 for capital improvements in downtown Friendswood.

11. Police Department – Public Safety Software, Change Order (Reporting), \$6,750. Appropriate funds for a change order related to the implementation of new public safety software. Technical assistance and project management services are being provided by the contracted vendor to modify specialized reports. The changes will protect the name and address of victims. The funding source will be unassigned general fund balance.
12. Economic Development Agreement – TANNOS Development Group, LLC, \$350,000. Appropriate funds for an Economic Development Agreement between the City of Friendswood and TANNOS Development Group, LLC for commercial development located at 408 S. Friendswood Drive. The agreement was approved by City Council at the November 7, 2022 meeting. The funding source will be unassigned general fund balance.

A motion was made by Councilmember Scott and seconded by Councilmember Branson to approve Ordinance No. 2023-8, related to Item 11.B, as submitted. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Councilmember Robert J. Griffon, Councilmember John Scott, and Mayor Pro Tem Brent Erenwert.

Nays: None.

The item passed unanimously.

ORDINANCE NO. 2023-8

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING ORDINANCE NO. 2022-19, PASSED AND APPROVED AUGUST 29, 2022, SAME BEING AN ORDINANCE APPROVING AND ADOPTING THE CITY'S GENERAL BUDGET FOR FISCAL YEAR 2022-23, BY APPROVING "BUDGET AMENDMENT V" THERETO; PROVIDING FOR SUPPLEMENTAL APPROPRIATION AND/OR TRANSFER OF CERTAIN FUNDS; PROVIDING FOR SEVERABILITY; PROVIDING OTHER MATTERS RELATED TO THE SUBJECT; AND PROVIDING FOR THE EFFECTIVE DATE.

12. CONSENT AGENDA

A motion was made by Councilmember Scott and seconded by Councilmember Branson to approve the Consent Agenda, Items 12.A through 12.J. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Councilmember Robert J. Griffon, Councilmember John Scott, and Mayor Pro-Tem Brent Erenwert.

Nays: None.

The item passed unanimously.

A. Consider a resolution authorizing the Galveston County Mosquito Control District to use aerial application methods for the purpose of mosquito control within the Galveston County portion of the City of Friendswood.

RESOLUTION NO. 2023-9

A RESOLUTION OF THE CITY OF FRIENDSWOOD, TEXAS, AUTHORIZING AERIAL SPRAYING OVER THE GALVESTON COUNTY PORTION OF THE CITY OF FRIENDSWOOD BY THE GALVESTON COUNTY MOSQUITO CONTROL DISTRICT FOR ITS COUNTY-WIDE MOSQUITO CONTROL PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE.

B. Consider ratifying the Seasonal Concessions Agreement with Sterling Sports LLC, for the sale of concessions at Corporal Steven Schulz Sportspark.

This item ratifies the Seasonal Concessions Agreement (the "Agreement") with Sterling Sports LLC (the "Concessionaire") for the sale of concessions at Friendswood Sportspark. Pursuant to the Agreement, the Concessionaire is required (i) to operate its concessions throughout all league play, (ii) to adhere to specified maintenance and operation standards, (iii) to remove its equipment at the end of the term, and (iv) pay the City \$300 per season, of which there are typically four. The agreement is for a three-year period and may be extended for two additional two-year periods if agreed to by the parties.

C. Consider authorizing an amendment to the agreement for access control systems with Lighthouse Video Surveillance for additional cards and readers.

This proposed amendment authorizes the expenditure of an additional \$12,300 for access control reader terminals, smart card readers, and programmed cards for the Hanger, the Friendswood Library, and the Municipal Court. Funding for this amendment will come from Information Technology operating funds included in the FY23 adopted budget.

D. Consider accepting the Sidewalk Fund Installation Project and the commencement of the contractor's one-year maintenance period.

This item accepts the Sidewalk Fund Installation Project and the commencement of the contractor's one-year maintenance period. The work associated with the City of Friendswood Sidewalk Fund Installation Project has been completed. This project has enabled the City to install sidewalks along TxDOT roadways.

Funding for this project was partially paid for with funds developers pay into a "Sidewalk Fund" in lieu of installing sidewalks during construction. The remaining funds came from a FY21-22 General Fund Allocation for street maintenance.

The City has received a one-year maintenance bond from contractor, Greenscape Six, LLC, to correct any work found deficient during this one-year period.

E. Consider authorizing the final acceptance of the Blackhawk Boulevard Reconstruction Phase II Package "A" Project at the completion of the contractor's extended warranty maintenance period and the release of the maintenance bond.

The item authorizes the final acceptance of the Blackhawk Boulevard Reconstruction Phase II Package "A" Project and formally releases the maintenance bond.

The City began its extended warranty maintenance period of the City's Blackhawk Boulevard Reconstruction Phase II Package "A" Project in February 2021. The extended warranty maintenance bond has now expired.

F. Consider authorizing the final acceptance of the 2020-2021 Concrete Street Maintenance Program at the completion of the contractor's one-year maintenance period and release the maintenance bond.

This item authorizes the final acceptance of the 2020-2021 Concrete Street Maintenance Program at the completion of the contractor's one-year maintenance period and release the maintenance bond.

The City began its one-year maintenance period of the 2020-2021 Concrete Street Maintenance Program in September 2021. The maintenance bond has now expired.

G. Consider accepting the Sterling Creek, Section 7 Infrastructure Project and the commencement of the contractor's one-year maintenance period.

This item accepts the Sterling Creek, Section 7 Infrastructure Project, and the commencement of the contractor's one-year maintenance period.

Construction of water, sanitary sewer, storm sewer, and paving, and appurtenances for Sterling Creek, Section Seven has been completed. The improved lots are located adjacent to Friendswood Parkway. The City will maintain the water and sanitary sewer mains while the other infrastructure remains private.

The City has received a one-year maintenance bond from the contractor, David Wight Construction Company, to correct any work found deficient during this one-year period.

H. Consider appointing Ms. Marsha Conrad to the Planning and Zoning Commission to complete the unexpired three-year term left by Joe Matranga commencing immediately and ending on June 30, 2025.

Mr. Joe Matranga submitted his resignation to the Commission in January 2023, leaving a vacancy. Ms. Marsha Conrad has completed the appointment vetting process and meets the requirements in the City's Appointment Policy. Ms. Conrad will complete Mr. Matranga's unexpired three-year term, which is set to end on June 30, 2025.

I. Consider approving the ad valorem tax report for January 2023.

J. Consider approving the minutes of the City Council Regular Meeting held on February 6, 2023.

13. EXECUTIVE SESSION

A. Recess and convene into an executive session pursuant to Sections 551.071, 551.072, and 551.087 of the Texas Government Code to deliberate the offer of financial or other incentives to a business, to deliberate the purchase of real property, and to seek the advice of the City's attorney on legal matters related thereto.

At 7:24 P.M., Mayor Foreman recessed and convened into an executive session pursuant to Sections 551.071, 551.072, and 551.087 of the Texas Government Code to deliberate the offer of financial or other incentives to a business, to deliberate the purchase of real property, and to seek the advice of the City's attorney on legal matters related thereto.

At 7:35 P.M., Mayor Foreman reconvened the regular meeting and announced that in accordance with Section 551.102 of the Texas Government Code, no action was taken in executive session.

14. DISCUSSION AND POSSIBLE ACTION

A. Consider an Economic Development Agreement with Tannos Construction & Development, LLC.

A motion was made by Councilmember Branson and seconded by Councilmember Hanks to approve an agreement with Tannos Construction & Development, LLC. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Councilmember Robert J. Griffon, Councilmember John Scott, and Mayor Pro Tem Brent Erenwert.

Nays: None.

The item passed unanimously.

B. Consider authorizing the City Manager to negotiate and execute an earnest money agreement for the purchase of real property for municipal purposes.

A motion was made by Councilmember Griffon and seconded by Mayor Pro Tem Erenwert to approve authorize the City Manager to negotiate and execute an earnest money agreement for the purchase of real property for municipal purposes. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Councilmember Robert J. Griffon, and Mayor Pro Tem Brent Erenwert.

Nays: Councilmember John Scott.

The item passed.

15. ADJOURNMENT

With there being no further business to discuss, Mayor Foreman adjourned the March 6, 2023, City Council Regular Meeting at 7:36 P.M.

Mike Foreman, Mayor

Attest:

Leticia Brysch, City Secretary

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/10/2023

Prepared by: Leticia Brysch, City Secretary

Subject: Consider approving the minutes of the City Council Special Meeting held on March 6, 2023.

Originating Department: City Secretary

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to review and approve the minutes of the City Council Special Meeting held on March 6, 2023. The draft minutes are attached to this item.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. March 6, 2023, City Council Special Meeting Minutes (Draft)

**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF FRIENDSWOOD
MARCH 6, 2023**

THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD MET IN A SPECIAL MEETING ON MONDAY, MARCH 6, 2023, AT 4:30 P.M. IN THE COUNCIL CHAMBERS, FRIENDSWOOD CITY HALL, LOCATED AT 910 S. FRIENDSWOOD DRIVE, FRIENDSWOOD, TEXAS, WITH THE FOLLOWING MEMBERS PRESENT CONSTITUTING A QUORUM:

Steve Rockey	Councilmember
Sally Branson	Councilmember
Trish Hanks	Councilmember
Robert J. Griffon	Councilmember
John Scott	Councilmember
Brent Erenwert	Mayor Pro Tem
Mike Foreman	Mayor
Morad Kabiri	City Manager
Karen Horner	City Attorney
Leticia Brysch	City Secretary

1. CALL TO ORDER

Mayor Foreman called the meeting to order with a quorum present at 4:30 P.M.; all members were present with the exception of Councilmember Trish Hanks who was absent.

2. PUBLIC COMMENT

Ms. Hannah Carpenter requested to speak to Council regarding her support of naming a field at the Schulz Sportspark in honor of Mr. Jesse Torres. Ms. Carpenter detailed her experience being coached by Mr. Torres and later coaching along with him in Friendswood. She stated that they have secured funding to purchase a scoreboard with his name noted on it for the softball field.

Ms. Lucy Reyna requested to speak to Council regarding her support of naming a field at the Schulz Sportspark in honor of Mr. Jesse Torres. Ms. Reyna read a letter from Mr. Rene Torres, brother to Mr. Torres on behalf of his family in support of this item.

Ms. Kristi Carpenter requested to speak to Council regarding his support of naming a field at the Schulz Sportspark in honor of Mr. Jesse Torres. She spoke of Mr. Torres' history coaching and mentoring her daughters.

Mr. Jim Jamail, the applicant for the application to rename a field located in the Corporal Steven Schulz Sportspark in honor of Jesse Torres, I am here to answer any questions if needed, and appreciate the consideration.

Mayor Foreman stated that there were no speakers and moved onto the next item.

3. WORK SESSION TOPIC

A. Discuss a request to name a field located in the Corporal Steven Schulz Sportspark to Jesse Torres Field.

Mayor Foreman presented the item and noted that this item it typically taken during a Council Retreat, but the City felt it was appropriate to move forward on this item and give the applicant an answer. Mayor Foreman stated that he was supportive of renaming the field in honor of Mr. Torres. Councilmember Rockey asked if this item has been put through the vetting process as noted in the City's Naming Policy. Mayor Foreman stated the staff had completed the necessary background checks and review of the application; and if it is the desire of the Council, this item can be put on the next agenda for action.

Councilmember Griffon stated that he was reluctant to name a field within the Corporal Steven Schulz Sportspark, which was named after a local veteran. He stated that he had concerns naming fields within a park, however, he noted that the scoreboard itself could be named in honor of Mr. Torres.

Mayor Pro Tem Erenwert asked if there was a concern in naming a field with a scoreboard, and could it lead to confusion over the name of the sportspark itself.

Councilmember Scott stated that there are so many people within the community that have given so much of themselves to the development of the young people and to grow them into leaders. He further noted that the erecting a scoreboard in a little league facility accomplishes the intended consequence of recognizing someone who has supported the local softball community. Lastly, Councilmember Scott stated that he did not feel that the naming a field would not impact the name of the park.

Mayor Foreman stated that Friendswood has a lot of community members that are committed to serving this community and its young people. He stated that he felt that Mr. Torres had set a standard for the type of person that is deserving of this type of honor.

Councilmember Scott stated that there has been a precedent with the naming of fields withing parks with the naming of Ziegler Field.

Mayor Pro Tem Erenwert stated that the scoreboard would help bring value to the park, and he believed the application had met the City's requirements.

Councilmember Branson stated that she was in support of placing this item on the next Council agenda for action.

The Council concurred in the placement of this item on the next Council agenda for action.

4. ADJOURNMENT

With there being no further business to discuss, Mayor Foreman adjourned the March 6, 2023, City Council Special Meeting at 4:53 P.M.

Mike Foreman, Mayor

Attest:

Leticia Brysch, City Secretary

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/07/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Recess into and conduct an executive session pursuant to Section 551.074 "Personnel Matters" of the Texas Government Code to deliberate the annual performance evaluation of the City Manager.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

This form should be completed and forwarded to the City Manager's Office as soon as possible prior to the first date that the item is expected to be placed on the Friendswood City Council agenda.

Date requested for City Council consideration: April 3, 2023

Date submitted: 03/07/2023

Prepared by: Glenda Faulkner, Executive Secretary

Subject: Consider and take possible action regarding the City Manager's annual review.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS