



**CITY COUNCIL REGULAR MEETING
MONDAY, APRIL 1, 2024, 5:30 PM
COUNCIL CHAMBERS, CITY HALL
910 S. FRIENDSWOOD DR, 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 2, 2024, as Westwood 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 the Council's rules of decorum.

7. PROCLAMATION

- A. Present a proclamation designating the month of April as Fair Housing Month in the City of Friendswood.

8. COMMITTEES OR SPECIAL REPORTS

- A. Receive the Galveston County Consolidated Drainage District's Annual Report.
B. Receive the Keep Friendswood Beautiful Annual Report.
C. Receive the Fourth of July Steering Committee Annual Report.
D. Receive and discuss a recommendation from the Parking Ad Hoc Committee.
E. Receive and discuss the 2023 Annual Comprehensive Financial Report.

9. WORK SESSION TOPICS

- A. Receive and discuss a Schedule of Events for the upcoming Special Assessment Revenue Bonds (Public Improvement District) Sale.

10. ZONE CLASSIFICATION CHANGE AND AMENDMENT TO THE FUTURE LAND USE MAP FOR 2600 S FRIENDSWOOD DRIVE

- A. Conduct a public hearing regarding a request for a zone classification change located at 2600 S Friendswood Drive, 4.8476 acres of land out of Lot 64 and 65 of Slone Subdivision, out of the John Dickinson League, according to the map or plat recorded in Volume 254-A, Page 6 and transferred to Plat Record 3, Map Number 61A, both of the map records of Galveston County, Texas, to change from Single Family Residential (SFR) to Community Shopping Center (CSC) and an amendment to the Future Land Use Map to change such property classification from Low Density Residential to Retail.
- B. Consider an ordinance amending the Official Zoning Map of the City of Friendswood to change the zoning classification of the property located at 2600 S Friendswood Drive, 4.8476 acres of land out of Lot 64 and 65 of Slone Subdivision, out of the John Dickinson League, according to the map or plat recorded in Volume 254-A, Page 6 and transferred to Plat Record 3, Map Number 61A, both of the map records of Galveston County, Texas, to change from Single Family Residential (SFR) to Community Shopping Center (CSC) and amending the Future Land Use Map to change the property from Low Density Residential to Retail.

11. CITY MANAGER'S REPORT

- A. Present an update regarding the City's Administrative Services Department receiving their 21st GFOA Distinguished Budget Presentation Award.
- B. Present an update regarding the upcoming Spring Sparkle Event hosted by the Parks and Recreation Department and Keep Friendswood Beautiful.
- C. Present an update regarding the May 4, 2024, Friendswood Special Election voting locations and times.
- D. Present an update regarding National Library Week, April 7th - 13th, 2024.
- E. Present an update regarding Keep Friendswood Beautiful receiving the Gold Star Recognition from Keep Texas Beautiful.

12. BUSINESS ITEMS

- A. Consider ratifying and concurring with the City Manager's appointment of Steve Vavrecka to the position of Director of Public Works.
- B. Consider authorizing the First Amendment to the Amended and Restated Cost Sharing Agreement for the Southeast Transmission Line Project - COH 42" Waterline Replacement
- C. Consider authorizing a Professional Services Agreement with JER HR Group LLC, for a citywide compensation study.
- D. Consider approving a nomination for 4th of July Parade Grand Marshal.

13. PROPOSED RESOLUTIONS & ORDINANCES

- A. Consider a resolution setting a public hearing on the creation of a tax increment reinvestment zone and its benefits to the City and to the property in the proposed zone, being approximately 326 acres of land generally located along FM 528/W. Parkwood Ave. at the intersection of Friendswood Parkway, extending northwest to the city limit of Friendswood and southwest of Baker Road and also including three of the four corner tracts at the intersection of FM 528/W. Parkwood Avenue and Friendswood Parkway, wholly located within Galveston County and the corporate limits of the City of Friendswood, Texas, and directing a preliminary reinvestment zone project and financing plan be prepared.

- B. Consider an ordinance amending the City's General Budget for Fiscal Year 2023-2024 by approving "Budget Amendment V" and providing for supplemental appropriation and/or transfer of certain funds.

14. CONSENT AGENDA

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

- A. Consider a resolution designating authorized signatories for the Community Development Block Grant – Mitigation Program (CDBG-MIT) for the Texas General Land Office State Contract No. 24-065-030-E485.
- B. Consider a resolution suspending the April 10, 2024, effective date of CenterPoint Energy Houston Electric, LLC's requested rate change; approving the continued participation in the Gulf Coast Coalition of Cities to evaluate the filing, to determine whether the filing complies with law, and to determine the appropriate course of action.
- C. Consider a resolution adopting the City of Friendswood's updated Drought Contingency and Water Emergency Management Plan to promote the responsible use of water throughout the City.
- D. Consider an ordinance repealing Chapter 86 "Utilities," Article II "Water," Division 1 "Generally" of the Friendswood City Code and amending Chapter 86 "Utilities," Article II "Water" of the Friendswood City Code by adding a new division to be numbered and entitled Division 1 "Generally" to conform to the updated Drought Contingency and Water Emergency Plan and to promote the responsible use of water throughout the City.
- E. Consider approving a banner permit application and license agreement for Mary Queen Catholic Church to advertise its annual Mary Queen Parish Festival.
- F. Consider authorizing an Agreement for Financial Advisory Services with BOK Financial Securities, Inc.
- G. Consider authorizing an Agreement for Tax Increment Reinvestment Zone Administration Services with P3Works LLC, for the proposed Reinvestment Zone Number Two, City of Friendswood.
- H. Consider ratifying the signatures by the Chief of Police and City Manager on a renewal agreement with the Defense Logistics Agency (DLA) Disposition Services allowing the Police Department's participation in the excess Department of Defense (DOD) property transfer program (formerly known as the 1033 Program).
- I. Consider authorizing the final acceptance of the Sidewalk Fund Installation Project.
- J. Consider accepting the Fiscal Year 2022-2023 Striping Maintenance Project and the commencement of the contractor's one-year maintenance period.
- K. Consider approving the ad valorem tax report for February 2024.
- L. Consider approving the minutes of the City Council Regular Meeting held on March 4, 2024.

15. EXECUTIVE SESSION

- A. Recess and convene into an executive session pursuant to Section 551.074 of the Texas Government Code to deliberate the annual performance of the City Manager.

16. DISCUSSION AND POSSIBLE ACTION

- A. Consider taking appropriate action regarding the City Manager's annual performance evaluation.

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
28th day of March 2024, at 5:00 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 1, 2024

Date submitted: 02/09/2024

Prepared by: Leticia Brysch, City Secretary

Subject: Consider a proclamation declaring April 2, 2024, as Westwood 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 Westwood Elementary to participate in the Kid's Council in order to declare April 2, 2024, as Westwood Elementary School Day in the City of Friendswood, Texas.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Approve proclamation.

ATTACHMENTS

1. Westwood Elementary Day Proclamation

City of Friendswood
Office of the Mayor



PROCLAMATION

I, Mike Foreman, by virtue of the authority vested in me as Mayor of the City of Friendswood, do hereby proclaim April 2, 2024, as

"WESTWOOD ELEMENTARY DAY"

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

WHEREAS, at Westwood 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 Westwood Elementary is dedicated to providing the children of Westwood Elementary with a quality education in a safe environment; and

WHEREAS, the children at Westwood Elementary are engaged learners and Bucket Fillers;

NOW, THEREFORE, I, Mike Foreman, the Mayor of the City of Friendswood, do hereby proclaim April 2, 2024, as

WESTWOOD ELEMENTARY DAY

in the City of Friendswood, Texas.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Seal of the City of Friendswood, this 2nd day of April 2024.

Mike Foreman, Mayor

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 1, 2024

Date submitted: 03/05/2024

Prepared by: Karen Horner, City Attorney

Subject: Present a proclamation designating the month of April as Fair Housing Month in the City of Friendswood.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The month of April marks the anniversary of the Fair Housing Act, established by Congress in 1968, which prohibits discrimination in the financing, rent, or sale of any dwelling based on race, color, religion, sex, or national origin. Amendments to the Act in 1988 extended protection against housing discrimination based on disability or familial status. Similarly, the Texas Legislature solidified the State's commitment to fair housing with the Texas Fair Housing Act of 1989.

City staff is entrusted with ensuring that ordinances, policies and procedures are not only non-discriminatory, but also positively further fair housing choice. The City is committed to upholding the Fair Housing Act and the principles upon which it is based and to supporting fair housing opportunities in our community.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. Proclamation - Fair Housing Month

City of Friendswood
Office of the Mayor



PROCLAMATION

I, Mike Foreman, by virtue of the authority vested in me as Mayor of the City of Friendswood, do hereby proclaim the month of April 2024 as

"FAIR HOUSING MONTH"

WHEREAS, the passage of the U.S. Fair Housing Laws, Title VIII of the Civil Rights Act of 1968, as amended, established the right to equal housing opportunities for all citizens; and

WHEREAS, this law guarantees that housing throughout the United States should be made available to all citizens without regard to race, color, religion, sex, family status, handicapping conditions or national origin; and

WHEREAS, citizens in our community should continue to work together to uphold the Fair Housing Law and the principle of equal opportunity on which it is based; and

WHEREAS, barriers which diminish the rights and limit the options of any citizen will ultimately diminish the rights and limit the options for all;

NOW, THEREFORE, I, Mike Foreman, the Mayor of the City of Friendswood, do hereby proclaim the month of April 2024 as

FAIR HOUSING MONTH

in the City of Friendswood and urge all citizens to support the principles of fair housing opportunities for all.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Seal of the City of Friendswood, this 1st day of April, 2024.

Mike Foreman, Mayor

**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 1, 2024

Date submitted: 03/04/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Receive the Galveston County Consolidated Drainage District's Annual Report.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Galveston County Consolidated Drainage District is a special district charged with flood mitigation and maintenance responsibilities within the Galveston County side of Friendswood.

Operations Manager, Joseph Anderson will be present on Monday night to update the Council on their various efforts.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

- 1. 20240326075551506

Galveston County Consolidated Drainage District

Joseph Anderson
Operations Manager
January 31, 2024



Overview

- About the District
- Completed Projects
- Current and Upcoming Projects
- Stay Informed



About the District

- Galveston County Consolidated Drainage District (GCCDD) was formed when the Clear Creek Drainage District and Galveston County Drainage District Number Three merged following the February 2, 2002 election.
- Joseph Anderson joined GCCDD on September 1, 2008, and since that time has introduced numerous projects and initiatives that have improved drainage and reduced flooding for our district.
- Three years after arriving, Joseph progressed our district on Clear Creek with projects that were not ever previously considered.

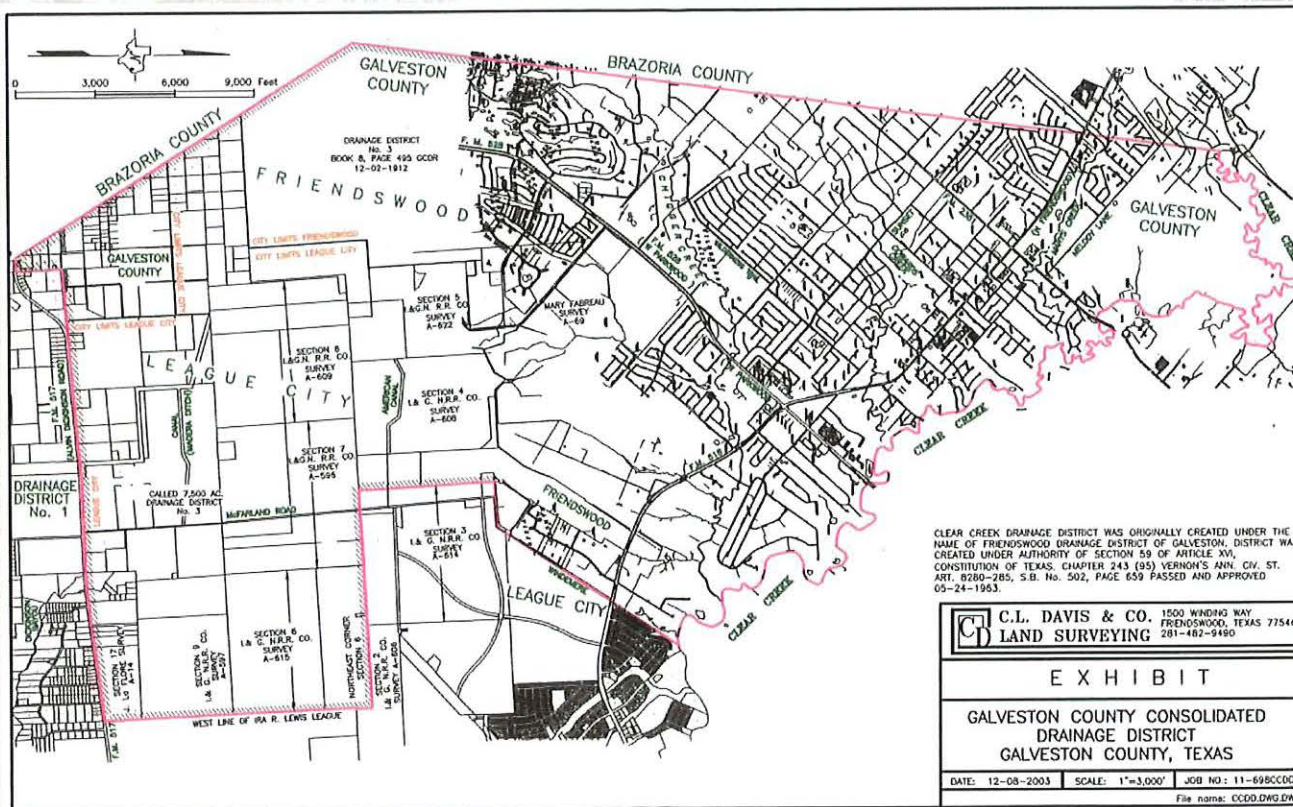


GCCDD's Mission

Our mission is to reduce the probability of flooding throughout the Friendswood/League City area by improving drainage while preserving the natural beauty of the creeks, resulting in increased safety, higher quality of life, and an environment fostering economic growth.



District Boundaries



District Goals

- Maintain zero net increase in runoff due to development
- Construct and maintain facilities that will contain a 100-year storm runoff in the Clear Creek and Dickinson Bayou Watersheds



Includes the following streams:

- Clear Creek
- Chigger Creek
- Cowards Creek
- Mary's Creek
- Coyote Creek
- Box Ditch
- Dickinson Bayou
- Volmar Ditch
- Medera Ditch
- Dickinson Bypass
- Whitehall/Annalea Ditch
- Eagle Creek
- Mustang Ditch
- Your Ditch
- Lundy Ditch



Maintenance

- Mowing and Spraying
- Clearing Obstruction and Desnagging
- Desilting
- Erosion Prevention
- Erosion Repair



Completed Projects



Current and Upcoming Projects

- FM 1959
- Deepwoods
- Frenchman's Creek
- Quaker's Landing



Stay Informed

- GCCDD [Website](#)
 - Meeting Agendas
 - Minutes
 - Recordings
 - Criteria Manual
 - Etc...



What's New?

- Drone [Videos](#)
- Clear Creek Barge Gopro [Videos](#)
- ArcGIS Project [Dashboard](#)



Questions?



**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

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Date requested for City Council consideration: April 1, 2024

Date submitted: 03/05/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

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 and discuss the Keep Friendswood Beautiful Annual Report.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Receive report.

ATTACHMENTS

- 1. KFB 2024 Presentation to Council



Annual Recap

April 2023 - March 2024



Creating
and
maintaining
a beautiful
place to live.



Spring Sparkle, Tree Dedication, and Day of Service.

April-May KFB was very busy starting with

Spring Sparkle:

- 66.12 tons of trash was picked up
- 7,348lbs of electronics was dropped off
- 6,900 lbs of paper was shredded
- \$1,047.40 was brought in from the garage sale

FISD Day of service: The Wranglerettes volunteered and picked up trash in the park, along the creekline, and planted native plants in Butterfly Landing.

KFB donated a tree in Stevenson Park on behalf of Loretta Murphy, former KFB board member who passed away in 2022

April-May



KFB PHOTO CONTEST

June

KFB received over 175 entries!

- 1st place went to Juan Banuelos for his photo of a squirrel visiting the Friendswood Fairy trail in Stevenson Park.
- 2nd place was awarded to Danny Bergeron for his photo of a hawk in mid flight taken in his backyard.
- 3rd place went to Hannah Matias for the very creative photo of a frog and it's reflection.
- 4th place went to Braxton Wright for his photo of an armadillo.



June



**Educational Class
w/Ft. Bend ISD**
50 Pre-K Children attended the class where they learned about seeds, butterflies and bees.

**&
KTB Conference**

- Kaye Corey received the Volunteer of the Year award
- Along with KFB received the Gold Star Affiliate award
- Kimberly was recognized as a KTB mentor and a GCAA Judge





- KFB WON 1ST PLACE OVERALL AT THE 4TH OF JULY PARADE FOR THE 2ND YEAR IN A ROW!
- KFB SPONSORED MOVIE IN THE PARK FEATURING PUSS IN BOOTS, THE LAST WISH

July





**Environmental Class @
Centennial Park**
The IVY School with 60 kids
attended the environmental
class.



Welcome, Moses



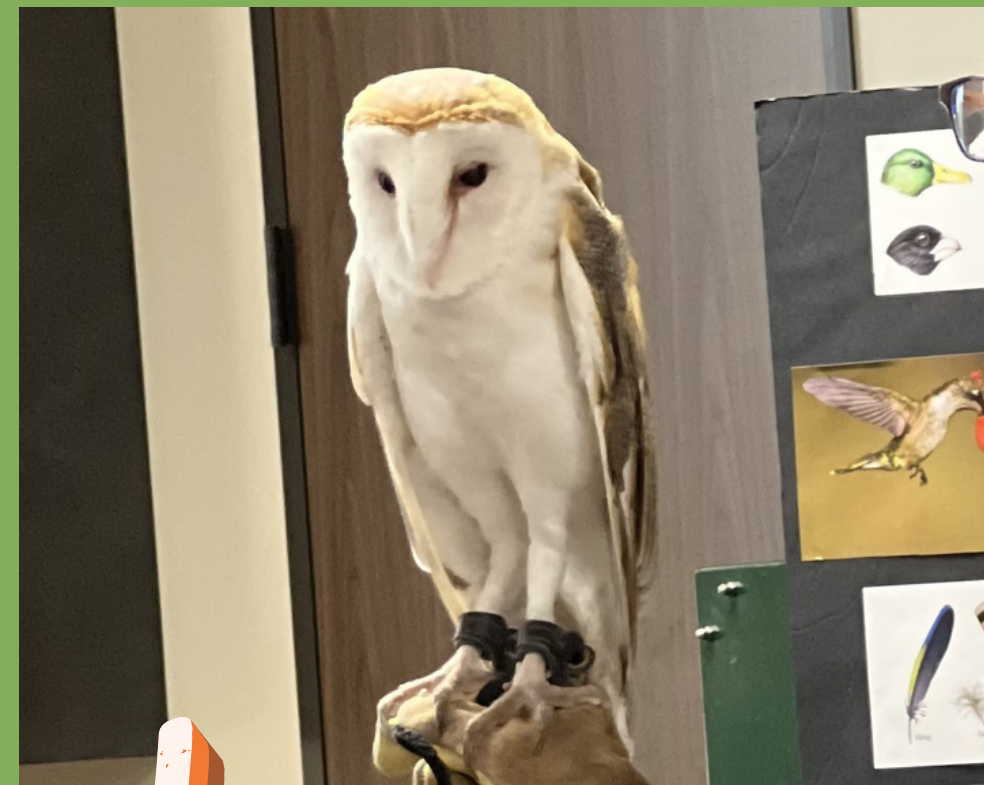
Chara Back to
School Event
Community
Outreach; talked
with 60 families

August





- FDFA Ice Cream Social
- New Turf added to the Fairy entrance
- KFB hosted a Raptor Class with 50 children attending



September

Partnering with the FISD Transition Center

October



Keep Friendswood Beautiful began partnering with the FISD Transition Center! The students come once a week to assist with folding maps for the Fairy Trail as well as many other workplace tasks that teach them about hard and soft skills.

Fall Haul

Total cars that went through the event: 425
Student volunteers: 20
KFB Volunteers: 10
Waste Connections collected: 91.54 tons of trash
Shredding: 15,325 lbs.
Freon Removal: 5 lbs.



November





December

THE 15TH ANNUAL SANTA IN THE PARK AND THE LIGHTED CHRISTMAS TRAIL

- KFB ASSISTED WITH RESPONDING TO 1,000 LETTERS ON BEHALF OF SANTA
- 1,000+ CHRISTMAS FAIRY MAPS WERE PRINTED
- OVER 10,000 PEOPLE VISITED THE LIGHTED CHRISTMAS TRAIL AND SANTA IN THE PARK



Trees, Fairies, and more!

Starting in 2024, KFB was involved with the following:

- Tree Giveaway-100 Trees were given away to residents
- 2023 Matching Grant issued to the Friendswood Historical Society.
- Planted several trees at Lake Friendswood Park
- Presented Business Beautification Award to Friendswood Garden Emporium
- Introduced a new fairy to the Stevenson Park Fairy Trail

January - March





Keep Texas
Beautiful

O.P. SCHNABEL VOLUNTEER
OF THE YEAR

Kaye Corey
FRIENDSWOOD, TX

BEAUTIFY
TEXAS
AWARDS



Thank
You

GOLD STAR
AFFILIATE

2021



Keep Texas
Beautiful



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 1, 2024

Date submitted: 03/05/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

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 and discuss the Fourth of July Steering Committee's annual report.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Receive report.

ATTACHMENTS

1. Fourth of July Steering Committee Annual Report to Council

Good evening, Mayor, and Council members:

It is my pleasure to represent the Fourth of July Steering Committee again this year.

On Tuesday, July 4th the committee and the City of Friendswood will proudly present the 129th Annual Fourth of July Celebration. This year's theme is:

“Music of America”

The day begins with our Grand Parade. It features more than 100 entries from Friendswood and around the state. The Grand Marshal is Greg Dick, former Friendswood High School Band Director.

After the Parade, in Stevenson Park, there will be rides, games, food, live entertainment, and booths until 2:00 PM.

The evening program will be held at Centennial Park, beginning at 7 P.M. Free shuttle service will start running at 6 P.M. from Mary Queen Catholic Church (dignitary and special needs shuttle location), Friendswood High School (public pick-up location) and Friendswood Methodist Church (public pick-up location). More details will be provided for dignitary transportation as the event gets closer.

This year our headline act for our event will be the “Spazmatics”. 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:

James Toney, Director of Parks and Recreation

Michael Boyett, Assistant Director of Parks and Recreation

Catherine Wood, Recreation Superintendent

Garrett Normoyle, Recreation Manager

Cierra Sutton, Recreation Manager

Megan Childers, Office Clerk

Gary Williams, Assistant Director of Parks

Kaylub Mull, Parks Superintendent

Genie Balderaz, Senior Program Manager

Shadey Caraveo-Saldana, Assistant Senior Program Manager

The Parks Department Staff: Matthew Diaz, Rob Voss, Joshua Calvert, Michael Lott, Luis Amaya, Mauricio Figueroa, Donald Haritos, Austin Wheeler, William Frick, Mitchell Blanchard, Jason Haritos, and Sandra Flores.

I would also like to thank this year's 2024 Committee Members:

Michelle Bjacek

Stephanie Karacostas

Tommy McDonald

Terry McKee

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 1, 2024

Date submitted: 03/14/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Receive and discuss a recommendation from the Parking Ad Hoc Committee.

Originating Department: Community Development

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Parking Ad Hoc subcommittee was formed upon recommendation of Councilmember Sally Branson in August 2023 to review parking regulations and make a recommendation for any changes they deemed necessary. The following people were selected to serve on the Committee: Tom Hinckley, Planning and Zoning Commission; Marcus Rives, Planning and Zoning Commission; David Stanley, local DD business owner; Brett Banfield, developer; Ron Cox, FDEDC; Rebecca Hillenburg, FDEDC; and Susan Asimakis, CEDC, and Sally Branson, Councilmember.

The committee members spent a great deal of time understanding the current parking regulations and researching current issues related to parking challenges. They researched news articles, reviewed parking requirements from other cities, attended sessions at various conferences, participated in virtual meetings, and visited other cities.

The current Parking Group Table is attached, as well as the Design Modification Form, which applicants may use to submit for alternate parking plans. Also attached is the final report with full details of the committee's actions and recommendations.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Changes to the city's parking standards could increase land use, green space, decrease the cost of development, and improve walkability.

RECOMMENDATIONS

Below are the three (3) recommendations from the Parking Ad Hoc Subcommittee:

- 1) A 15% reduction of parking spaces in addition to the existing 5% reduction currently allowed for a total of 20%. The subcommittee hopes that this proposed change will provide a natural incentive for the redevelopment of large parking lots throughout the city.
- 2) Have staff increase transparency of existing alternative parking solutions; such as, shared parking agreements and the submission of parking analyses for consideration by the City Engineer.
- 3) That parking regulations be reviewed every two years.

ATTACHMENTS

1. Ad Hoc Parking Subcommittee FINAL REPORT March 2024
2. Parking Group Table from DCM

3. Design Criteria Modification Form



Ad Hoc Parking Subcommittee Final Report

To: Mayor and City Council
Planning and Zoning Commission

From: Marcus Rives, Chairman
Aubrey Harbin, Director of Community Development/Planner

Date: March 21, 2024

Re: Recommendations regarding Parking Standards

Handwritten signature in blue ink: AH (MR)

Many cities across the nation and the State of Texas are taking action to remove minimum parking requirements. Reasons such as increasing taxable value for cities by allowing buildings to be constructed rather than parking spaces, the addition of more green space, and reducing construction costs for developers are a couple of the driving forces behind the changes. Additionally, the use of vehicles is decreasing, and, in the future, parking spaces may be obsolete. More people are using ride share programs such as Uber and Lyft and less people are obtaining a driver's license. According to a data analysis performed by the Insurance Information Institute, in 1997, 43% of 16-year-olds had a driver's license. In 2020, only 25% of 16-year-olds had a driver's license.

In Friendswood, small lots in the Downtown District (DD) are proving to be difficult to develop. In 2017, Lauren Griffith and Associates authored the Downtown Improvement Plan. The plan cataloged parking spaces in the district and the consultant was confident that there is sufficient parking within the district; however, shared use agreements may be necessary to capitalize on the opportunities of sharing parking spaces. The goal of the Downtown District is a more walkable, pedestrian friendly area as stated in the Zoning Ordinance, "Development within the DD should be pedestrian friendly with an emphasis on shared parking and shared access between developments." With the completion of the sidewalks in the DD, the goal is to reduce unsightly parking lots and encourage visitors to walk. In other areas of town, large parking lots that were built in the 1970s and 1980s are not being utilized.

Other local concerns for Friendswood are drainage and build out of the city. Requiring less parking could result in less paving and more green space, which would reduce the impact on drainage throughout the city. Geographically, Friendswood is a land-locked community. Responsible and intentional development of the remaining land in Friendswood is crucial.

The ad hoc subcommittee was formed and appointed by City Council in August 2023 to review parking regulations for Friendswood and consider the trends listed above, and if necessary, make recommendations for any changes in the City of Friendswood's parking regulations.

Committee members

The committee members spent a great deal of time understanding the current parking regulations and researching current issues related to parking challenges. They researched news articles, reviewed parking requirements from other cities, attended sessions at various conferences, participated in virtual meetings, and visited other cities.

The following people were appointed to the subcommittee:

Marcus Rives, Planning and Zoning Commission, Chairman
Tom Hinckley, Planning and Zoning Commission
Susan Asimakis, CEDC
Ron Cox, FDEDC
Rebecca Hillenburg, FDEDC
Brett Banfield, developer
David Stanley, local DD business owner
Sally Branson, Councilmember

Current Parking Regulations

The first step was for the Committee to understand the City's current regulations. The Parking Group Table details the parking ratios based on use and is in the Design Criteria Manual, Appendix C. Parking regulations have intentionally been included in the DCM because it is adopted by resolution and does not require a variance from the Zoning Board of Adjustment for alternate considerations. Staff may approve a 5% deviation from the recommended parking requirements unless an alternative plan is approved by the Planning and Zoning Commission.

Developers may also submit a Design Modification Form for the City Engineer to consider alternate parking plans with justification by an engineer. Historically, the City of Houston's shared parking calculator has been accepted and proven to provide sufficient parking for mixed use developments.

Additionally, the regulations for the Downtown District (DD) in the Zoning Ordinance encourage and require shared parking areas and allow on-street, head-in parking.

Zoning Ordinance Section 8.N.

3. Parking. To promote pedestrian friendly environments, shared parking and shared parking access is encouraged. Parking spaces and parking lot geometrics shall comply with the requirements of the current Design Criteria Manual.

- a. Off-site parking shall be allowed if within one block of the development. For purposes of this subsection, one block shall constitute no less than 300 linear feet and no more than 1,200 linear feet.*
- b. Shared parking areas shall be allowed.*

c. Shared access agreements shall be required between adjacent developments.

d. On-street, head-in parking may be allowed in the Downtown District (DD) with the approval of the Planning and Zoning Commission, upon recommendation of the city engineer, in areas at least 75 feet from FM 518 and/or FM 2351. No on-street parking shall be allowed on FM 518 or on FM 2351 within the DD.

e. Development plans shall indicate how freight and goods will be delivered.

f. Development plans shall show the design and layout for all parking. Documentation shall be provided to verify authority for all shared or off-site parking.

g. All such required documentation shall be presented before a development plan is approved.

Research and Benchmarking

The committee read and reviewed many published articles on parking trends. They also reviewed parking regulations for other cities such as Pearland, League City, Georgetown, Bastrop, and others. The committee members crafted a questionnaire to receive consistent feedback from other cities. They received feedback from Cedar Park and Georgetown.

In October, the committee members hosted a virtual meeting with Brad Wiseman, the Director of Planning and Development Services for the City of Round Rock. He presented details on the City of Round Rock's regulations, challenges they faced and how they addressed them.

Marcus Rives attended a session at the American Planning Association Texas Conference and met Kareem Heshmat, the Senior Planner for the City of Sugar Land, which resulted in an invitation for the committee to attend a virtual presentation in November to hear about the changes the City of Sugar Land made to their parking regulations.

A discovery trip to the City of Conroe in February organized by Susan Asimakis and hosted by Scott Harper, the President of the Conroe Chamber of Commerce, allowed a few committee members to visit another city and gain additional perspectives on parking situations. Several members also visited the City of Bastrop.

The committee members found that cities in general are removing barriers for development, whether those be for parking, housing, or other land use related regulations.

Final Recommendation

The Ad Hoc Parking Subcommittee recommends a 15 percent reduction of parking spaces in addition to the current 5% deviation in the Design Criteria Manual, Appendix C, Parking Group Table, for a total of 20% reduction in minimum parking spaces. The committee settled on this number as a good faith effort to reduce the cost of development to developers and allow for additional green spaces to be incorporated into developments, or additional taxable buildings. Observation of the larger parking lots not being utilized led to the idea of reducing the minimum requirements by 20%. In making these changes, the subcommittee hopes that it would provide a natural incentive for redevelopment of large parking lots throughout the City.

Many cities throughout Texas and other states are removing minimum parking requirements, but in those instances the cities have public transportation, parking garages, and/or on-street parking. Without these benefits, the committee did not feel that it is time to eliminate the parking requirements as a whole and would like to establish a subsequent review of the parking regulations in two years.

The subcommittee also recommends staff increase transparency of existing alternative parking solutions such as shared parking agreements and the opportunity to present parking analyses for consideration by the City Engineer. This information is and will continue to be conveyed to developers and property owners during DRC meetings.

APPENDIX C

Parking Group Table

Parking Use Category	Parking Spaces*
Accommodation	
<i>Accommodations:</i>	1.25 spaces per sleeping room or unit, plus the following meeting per banquet space: - less than 10 sq. ft. per sleeping room = none; - 10 to 20 sq. ft. per sleeping room = 30 spaces per 1,000 sq. ft. GFA; - 21 to 50 sq. ft. per sleeping room and over 50 sq. ft. per sleeping room = 20 spaces per 1,000 sq. ft. GFA.
<i>Accommodations with food:</i>	1.25 spaces per sleeping room or unit, plus 10 spaces per 1000 sq. ft. GFA restaurant lounge, plus the following for meeting/banquet space: - less than 10 sq. ft. per sleeping room = none; - 10 to 20 sq. ft. per sleeping room = 30 spaces per 1,000 sq. ft. GFA; - 21 to 50 sq. ft. per sleeping room and over 50 sq. ft. per sleeping room = 20 spaces per 1,000 sq. ft. GFA.
Adult Establishment	1 space for every 4 seats or 1 space for every 50 sq. ft. of customer service area, whichever is greater.
Agricultural, Forestry, Fishing, and Hunting Uses	2 per site plus 1 per 1,000 sq. ft. enclosed floor area.
Amusement and Recreation Industries	
<i>Arcade:</i>	1 space per 200 sq. ft. GFA.
<i>Driving/Archery/Shooting Range:</i>	1 space per 200 sq. ft. GFA of indoor facilities plus 1 space per tee or target.
<i>Fairground, Exhibition, Carnival:</i>	1 space per 500 sq. ft. of outdoor site area plus 1 space per 4 fixed spectator seats.
<i>Fitness and Recreational Sports:</i>	7 spaces per 1,000 sq. ft. GFA.
<i>Golf Course:</i>	1 space per 150 sq. ft. GFA of indoor facilities plus 5 spaces per green.
<i>Miniature Golf:</i>	1 space per 200 sq. ft. GFA of indoor facilities plus 1.5 spaces per hole.
<i>Rodeo, Circus, Auto/Motorcycle Racing:</i>	1 space per 3 spectator seats.
<i>Skateboarding, Water Slide:</i>	1 space per 200 sq. ft. GFA of indoor facilities plus 1 space per 2 persons design capacity of outdoor facilities.
<i>Sports fields, Swimming Pools, Private Parks, and Playgrounds:</i>	1 space per 100 sq. ft. GFA of indoor facilities plus 1 space per 4 persons design capacity of outdoor facilities, including both participants and spectators, as applicable.
<i>Tennis Courts and Other Sports Courts:</i>	2 spaces per court.
Arts, Entertainment, and Recreations	
<i>Arena:</i>	- .33 spaces per seat.
<i>Baseball Stadium:</i>	- .35 spaces per seat.
<i>Football Stadium:</i>	- .31 spaces per seat.

Parking Use Category	Parking Spaces*
Arts, Entertainment, and Recreations (cont.):	
<i>Theater (live performances):</i>	- .40 spaces per seat.
<i>All Other Public Assembly:</i>	- .25 spaces per person in permitted capacity.
<i>Convention Centers, Meeting/Banquet Facilities, not within a hotel or in a hotel, but exceeding 100 sq. ft. per sleeping room:</i>	- up to 25,000 sq. ft. = 30 spaces per 1,000 sq. ft. GFA; plus - 25,000 to 50,000 sq. ft. = 20 spaces per 1,000 sq. ft. GFA; plus - 50,000 and 100,000 sq. ft. = 10 spaces per 1,000 sq. ft. GFA; plus - 100,000 or more sq. ft. = 6 spaces per 1,000 sq. ft. GFA.
Automotive Repair	3 spaces per service bay (service bays not included as parking).
Broadcast and Telecommunication	1 space for each 300 sq. ft. GFA.
Car Wash	2 per wash bay plus 3 stacking spaces per bay.
Civic, Social, and Fraternal Associations:	1 space for each 300 sq. ft. GFA.
Educational Services (based on maximum design capacity)	
<i>Daycare Center or Pre-Elementary:</i>	.3 spaces per person licensed capacity enrollment.
<i>Elementary, Middle Schools:</i>	Higher of .2 spaces per seat in auditorium/gym or .25 spaces per student.
<i>Secondary Schools:</i>	Higher of .3 spaces per seat in auditorium/gym or .3 spaces per student.
<i>College or University:</i>	To be established based on a study of parking needs prepared specifically for the subject institution.
<i>Other Classroom based:</i>	6 spaces per 1,000 sq. ft. GFA;
<i>Other Not Classroom based:</i>	10 spaces per 1,000 sq. ft. GFA.
Finance and Insurance	
<i>General Business Offices:</i>	- up to 25,000 sq. ft. = 3.8 spaces per 1,000 sq. ft. GFA; plus - 25,000 to 100,000 sq. ft. = 3.4 spaces per 1,000 sq. ft. GFA; plus - 100,000 or more sq. ft. = 2.8 spaces per 1,000 sq. ft. GFA.
<i>Consumer Service Offices:</i>	4.6 spaces per 1,000 sq. ft. GFA.
<i>Data Processing, Telemarketing, Operations:</i>	6 spaces per 1,000 sq. ft. GFA.
Food Service	
<i>Restaurant:</i>	10 spaces per 1,000 sq. ft. GFA;
<i>Restaurant bar area:</i>	15 spaces per 1,000 sq. ft. GFA;
<i>Fast Food:</i>	8 spaces per 1,000 sq. ft. GFA;
<i>Take Out and Delivery Only:</i>	3 spaces per 1,000 sq. ft. GFA;
<i>Night Clubs:</i>	15 spaces per 1,000 sq. ft. GFA.
Gas Station	1 space for each side of a gasoline pump unit.
Health Care and Social Assistance	
<i>Medical Offices (not on hospital campus):</i>	4.5 spaces per 1,000 sq. ft. GFA.
<i>Medical Offices (on hospital campus):</i>	4 spaces per 1,000 sq. ft. GFA.

Parking Use Category	Parking Spaces*
Hospitals, Nursing, and Residential Care Facilities	
<i>Hospital/Medical Center:</i>	To be established based on a study of parking needs prepared specifically for the subject institution.
<i>Elderly Housing:</i>	1 space per dwelling unit.
<i>Congregate Care/Assisted Living:</i>	.35 spaces per dwelling unit.
<i>Group, Convalescent, and Nursing Home:</i>	.5 spaces per bed.
Information Services	3 spaces for each 5 employees on largest shift.; or 1 space per 600 sq. ft. GFA.
<i>Cinemas:</i>	- Single screen - 2 to 5 screens - 5 to 10 screens - Over 10 screens
Mining, Utilities, Construction, Manufacturing, Transportation, and Warehousing	3 spaces for each 5 employees on largest shift.; or 1 space per 600 sq. ft. GFA.
<i>Industrial/Manufacturing:</i>	1.85 spaces per 1,000 sq. ft. GFA plus required parking spaces for office, sales, or similar use where those uses exceed 10% GFA.
Mobile Home	2.5 spaces per trailer unit.
Non-Store Retailers	1 space for each 2,000 sq. ft. GFA.
Other Services	1 space for each 250 sq. ft. GFA.
Professional, Scientific, and Technical Services; Management of Companies and Enterprises; Administration/Support Services	
<i>General Business Offices:</i>	- up to 25,000 sq. ft. = 3.8 spaces per 1,000 sq. ft. GFA; plus - 25,000 to 100,000 sq. ft. = 3.4 spaces per 1,000 sq. ft. GFA; plus - 100,000 or more sq. ft. = 2.8 spaces per 1,000 sq. ft. GFA.
Public Administration	1 space for each 300 sq. ft. GFA.
Real Estate, Rental, and Leasing	1 space for each 300 sq. ft. GFA.
Religious Organizations	.4 spaces per seat.
Residential Uses	
<i>Single Family Dwellings</i>	- less than 3,000 sq. ft. = 2 spaces per dwelling unit; - more than 3,000 sq. ft. = 3 spaces per dwelling unit
<i>Multi-Family Dwellings Rental:</i>	- 1 space per dwelling unit for efficiency units; - 1.5 spaces per dwelling unit for 1st bedroom in units with 1 or more bedrooms, plus .25 spaces for each additional bedroom.
<i>Multi-Family Dwellings Owned:</i>	- 1.0 spaces per dwelling unit for efficiency units; - 1.75 spaces per dwelling unit for the 1st bedroom in units with 1 or more bedrooms, plus .25 spaces for each additional bedroom.
<i>Rental in University District</i>	1 space per dwelling unit for efficiency and 1 bedroom units; plus .5 spaces for each additional bedroom.

Parking Use Category	Parking Spaces*
Retail Trade	4 spaces per 1,000 sq. ft. GFA.
Shopping Centers	- 6 spaces per 1,000 sq. ft. GFA up to 200,000 sq. ft.; - 5.5 spaces per 1,000 sq. ft. GFA over 200,000 sq. ft.
Transit and Ground Passenger Transportation; Scenic & Sightseeing	1 space per 100 sq. ft. GFA.
Truck Transportation; Warehousing & Storage	1 space for each 1,000 sq. ft. non-office floor area, plus 1 space for each 300 sq. ft. office area.
Vehicle Dealers	1 space for each 5,000 sq. ft. of lot area.
Wholesale Trade	1 space per 2,000 sq. ft. gross floor storage per sales area.

**Staff may approve a 5% deviation from the recommended parking requirements, unless an alternative plan is approved by the Planning and Zoning Commission.*

CITY OF FRIENDSWOOD DESIGN CRITERIA MODIFICATION FORM

Modifications to standards identified in the Design Criteria Manual may be permitted by the City of Friendswood's City Engineer. The modification proposal must be submitted by a Professional Engineer licensed by the State of Texas and shall follow generally accepted engineering standards for traffic, sidewalk and other infrastructure as applicable, and such proposal contains the following information and substantiates the findings in Paragraph 4 below. If an appeal to the City of Friendswood City Engineer decision is requested, the Construction Board of Adjustment (hereinafter referred to as "the City") will review that appeal.

PROJECT NAME: _____

PROJECT ENGINEER: _____

This entire form must be completed in its entirety. If form is submitted incomplete, it will be administratively rejected.

SUBMITTAL DATE: _____

SUBDIVISION NAME: _____

**MODIFICATION
LOCATION:**

1. Set forth the proposed deviation to the technical standard.

SPECIFIC PROPOSED DEVIATION FROM TECHNICAL STANDARD:

2. Set forth the impact such deviation has on speed differential and street capacity, the likelihood of accidents, the long term maintenance and operation effect, the degree of functionality and efficiency, the technological advancements involved, and other relevant matters.

IMPACT OF DEVIATION:

3. Show a comparison of the technical standard to the proposed deviation with respect to overall safety and quality, speed differential, street capacity, existing and projected accidents, long-term maintenance and operation, degree of functionality, degree of efficiency, technological advancements, and other relevant matters

COMPARISON OF TECHNICAL STANDARD TO PROPOSED DEVIATION:

4. Describe all mitigating improvements that reduce the negative impact of the proposed deviation on overall safety and quality, speed differential, street capacity, accident occurrences, long-term maintenance and operation, degree of functionality, degree of efficiency and demonstrating the degree to which the proposed deviation detrimentally affects the foregoing. Other relevant factors, including technological advances, should be explained by describing how they will affect the proposed development. Mitigating improvements can include but are not limited to, traffic control devices, pavement improvements, added acceleration or deceleration lanes or reservoirs, and other on-site improvements.

MITIGATING IMPROVEMENTS THAT REDUCE NEGATIVE IMPACT:

SUMMARY & CONCLUSION/RECOMMENDATION FOR MODIFICATION:

List of Supporting Documentation Attached?

Yes____ No____



Seal of Professional Engineer:

Department of Public Works Use ONLY

Reviewed By:

Date

Modification Request Approved / Denied By:
Copies of Backup Information/Notes Attached

City Engineer

Date

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 1, 2024

Date submitted: 03/19/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Receive and discuss the 2023 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 provides a summary of the audit results to be filed with the City Secretary's Office for public record and the Friendswood Public Library for public information. The annual comprehensive financial report with the auditor's opinion in the statement and the financial management practices of the City serve as the audit summary. Additionally, said report is also submitted to the City's financial advisors, the Municipal Advisory Council of Texas, bond rating agencies, bank depositories and grant funding agencies.

The annual audit and financial reporting is also required pursuant to the Texas Local Government Code (Section 103) and is the standard recommended by the Governmental Accounting Standards Board (GASB), the 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). Mr. Lupe Garcia, a partner with Whitley Penn will present a brief overview of the City's 2022-2023 Annual Comprehensive Financial Report and Single Audit Report.

The City's Annual Comprehensive Financial Report for fiscal year 2022–2023 will be submitted to GFOA in hopes of earning the City's 36th consecutive Certificate of Excellence in Financial Reporting.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Legal compliance and best practices.

RECOMMENDATIONS

Receive report.

ATTACHMENTS

1. FY 2023 Audit Results (incl SAS 114) - Powerpoint
2. City of Friendswood 9-30-23 ACFR - Final
3. City of Friendswood FSA 9-30-23 - Final

CITY OF FRIENDSWOOD, TEXAS

FISCAL YEAR 2023: 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: \$325.8 million**
 - Cash and investments: \$101.3 million
 - Capital assets, net of depreciation: \$201.4 million
- **Total Liabilities and Deferred Inflows: \$174.8 million**
 - Unearned revenue: \$10.0 million
 - Bonds payable and unamortized premiums: \$130.6 million
 - Net pension liability: \$18.9 million
- **Net Position: \$151.0 million**

LONG-TERM LIABILITIES (P. 21)

Total Primary Government (Governmental and Business-type Activities)	September 30, 2023	September 30, 2022
General obligation bonds	\$88,245,000	\$62,585,000
Revenue bonds	34,120,000	35,630,000
Notes payable	2,645,629	2,613,729
Total OPEB liability	1,570,435	1,935,531
Net pension liability	18,930,545	5,157,791
Bond premiums	8,228,323	8,457,938
Compensated absences	1,376,966	1,253,753
Subscription-based IT arrangements	92,494	-
Total	\$155,209,392	\$117,633,742

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

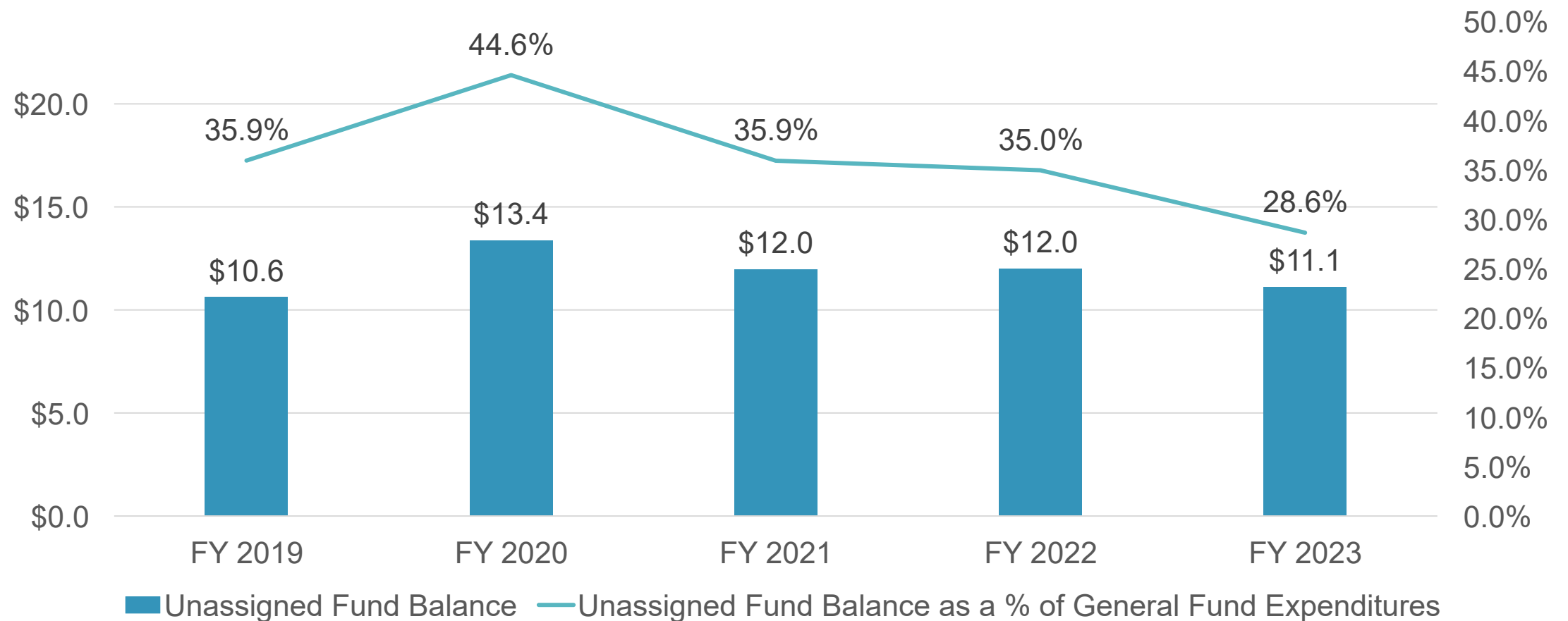


Year ended September 30, 2023	General	Coronaviru s State Fiscal Recovery	Bond Construction	Non-major	Total
Total revenues	\$35,757,839	\$369,436	\$479,377	\$11,307,230	\$47,913,882
Total expenditures	38,793,402	-	5,403,287	9,979,719	54,176,408
Total other financing sources (uses), net	2,389,329	-	30,311,664	422,338	33,123,331
Net change in fund balances	(646,234)	369,436	25,387,754	1,749,849	26,860,805
Fund balance – beginning	17,385,087	(1,666)	8,152,712	4,421,934	29,958,067
Fund balance - ending	\$16,738,853	\$367,770	\$33,540,466	\$6,171,783	\$56,818,872

FY 2023
BUDGET AND
ACTUAL – GENERAL
FUND
PP. 73-80

- Actual revenues of \$35.8M were greater than final budgeted revenues by \$2.0M
- Actual expenditures of \$38.8M were less than final budgeted expenditures by \$5.1M
- Expenditures and other uses exceeded revenues and other sources by \$0.6M (fund balance decreased by this amount)
- Fund balance as of September 30, 2023, totaled \$16.7M
 - Nonspendable fund balance - \$0.4M
 - Restricted fund balance - \$0.6M
 - Assigned fund balance - \$4.6M
 - Unassigned fund balance - \$11.1M

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, 2023, \$8.7 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, 2023
Operating revenues	\$21,293,632
Operating expenses	(12,075,080)
Non-operating revenues (expenses), net	(195,058)
Transfers in (out), net	(1,803,800)
Change in net position	7,219,694
Net Position - Beginning	50,673,573
Net Position - Ending	\$57,893,447

Net Position	September 30, 2023
Net investment in capital assets	\$40,075,768
Restricted for capital projects/ debt service	2,839,232
Unrestricted*	14,978,447
Total	\$57,893,447

*This balance includes a 90-day operating reserve of \$2.5 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. 96, *Subscription-based Information Technology Arrangements* was implemented in FY 2023.

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

Significant Risks (present in every financial statement audit, not specific to the City)

- Management override of internal control
- Improper revenue recognition

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?





CITY OF FRIENDSWOOD, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2023





CITY OF FRIENDSWOOD, TEXAS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED**

**Fiscal Year Ended
September 30, 2023**

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, 2024

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, 2023, 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 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, 2023, 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, 2023, 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 42,757. 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 \$164,000, 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 along FM 518, development of the City's "panhandle" area near FM 2351 and most recently the development of 106 acres on FM 528 near Bay Area Blvd. City leaders have approved special tools and incentives to revitalize and develop these areas to promote mixed-use, multi-story developments with retail spaces, medical and office buildings, hotels and multi-family residential complexes. The City offers competitive business incentives, including a municipal grant program, tax abatement that includes "green" development, freeport tax exemption, downtown development fee waivers, and most recently the creation of a Tax Increment Reinvestment Zone.

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, 2022. This was the thirty-fifth 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, 2023**

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 2026
Trish Hanks	Council Member - Position No. 3	May 2024
Robert J. Griffon	Council Member - Position No. 4	May 2025
Joe Matranga	Council Member - Position No. 5	May 2026
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	Director of Emergency Services
Haley Brown	Director of Human Resources
Terry Prindle	Director of Information Technology
Rene Ibarra	Director of Public Works
James Toney	Director of Parks and Recreation
Leticia Brysch	City Secretary
Christopher Rogers	Chief of Police
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**

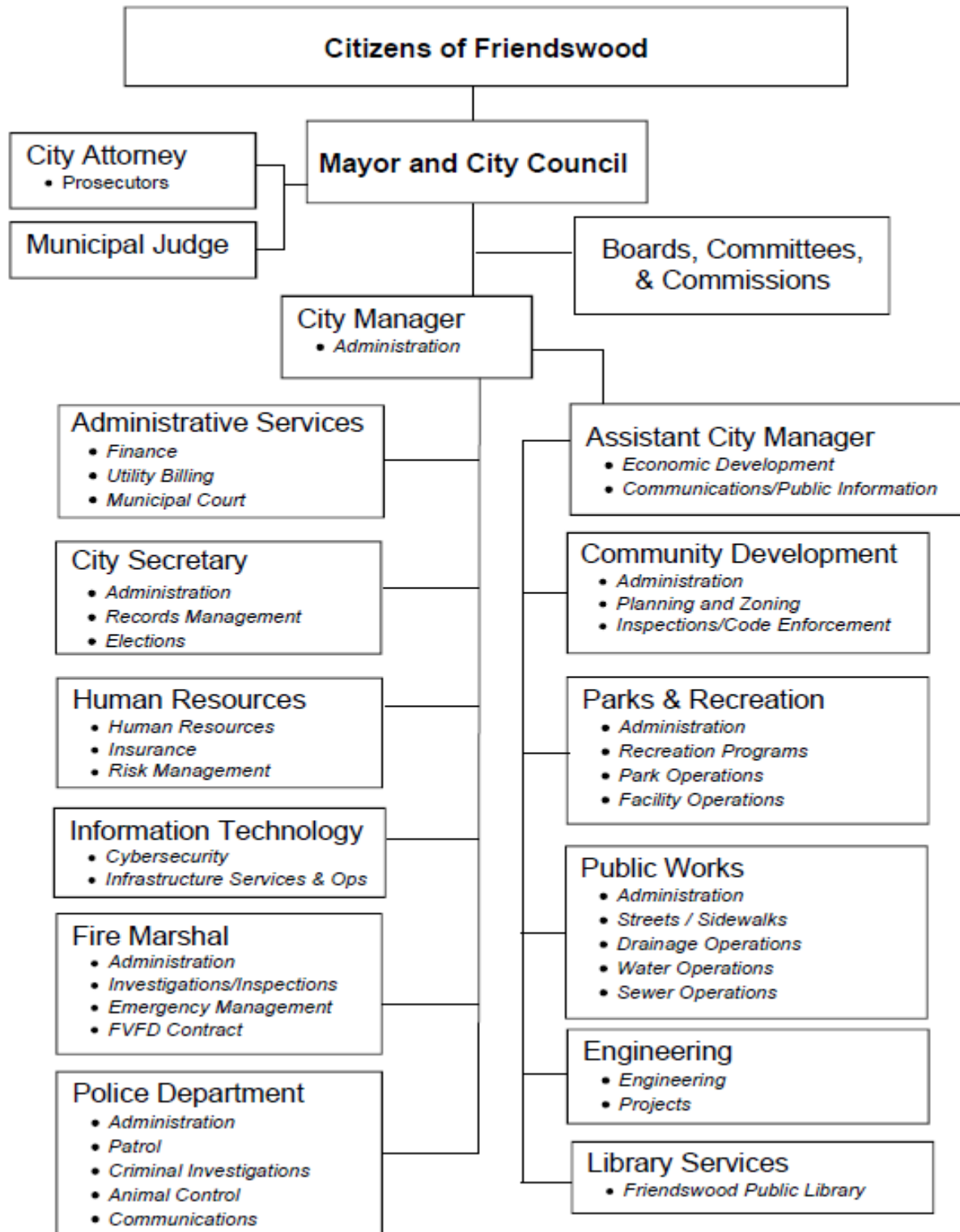
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Merrill

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, 2023, 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, 2023, 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 77%, 100%, and 75%, 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, coronavirus state fiscal recovery 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 22, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the City's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

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

Houston, Texas
March 22, 2024



CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS

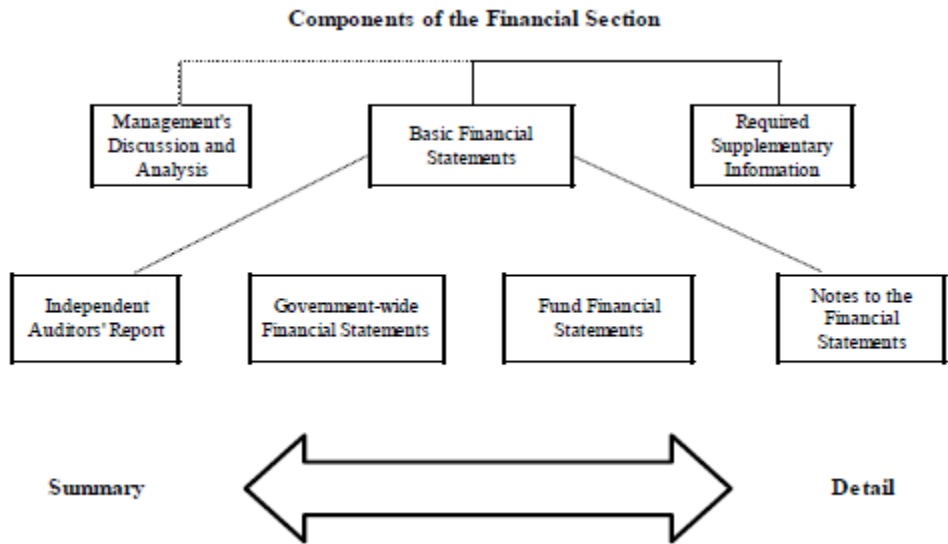
As management of the City of Friendswood, Texas ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. Please read this information in conjunction with the basic financial statements that follow this section.

Financial Highlights

Some of the City's financial highlights for the fiscal year ending September 30, 2023 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 \$151,015,158.
- The City's total net position increased during the year by \$12,606,375. The City's net pension and total OPEB liabilities were \$18.9 million and \$1.6 million, respectively. The net pension liability increased by \$13.8 million and the total OPEB liability decreased by \$365.1 thousand compared to the prior year.
- As of the close of the current fiscal year, the City reported unrestricted net position of \$21,280,699.
- Program revenues of \$30,066,518 reduced the net cost of the City's functions to be financed from the City's general revenues to \$27,950,639 .

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, information technology, and city attorney); 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, and Bond Construction Fund, which are considered to be major funds. The other eleven 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 \$151,015,158 as of September 30, 2023 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 (79.3%) 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 73,574,397	\$ 48,901,051	\$ 39,975,446	\$ 42,738,547	\$ 113,549,843	\$ 91,639,598
Capital assets	123,606,676	115,789,091	77,842,844	71,551,212	201,449,520	187,340,303
Total Assets	197,181,073	164,690,142	117,818,290	114,289,759	314,999,363	278,979,901
Deferred Outflows of Resources	9,104,231	3,221,061	1,687,348	1,002,527	10,791,579	4,223,588
Total Assets and Deferred Outflows of Resources	206,285,304	167,911,203	119,505,638	115,292,286	325,790,942	283,203,489
Long-term liabilities	96,996,075	57,513,830	58,213,317	60,296,656	155,209,392	117,810,486
Other Liabilities	14,383,827	16,380,206	3,277,179	3,611,658	17,661,006	19,991,864
Total Liabilities	111,379,902	73,894,036	61,490,496	63,908,314	172,870,398	137,802,350
Deferred Inflows of Resources	1,783,691	6,282,137	121,695	710,219	1,905,386	6,992,356
Net Position:						
Net investment in capital assets	79,714,165	74,006,329	40,075,768	35,999,342	119,789,933	110,005,671
Restricted	7,105,294	5,059,835	2,839,232	2,897,578	9,944,526	7,957,413
Unrestricted	6,302,252	8,668,866	14,978,447	11,776,833	21,280,699	20,445,699
Total Net Position	\$ 93,121,711	\$ 87,735,030	\$ 57,893,447	\$ 50,673,753	\$ 151,015,158	\$ 138,408,783

A portion of the primary government's net position, \$9,944,526 or 6.6%, 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, \$21,280,699 or 14.1%, 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.

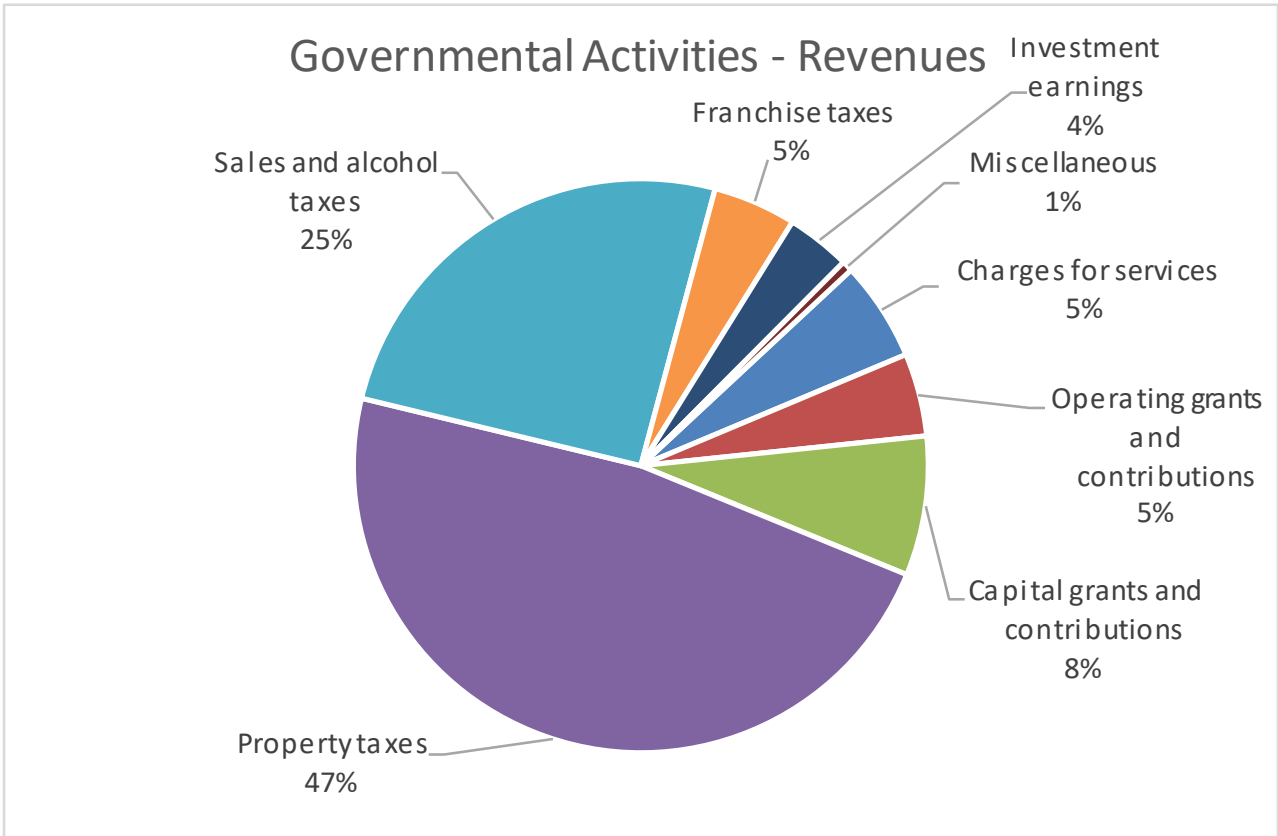
	Governmental Activities		Business Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for services	\$ 2,680,917	\$ 2,848,589	\$ 21,293,632	\$ 19,419,622	\$ 23,974,549	\$ 22,268,211
Operating grants and contributions	2,229,755	841,537	104,354	289,181	2,334,109	1,130,718
Capital grants and contributions	3,757,860	2,620,495	-	-	3,757,860	2,620,495
General Revenues:						
Property taxes	22,731,678	20,845,938	-	-	22,731,678	20,845,938
Sales and alcohol taxes	12,126,784	11,176,190	-	-	12,126,784	11,176,190
Franchise taxes	2,235,689	2,170,152	-	-	2,235,689	2,170,152
Investment earnings	1,726,549	49,151	1,450,648	130,401	3,177,197	179,552
Miscellaneous	285,666	638,418	-	-	285,666	638,418
Total Revenues	47,774,898	41,190,470	22,848,634	19,839,204	70,623,532	61,029,674
Expenses						
General government	7,873,719	6,210,336	-	-	7,873,719	6,210,336
Public safety	18,526,954	15,655,859	-	-	18,526,954	15,655,859
Public works	6,990,046	6,994,042	-	-	6,990,046	6,994,042
Engineering	640,292	570,098	-	-	640,292	570,098
Community development	1,406,566	1,017,509	-	-	1,406,566	1,017,509
Parks and recreation	5,608,792	4,870,623	-	-	5,608,792	4,870,623
Library services	1,485,716	1,283,007	-	-	1,485,716	1,283,007
Water and sewer	-	-	12,075,080	11,124,562	12,075,080	11,124,562
Interest on long-term debt	1,659,932	1,268,435	1,750,060	1,861,881	3,409,992	3,130,316
Total Expenses	44,192,017	37,869,909	13,825,140	12,986,443	58,017,157	50,856,352
Increase (decrease) in net position before transfers	3,582,881	3,320,561	9,023,494	6,852,761	12,606,375	10,173,322
Transfers	1,803,800	1,795,683	(1,803,800)	(1,795,683)	-	-
Change in net position	5,386,681	5,116,244	7,219,694	5,057,078	12,606,375	10,173,322
Net Position - Beginning	87,735,030	82,618,786	50,673,753	45,616,675	138,408,783	128,235,461
Net Position - Ending	\$ 93,121,711	\$ 87,735,030	\$ 57,893,447	\$ 50,673,753	\$ 151,015,158	\$ 138,408,783

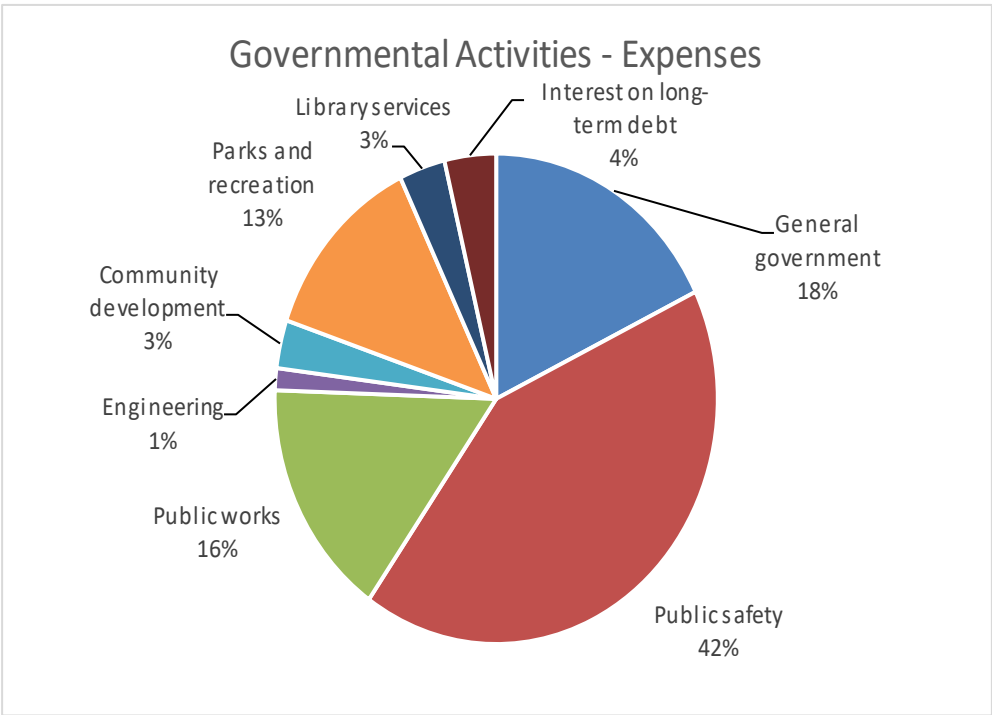
CITY OF FRIENDSWOOD, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Governmental Activities

Governmental activities increased the City's net position by \$5,386,681. Key elements of this change are as follows:

- Property taxes continue to be the City's largest revenue source. Property tax revenue increased by \$1,885,740 as a result of new construction and property tax increases to cover operating expenses, deferred facilities maintenance, deferred equipment purchases and debt service obligations related to the general obligation bonds authorized by voters in 2013 and 2019.
- Sales and alcohol tax revenue remained strong during fiscal year 2023, providing a 8.51% increase for the year, from \$11.2 million to \$12.1 million. This increase is primarily a result of commercial growth and inflation.
- Operating grants and contributions increased \$1,388,218 from the prior year. This increase is primarily a result of the City's interlocal agreement with Harris County in which funds of \$1.2 million were received for the Blackhawk Boulevard Reconstruction project.
- Capital grants and contributions increased \$1,137,365 from the prior year. This increase is due to more activity with the CDBG-DR grants.
- Overall, total expenses increased \$6.3 million from the prior year. The largest increase of \$2,871,095 was in Public Safety which was primarily a result of an increase in personnel cost due to merit, pay plan adjustments, overtime as well as the cost to fund future retirement benefits. In addition, the Fire/EMS contract with the Friendswood Volunteer Fire Department increased approximately \$322 thousand. General Government had the next largest increase of \$1,663,383 resulting from increased software support services and personnel costs. In addition, an economic incentive grant in the amount of \$350 thousand was awarded for commercial development.

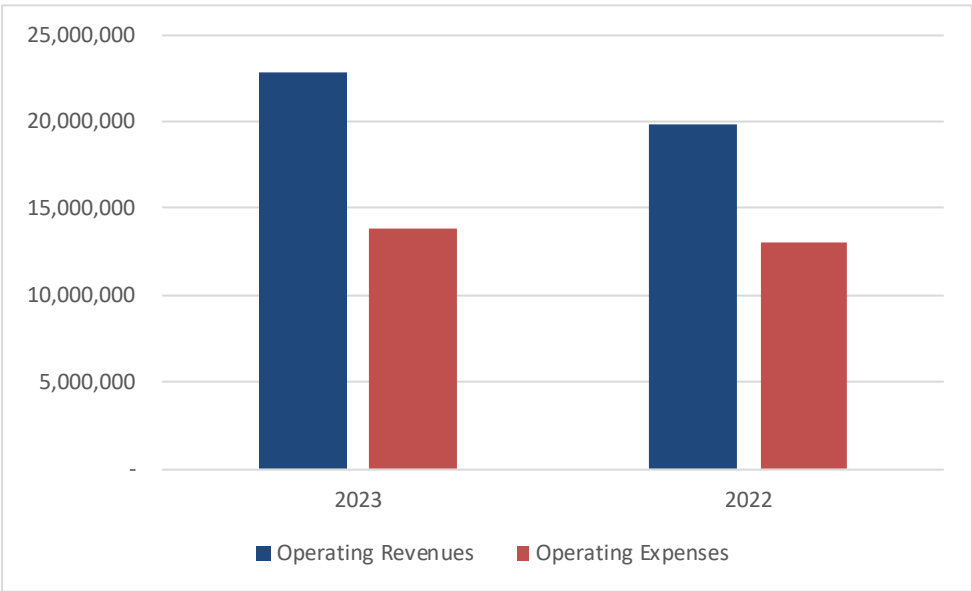




Business-Type Activities

Business-type activities increased the City’s net position by \$7,219,694. Key elements of this change are as follows:

- Revenues increased by \$3.0 million or 15.2% resulting from an increase in utility rates and consumption due to drought like conditions. Expenses increased \$839 thousand primarily a result of increased personnel costs, increased water purchases due to the drought and the purchase of additional automated meters for new development.



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 \$56,818,872. Approximately 19.55% of this amount or \$11,111,696 is unassigned fund balance; however, \$8.7 million is set aside for the 90-day operating reserve, as set forth in the City's financial policies.

The remaining \$45,707,176 is nonspendable, restricted, or assigned as follows:

0.78% - Nonspendable		
Prepaid items	\$	430,434
Permanent fund		11,501
Total Nonspendable	\$	<u>441,935</u>
71.52% - Restricted		
Public education and government channels	\$	566,041
Debt service		30,793
Municipal court operations		201,568
Public safety operations		500,548
Capital projects		39,335,309
Total Restricted	\$	<u>40,634,259</u>
8.15% - Assigned		
Subsequent year's budget appropriation of fund balance	\$	3,891,673
Capital projects		739,309
Total Assigned	\$	<u>4,630,982</u>

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance reached \$16.7 million of which unassigned fund balance of the General Fund was \$11.1 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 28.6% of total General Fund expenditures, while total fund balance represents 43.1% of that same amount. At year end, the City's operating reserve was \$8.7 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:

- \$4.4 million increase in total revenues – This increase is primarily related to an increase in property taxes of \$1.6 million due to new home construction as well as the increase in rates to cover operating costs and debt service payments. In addition, intergovernmental revenue increased \$1.4 million as a result of the City receiving \$1.2 million from Harris County for the Blackhawk Boulevard Reconstruction project. Investment income increased \$628 thousand due to the rise in interest rates.
- \$4.4 million increase in total expenditures – This increase in expenditures can be attributed to the following: \$1.6 million in capital improvements related to the Public Safety Building expansion and the Blackhawk Building renovation, \$1.3 million in Public Safety due to increased personnel costs and an increase in the Fire/EMS contract, \$905 thousand in General Government resulting from increased personnel and software support services costs and the awarding of an economic development grant, and \$612 thousand in Parks and Recreation due to the increased cost of utilities and contracts to maintain operations.

The Coronavirus State and Local Fiscal Recovery Fund has \$10.0 million of unearned revenue that will be expended in fiscal year 2024.

The fund balance of the Bond Construction Fund was \$33,540,466, an increase of \$25,387,754 compared to the prior year. This increase is related to the issuance of the remaining bonds that were approved by voters in 2019. These bonds were issued for drainage improvement projects.

Other non-major governmental funds fund balance increased by \$1,749,849. This increase is primarily a result of a sales tax collections for the Street Improvement fund exceeding improvement cost by \$1.8 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 \$15.0 million for the Water and Sewer Fund. The total increase in the net position of the Water and Sewer Fund was \$7,219,694. 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 \$1,083,495. The net position of the Internal Service Fund increased by \$393,211 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 \$1,323,418 or 4.08% and budgeted expenditures were increased by \$9,171,203 or 26.39%.

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

Total revenues were above budget by \$1,983,264. The more significant variances are detailed below:

- \$1,037,519 over budget in sales and mixed beverage taxes as a result of commercial growth and inflation.
- \$296,193 over budget in miscellaneous revenue as a result of a reimbursement from Lakes of Falcon Ridge HOA for their portion of the Centennial Wall project.
- \$234,567 over budget in investment earnings due to increased interest rates resulting from inflation.
- \$191,589 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.

Total expenditures of the General Fund were \$5.1 million below the final expenditure budget. The more significant variances are detailed below:

- \$656,119 below budget in general government expenditures as a result of a decrease in other services and charges (legal, contract, consulting, etc.).
- \$556,747 below budget in parks and recreation expenditures as a result of repairs and maintenance being approved in FY23 but completed in FY24.
- \$3,985,864 below budget in capital improvements due to projects either not being started or completed in FY23. 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, 2023 is \$201.4 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 the Sanitary Sewer Assessment Phase IV construction, which was completed for \$1,367,517 and the purchase of property at 23 Wilderness Trail for \$832,798 to accommodate future water and sewer projects.
- Using grant funds, the City purchased properties along Deepwood Drive for a total cost of \$325,349 for flood mitigation projects.
- Necessary upgrades were made to improve the City's technological infrastructure for \$789,099.
- Heavy equipment purchases included a dump truck, an excavator, and a boom mower for a total cost of \$417,859.
- From the Vehicle Replacement Plan, the City purchased 9 new vehicles this year and the equipment to upfit an additional 13 vehicles from the previous year. The total cost was approximately \$953,296.
- Self-contained breathing apparatus packs for \$411,000 were purchased on behalf of the Friendswood Volunteer Fire Department using funds from the Fire and EMS Donation Fund.
- Furniture, fixtures, and equipment totaling \$935,424 was purchased for the Public Safety Expansion project, Blackhawk Building renovation project, and the reconstruction of Fire Station #2.
- The following major projects are in Construction in Progress at the end of fiscal year 2023: Parks Master Plan, Blackhawk Shelter, Blackhawk Building Renovation, Blackhawk Blvd Reconstruction, Fire Station #2, Public Safety Building, Centennial Park Wall, Utility Relocation at Clear Creek Utility Bridge, Forest Bend Detention Pond, Deepwood Flood Control, Friendswood Regional Detention Basin, Water System Improvement Study & Engineering, Lift Station Mitigation Program, 2023 Tank Rehabilitation, Automated Water Meter installation, and the 42" Southeast Transmission Line.

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

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 32,720,334	\$ 32,355,840	\$ 1,152,271	\$ 319,473	\$ 33,872,605	\$ 32,675,313
Buildings and improvements	22,057,982	22,938,656	299,092	318,849	22,357,074	23,257,505
Machinery and equipment	9,242,231	7,845,397	2,417,307	2,596,552	11,659,538	10,441,949
Infrastructure	40,696,318	43,675,282	35,250,381	38,970,139	75,946,699	82,645,421
Right-to-use SBITA asset	88,617	176,744	-	-	88,617	176,744
Water rights	-	-	19,716,695	19,716,695	19,716,695	19,716,695
Construction in progress	18,801,194	8,797,172	19,007,098	9,629,504	37,808,292	18,426,676
	<u>\$ 123,606,676</u>	<u>\$ 115,789,091</u>	<u>\$ 77,842,844</u>	<u>\$ 71,551,212</u>	<u>\$ 201,449,520</u>	<u>\$ 187,340,303</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 \$133.3 million.

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 71,325,000	\$ 43,950,000	\$ 16,920,000	\$ 18,635,000	\$ 88,245,000	\$ 62,585,000
Revenue bonds	-	-	34,120,000	35,630,000	34,120,000	35,630,000
Premium on bond issuance	3,366,542	3,193,902	4,861,781	5,264,036	8,228,323	8,457,938
Notes payable	2,645,629	2,613,729	-	-	2,645,629	2,613,729
SBITA liability	92,494	176,744	-	-	92,494	176,744
	<u>\$ 77,429,665</u>	<u>\$ 49,934,375</u>	<u>\$ 55,901,781</u>	<u>\$ 59,529,036</u>	<u>\$ 133,331,446</u>	<u>\$ 109,463,411</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 42,757. 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 as well as commercial and mixed-use development outside of the downtown area. These development projects include medical office buildings, hotels, retail and office spaces as well as multi-family complexes. 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 2024 has a tax rate of \$0.500728 per \$100 taxable value. This rate consists of a maintenance and operation (M&O) tax rate of \$0.379450 and an interest and sinking (debt service) tax rate of \$0.121278. The rate was set based on a net assessed value of \$5,023,334,676. This is an increase of \$130,483,289 above certified values including supplemental rolls for tax year 2022. 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 \$8,621,519 to \$9,150,001. The franchise fees budget increased from \$2,044,100 to \$2,112,803 and the budget for licenses and permits has decreased from \$873,730 to \$753,524. If all projections are accurate, the total General Fund unassigned fund balance net of the 90 day operating requirement (\$8.7 million) is estimated to be approximately \$2.1 million on September 30, 2024.

Water revenues are budgeted at \$9,557,321 which is an increase of \$1,009,235 in revenues, or 11.81 percent. Sewer revenues are budgeted at \$9,568,474 which is an increase of \$530,894 or 5.9 percent. Water and Sewer Fund working capital net of the 90 day operating requirement (\$2.5 million) is projected to be \$6.4 million at the end of fiscal year 2024.

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 Robinson, LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

BASIC FINANCIAL STATEMENTS



CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF NET POSITION
September 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	West Ranch Management District	Friendswood Downtown EDC
Assets					
Cash and cash equivalents	\$ 7,492,092	\$ 3,581,022	\$ 11,073,114	\$ 225,017	\$ 677,713
Investments	59,489,532	13,151,105	72,640,637	4,860,757	2,489,457
Receivables, net of allowances					
Taxes	3,110,710	-	3,110,710	12,310	142,824
Leases	995,808	-	995,808	-	-
Customer accounts	488,383	4,926,480	5,414,863	-	-
Other	263,733	-	263,733	-	-
Accrued interest	29,427	14,054	43,481	137	2,576
Due from other governments	1,274,278	-	1,274,278	-	-
Prepaid items	430,434	95,415	525,849	4,398	-
Working capital deposit	-	571,884	571,884	-	-
Restricted investments	-	17,635,486	17,635,486	-	-
Capital Assets:					
Non-depreciable	51,521,528	39,876,064	91,397,592	7,695,748	505,174
Depreciable, net	72,085,148	37,966,780	110,051,928	345,439	-
Total Capital Assets	123,606,676	77,842,844	201,449,520	8,041,187	505,174
Total Assets	197,181,073	117,818,290	314,999,363	13,143,806	3,817,744
Deferred Outflows of Resources					
Deferred loss on issuance of refunding bonds	48,209	523,479	571,688	273,687	-
Deferred outflow of resources for pensions	8,732,353	1,122,271	9,854,624	-	-
Deferred outflow of resources for OPEB	323,669	41,598	365,267	-	-
Total Deferred Outflows of Resources	9,104,231	1,687,348	10,791,579	273,687	-
Total Assets and Deferred Outflows of Resources	206,285,304	119,505,638	325,790,942	13,417,493	3,817,744
Liabilities					
Accounts payable	2,047,743	2,277,751	4,325,494	25,783	-
Accrued liabilities	981,017	119,646	1,100,663	-	-
Retainage payable	929,652	167,881	1,097,533	-	9,909
Accrued interest	237,167	169,871	407,038	227,269	-
Unearned revenue	10,023,192	-	10,023,192	-	-
Customer deposits	66,544	542,030	608,574	-	-
Due to other governments	98,512	-	98,512	-	-
Noncurrent liabilities:					
Due within one year	3,720,611	3,370,285	7,090,896	900,000	-
Due in more than one year	74,959,594	52,657,922	127,617,516	17,141,921	-
Net pension liability	16,951,983	1,978,562	18,930,545	-	-
Total OPEB liability	1,363,887	206,548	1,570,435	-	-
Total Liabilities	111,379,902	61,490,496	172,870,398	18,294,973	9,909
Deferred Inflows of Resources					
Deferred gain on issuance of refunding bonds	51,521	24,260	75,781	-	-
Deferred inflows of resources for leases	974,036	-	974,036	-	-
Deferred inflows of resources for pensions	43,942	5,647	49,589	-	-
Deferred inflows of resources for OPEB	714,192	91,788	805,980	-	-
Total Deferred Inflows of Resources	1,783,691	121,695	1,905,386	-	-
Net Position					
Net investment in capital assets	79,714,165	40,075,768	119,789,933	6,512,015	-
Restricted for:					
Public education and government channels	566,041	-	566,041	-	-
Debt service	30,793	2,759,284	2,790,077	2,029,067	-
Municipal court operations	201,568	-	201,568	-	-
Economic development	-	-	-	-	3,807,835
Public safety	500,548	-	500,548	-	-
Parks and recreation - nonexpendable	11,501	-	11,501	-	-
Capital projects	5,794,843	79,948	5,874,791	71,156	-
Unrestricted	6,302,252	14,978,447	21,280,699	(13,489,718)	-
Total Net Position	\$ 93,121,711	\$ 57,893,447	\$ 151,015,158	\$ (4,877,480)	\$ 3,807,835

See notes to the financial statements.

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

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	\$ 7,873,719	\$ 921,752	\$ 16,000	\$ -
Public safety	18,526,954	1,023,874	2,145,679	-
Public works	6,990,046	241,445	-	3,757,860
Engineering	640,292	-	-	-
Community development	1,406,566	-	-	-
Parks and recreation	5,608,792	493,846	68,076	-
Library services	1,485,716	-	-	-
Interest on long-term debt	1,659,932	-	-	-
Total Governmental Activities	44,192,017	2,680,917	2,229,755	3,757,860
Business-type Activities:				
Water and sewer	13,825,140	21,293,632	104,354	-
Total Business-type Activities	13,825,140	21,293,632	104,354	-
Total Primary Government	58,017,157	23,974,549	2,334,109	3,757,860
Component Units				
West Ranch Management District	913,045	-	-	-
Friendswood Downtown EDC	30,444	-	-	-
Total Component Units	\$ 943,489	\$ -	\$ -	\$ -

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

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	\$ (6,935,967)	\$ -	\$ (6,935,967)	\$ -	\$ -
Public safety	(15,357,401)	-	(15,357,401)	-	-
Public works	(2,990,741)	-	(2,990,741)	-	-
Engineering	(640,292)	-	(640,292)	-	-
Community development	(1,406,566)	-	(1,406,566)	-	-
Parks and recreation	(5,046,870)	-	(5,046,870)	-	-
Library services	(1,485,716)	-	(1,485,716)	-	-
Interest on long-term debt	(1,659,932)	-	(1,659,932)	-	-
Total Governmental Activities	(35,523,485)	-	(35,523,485)	-	-
Business-type Activities:					
Water and sewer	-	7,572,846	7,572,846	-	-
Total Business-type Activities	-	7,572,846	7,572,846	-	-
Total Primary Government	(35,523,485)	7,572,846	(27,950,639)	-	-
Component Units					
West Ranch Management District				(913,045)	-
Friendswood Downtown EDC				-	(30,444)
Total Component Units				(913,045)	(30,444)
General revenues:					
Taxes:					
Property taxes	22,731,678	-	22,731,678	2,269,540	-
Franchise and other taxes	2,235,689	-	2,235,689	-	-
Sales taxes	12,126,784	-	12,126,784	-	803,085
Interest	1,726,549	1,450,648	3,177,197	169,562	103,572
Miscellaneous	285,666	-	285,666	342,934	-
Transfers	1,803,800	(1,803,800)	-	-	-
Total General Revenues and Transfers	40,910,166	(353,152)	40,557,014	2,782,036	906,657
Change in net position	5,386,681	7,219,694	12,606,375	1,868,991	876,213
Net Position - Beginning	87,735,030	50,673,753	138,408,783	(6,746,471)	2,931,622
Net Position - Ending	\$ 93,121,711	\$ 57,893,447	\$ 151,015,158	\$ (4,877,480)	\$ 3,807,835

CITY OF FRIENDSWOOD, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023

	General Fund	Coronavirus State Fiscal Recovery Fund	Bond Construction	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 3,595,467	\$ 2,217,263	\$ 35,374	\$ 1,412,325	\$ 7,260,429
Investments	10,443,545	8,144,712	34,866,060	5,184,240	58,638,557
Receivables, net of allowance:					
Taxes	2,625,155	-	-	485,555	3,110,710
Leases	995,808	-	-	-	995,808
Customer accounts	485,644	-	-	2,739	488,383
Other receivables	260,160	-	-	3,573	263,733
Accrued interest	14,261	8,821	-	5,488	28,570
Due from other funds	1,787,687	-	-	-	1,787,687
Due from other governments	9,462	-	-	1,264,816	1,274,278
Prepaid items	430,134	-	-	300	430,434
Total Assets	\$ 20,647,323	\$ 10,370,796	\$ 34,901,434	\$ 8,359,036	\$ 74,278,589
Liabilities, Deferred Inflows and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,208,784	\$ -	\$ 710,187	\$ 128,772	\$ 2,047,743
Accrued liabilities	981,017	-	-	-	981,017
Due to other governments	98,512	-	-	-	98,512
Customer deposits	66,544	-	-	-	66,544
Retainage payable	87,846	-	650,781	191,025	929,652
Due to other funds	-	-	-	1,787,687	1,787,687
Unearned revenue	-	10,003,026	-	20,166	10,023,192
Total Liabilities	2,442,703	10,003,026	1,360,968	2,127,650	15,934,347
Deferred Inflows of Resources:					
Unavailable revenue	491,731	-	-	59,603	551,334
Leases	974,036	-	-	-	974,036
Total Deferred Inflows of resources	1,465,767	-	-	59,603	1,525,370
Fund Balances:					
Nonspendable:					
Prepaid items	430,134	-	-	300	430,434
Permanent fund	-	-	-	11,501	11,501
Restricted:					
Public education and government channels	566,041	-	-	-	566,041
Municipal court operations	-	-	-	201,568	201,568
Debt service	-	-	-	30,793	30,793
Public safety	-	-	-	500,548	500,548
Capital projects	-	367,770	33,540,466	5,427,073	39,335,309
Assigned:					
Subsequent year's budget appropriation of fund balance	3,891,673	-	-	-	3,891,673
Capital projects	739,309	-	-	-	739,309
Unassigned	11,111,696	-	-	-	11,111,696
Total Fund Balances	16,738,853	367,770	33,540,466	6,171,783	56,818,872
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,647,323	\$ 10,370,796	\$ 34,901,434	\$ 8,359,036	\$ 74,278,589

CITY OF FRIENDSWOOD, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2023

Total Fund Balance, Governmental Funds	\$ 56,818,872
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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.	121,020,965
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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.	3,669,206
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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	(71,325,000)
Notes payable	(2,645,629)
SBITA payable	(92,494)
Compensated absences	(1,250,540)
Accrued interest payable	(237,167)
Unamortized premium on bonds	(3,366,542)

Unavailable revenues in the governmental fund statements is recognized as revenue in the government-wide financial statements.	551,334
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Deferred gain on refunding	(51,521)
Deferred loss on refunding	48,209

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	(16,951,983)
Total OPEB liability	(1,363,887)
Deferred outflows and inflows of resources related to the net pension liability	8,688,411
Deferred outflows and inflows of resources related to the total OPEB liability	(390,523)

Net Position of Governmental Activities in the Statement of Net Position	\$ 93,121,711
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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, 2023

	General Fund	Coronavirus State Fiscal Recovery Fund	Bond Construction	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 18,122,796	\$ -	\$ -	\$ 4,602,691	\$ 22,725,487
Sales taxes	9,717,528	-	-	2,409,256	12,126,784
Franchise fees and other	2,235,689	-	-	-	2,235,689
Fines and forfeitures	834,135	-	-	61,442	895,577
Permits and fees	1,800,725	-	-	60,600	1,861,325
Intergovernmental	1,973,125	-	-	3,757,860	5,730,985
Investment income (loss)	612,954	369,436	479,377	230,205	1,691,972
Donations	112,474	-	-	183,494	295,968
Miscellaneous	348,413	-	-	1,682	350,095
Total Revenues	35,757,839	369,436	479,377	11,307,230	47,913,882
Expenditures					
Current:					
General government	6,893,644	-	-	42,734	6,936,378
Public safety	16,640,299	-	-	-	16,640,299
Public works	2,749,650	-	11,001	811,675	3,572,326
Engineering	641,204	-	-	-	641,204
Community development	1,293,280	-	-	-	1,293,280
Parks and recreation	4,914,245	-	-	4,093	4,918,338
Library services	1,401,299	-	-	-	1,401,299
Debt service:					
Principal	84,250	-	-	3,293,100	3,377,350
Interest and other charges	-	-	311,664	1,597,147	1,908,811
Capital outlay	4,175,531	-	5,080,622	4,230,970	13,487,123
Total Expenditures	38,793,402	-	5,403,287	9,979,719	54,176,408
Excess (deficiency) of revenues over (under) expenditures	(3,035,563)	369,436	(4,923,910)	1,327,511	(6,262,526)
Other Financing Sources (Uses)					
Issuance of capital-related debt	-	-	29,775,000	-	29,775,000
Notes payable issued	514,000	-	-	411,000	925,000
Premium on bond issuance	-	-	536,664	4,470	541,134
Insurance recoveries	69,683	-	-	-	69,683
Transfers in	1,803,800	-	-	6,868	1,810,668
Transfers out	(16,335)	-	-	-	(16,335)
Sale of capital assets	18,181	-	-	-	18,181
Total Other Financing Sources (Uses)	2,389,329	-	30,311,664	422,338	33,123,331
Net change in fund balances	(646,234)	369,436	25,387,754	1,749,849	26,860,805
Fund Balances - Beginning	17,385,087	(1,666)	8,152,712	4,421,934	29,958,067
Fund Balances - Ending	\$ 16,738,853	\$ 367,770	\$ 33,540,466	\$ 6,171,783	\$ 56,818,872

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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 26,860,805

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/amortization expense for the period.

Capital outlay	13,488,086
Depreciation/amortization expense	(5,891,025)

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	(207,749)
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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	3,293,100
SBITA principal	84,250
Proceeds from issuance of long-term debt	(29,775,000)
Proceeds from notes payable	(925,000)
Premium from issuance of long-term debt	(541,134)

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	(1,481,350)
OPEB	(53,232)

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	(118,365)
(Increase) decrease in compensated absences	(106,197)
Amortization of deferred loss on refunding	(6,506)
Amortization of deferred gain on refunding	4,293
Amortization of premium on bonds	368,494

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.

	393,211
Change in Net Position of Governmental Activities	<u><u>\$ 5,386,681</u></u>

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2023

Page 1 of 2

	Business-Type Activities Enterprise Fund Water and Sewer	Governmental Activities Internal Service
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,581,022	\$ 231,663
Investments	13,151,105	850,975
Accounts receivable, net of allowance:		
Customer accounts	4,926,480	-
Accrued interest	14,054	857
Prepays and other assets	95,415	-
Restricted investments	17,635,486	-
Total Current Assets	39,403,562	1,083,495
Non-current Assets		
Working capital deposit	571,884	-
Capital Assets:		
Land	1,152,271	-
Construction in progress	19,007,098	-
Water rights	19,716,695	-
Buildings and improvements	683,906	-
Machinery and equipment	7,934,769	5,862,037
Water and sewer systems	76,058,499	-
Accumulated depreciation	(46,710,394)	(3,276,326)
Total Capital Assets	77,842,844	2,585,711
Total Non-current Assets	78,414,728	2,585,711
Total Assets	117,818,290	3,669,206
Deferred Outflows of Resources		
Deferred loss on bond refunding	523,479	-
Deferred outflows - pension related	1,122,271	-
Deferred outflows - OPEB related	41,598	-
Total Deferred Outflows of Resources	1,687,348	-
Total Assets and Deferred Outflows of Resources	119,505,638	3,669,206

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2023

Page 2 of 2

	Business-Type Activities Enterprise Fund Water and Sewer	Governmental Activities Internal Service
Liabilities		
Current Liabilities		
Accounts payable	\$ 2,277,751	\$ -
Accrued liabilities	119,646	-
Accrued interest	169,871	-
Customer deposits	542,030	-
Retainage payable	167,881	-
Compensated absences	25,285	-
Bonds and other long-term debt payable	3,345,000	-
Total Current Liabilities	6,647,464	-
Non-current Liabilities		
Compensated absences	101,141	-
Net Pension liability	1,978,562	-
Total OPEB liability	206,548	-
Bonds and other long-term debt payable	52,556,781	-
Total Non-current Liabilities	54,843,032	-
Total Liabilities	61,490,496	-
Deferred Inflows of Resources		
Deferred gain on issuance of refunding bonds	24,260	-
Deferred inflows - pension related	5,647	-
Deferred inflows of resources for OPEB	91,788	-
Total Deferred Inflows of Resources	121,695	-
Total Liabilities and Deferred Inflows of Resources	61,612,191	-
Net Position		
Net investment in capital assets	40,075,768	2,585,711
Restricted for capital projects	79,948	-
Restricted for debt service	2,759,284	-
Unrestricted	14,978,447	1,083,495
Total Net Position	\$ 57,893,447	\$ 3,669,206



CITY OF FRIENDSWOOD, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended September 30, 2023

	Business-Type Activities Enterprise Fund	Governmental Activities
	Water and Sewer	Internal Service
Operating Revenues		
Charges for services	\$ 21,092,670	\$ 998,340
Miscellaneous	200,962	35,224
Total Operating Revenues	21,293,632	1,033,564
Operating Expenses		
Personnel services	3,140,920	-
Sewer operations	2,337,235	-
Water purchases	2,144,603	-
Repairs and maintenance	814,793	-
Supplies	184,000	-
Other services and charges	1,433,517	-
Depreciation	2,020,012	630,721
Total Operating Expenses	12,075,080	630,721
Operating income	9,218,552	402,843
Non-Operating Revenues (Expenses)		
Intergovernmental	104,354	-
Investment income	1,450,648	34,577
Loss on disposal of capital assets	-	(53,676)
Interest expense	(1,750,060)	-
Total Non-Operating Revenues (Expenses)	(195,058)	(19,099)
Income before transfers	9,023,494	383,744
Transfers in	-	9,467
Transfers out	(1,803,800)	-
Change in net position	7,219,694	393,211
Net position - Beginning	50,673,753	3,275,995
Total Net Position - Ending	\$ 57,893,447	\$ 3,669,206

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2023

Page 1 of 2

	Business-Type Activities Enterprise Fund Water and Sewer	Governmental Activities Internal Service
Cash flows from operating activities		
Cash received from customers	\$ 20,328,341	\$ -
Receipts from interfund charges for fleet management	-	1,033,564
Cash payments to suppliers for goods and services	(7,404,810)	(46,406)
Cash payments to employees for services	(2,931,256)	-
Net cash provided by operating activities	9,992,275	987,158
Cash flows from noncapital financing activities		
Transfer in from other funds	-	9,467
Transfers out to other funds	(1,803,800)	-
Operating grants	79,646	-
Net cash provided (used) by noncapital financing activities	(1,724,154)	9,467
Cash flows from capital and related financing activities		
Acquisition and construction of property, plant and equipment	(8,149,560)	(851,245)
Disposal of capital assets	-	(53,676)
Capital grants	24,708	-
Repayment of debt	(3,225,000)	-
Interest paid on debt	(2,101,100)	-
Net cash provided (used) by capital and related financing activities	(13,450,952)	(904,921)
Cash flows from investing activities		
Purchase of investments	(2,776,206)	(175,233)
Investment income	1,444,852	34,289
Net cash provided (used) by investing activities	(1,331,354)	(140,944)
Net increase (decrease) in cash and cash equivalents	(6,514,185)	(49,240)
Cash and Cash Equivalents, Beginning	27,730,693	280,903
Cash and Cash Equivalents, Ending	\$ 21,216,508	\$ 231,663
Reconciliation of Total Cash and Cash Equivalents		
Current assets - cash and cash equivalents	\$ 3,581,022	\$ 231,663
Restricted assets - cash and cash equivalents	17,635,486	-
	\$ 21,216,508	\$ 231,663

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2023

Page 2 of 2

	Business-type Activities - Enterprise Funds	Governmental Activities
	Water and Sewer	Internal Service
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	\$ 9,218,552	\$ 402,843
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,020,012	630,721
Change in assets, deferred inflows and outflows, and liabilities:		
Decrease (increase) in customer receivable	(936,891)	-
Decrease (increase) in prepaids and other assets	(32,191)	-
Decrease (increase) in deferred outflow for pensions	(754,178)	-
Decrease (increase) in deferred outflow for OPEB	5,418	
Increase (decrease) in accounts payable	(417,075)	(46,406)
Increase (decrease) in accrued liabilities	(41,396)	-
Increase (decrease) in customer deposits	(28,400)	-
Increase (decrease) in deferred inflows for pensions	(625,245)	-
Increase (decrease) in deferred inflows for OPEB	39,753	-
Increase (decrease) in total OPEB liability	(41,578)	-
Increase (decrease) in net pension liability	1,568,478	-
Increase (decrease) in compensated absences	17,016	-
Total Adjustments	773,723	584,315
Net cash provided by operating activities	\$ 9,992,275	\$ 987,158



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, including subscription-based technology arrangements (SBITA) liabilities, 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.

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 \$0.388560 and \$0.098754, respectively. The resulting tax levies were approximately \$18.1 and \$4.6 million for operations and debt service, respectively, based on a total taxable valuation of approximately \$4.6 billion for the 2022 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, 2023, the District levied an ad valorem tax at the rate of \$0.1650 per \$100 of assessed valuation, which resulted in tax levy of \$1.2 million on the taxable valuation of approximately \$753.1 million for the 2022 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. The City has established a SBITA recognition threshold of \$100,000. 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.

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)

Capital Assets

The City’s property, plant, equipment, and right-to-use SBITA assets are depreciated/amortized using the straight-line method over the following useful lives:

Right-to-use SBITA asset	2 years
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.

Subscription-Based Information Technology Arrangements

The City is under a contract for SBITA for governmental software. The agreement/contract is noncancellable and the City recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The City recognizes SBITA liabilities with an initial, individual value of \$100,000 or more.

At the commencement of the SBITA, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

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.

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 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.
- 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.

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)

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.

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, 2023, the City's assigned fund balance included amounts assigned for encumbrances and capital projects.

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 (continued)

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.

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.

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

Note 1. Summary of Significant Accounting Policies (continued)

E. Implementation of New Accounting Standards

The following GASB pronouncements were effective during fiscal year 2023.

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* (SBITA), was issued in May 2020 and was effective for periods beginning after June 15, 2022. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The City has evaluated the effects of this standard and has determined that it does impact the financial statements. As such the City has incorporated such SBITAs into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

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 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, 2023, the carrying amount of the City and Friendswood Downtown Economic Development Corporation's deposits was \$11,750,827 and the bank balance of \$11,727,729.

As of September 30, 2023, the City and Friendswood Downtown Economic Development Corporation held the following investments.

	Reported Value of Investments	Weighted Average Maturity (Days)
Investment pools:		
TexPool	\$ 7,193,654	28
Texas CLASS	77,748,191	49
Total investment pools	<u>84,941,845</u>	
Debt Securities:		
Federal Farm Credit Bonds	1,969,592	184
Federal Home Loan Bank Bonds	3,462,880	204
Federal Home Loan Mortgage Corporation	1,440,100	272
Federal National Mortgage Association	951,163	386
Total debt securities	<u>7,823,735</u>	
Total investments	<u><u>\$ 92,765,580</u></u>	

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

Note 2. Cash and Investments (continued)

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.

The City has the following recurring fair value measurements as of September 30, 2023:

	Fair Value / Amortized Cost	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investment Securities:				
Federal Farm Credit Bank	\$ 1,969,592	\$ -	\$ 1,969,592	\$ -
Federal Home Loan Bank	3,462,880	-	3,462,880	-
Federal Home Loan Mortgage Corp.	1,440,100	-	1,440,100	-
Federal National Mortgage Assoc.	951,163	-	951,163	-
Total Investment Securities	\$ 7,823,735	\$ -	\$ 7,823,735	\$ -

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, 2023, 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.

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

Note 2. Cash and Investments (continued)

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, 2023, 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

Note 3. Receivables and Deferred Inflows of Resources

Receivables as of September 30, 2023 for the City's individual major funds and nonmajor funds in the aggregate including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds		Proprietary Fund	
	General	Nonmajor	Water and Sewer	Total
Receivables:				
Property taxes	\$ 272,975	\$ 58,808	\$ -	\$ 331,783
Penalties and interest	134,474	22,936	-	157,410
Sales tax	1,727,118	428,472	-	2,155,590
Franchise taxes	613,509	-	-	613,509
Customer accounts	360,968	2,739	5,205,639	5,569,346
Court fines	859,271	-	-	859,271
Leases	995,808	-	-	995,808
Other	260,160	3,573	-	263,733
Gross receivables	5,224,283	516,528	5,205,639	10,946,450
Less: allowance for uncollectibles	(857,516)	(24,661)	(279,159)	(1,161,336)
Net total receivables	\$ 4,366,767	\$ 491,867	\$ 4,926,480	\$ 9,785,114

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

Note 3. Receivables and Deferred Inflows of Resources (continued)

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:

	Deferred Inflows of Resources
General Fund:	
Delinquent property taxes	\$ 176,887
Property tax penalties and interest	100,990
Court fines	171,854
Grants	33,834
Leases	974,036
Miscellaneous	8,166
Total General Fund	1,465,767
Nonmajor funds:	
Delinquent property taxes	40,216
Property tax penalties and interest	15,631
Court fines	3,756
Total Nonmajor Funds	59,603
Total governmental funds	\$ 1,525,370

Note 4. Capital Assets

Capital assets activity for the primary government for the fiscal year ended September 30, 2023, is as follows:

Governmental activities	Beginning Balance as restated	Increases	Reclassification/ Decreases	Ending Balance
Capital assets, not being depreciated/amortized:				
Land	\$ 32,355,840	\$ 364,494	\$ -	\$ 32,720,334
Construction in progress	8,797,172	10,243,904	(239,882)	18,801,194
Total capital assets, not being depreciated/amortized	41,153,012	10,608,398	(239,882)	51,521,528
Capital assets, being depreciated/amortized:				
Buildings and improvements	46,352,029	501,160	-	46,853,189
Machinery and equipment	21,219,383	3,331,824	(67,440)	24,483,767
Infrastructure	105,214,782	-	-	105,214,782
Right-to-use SBITA asset	176,744	-	-	176,744
Total capital assets, being depreciated/amortized	172,962,938	3,832,984	(67,440)	176,728,482
Less accumulated depreciation/amortization for:				
Buildings & improvements	(23,413,373)	(1,381,834)	-	(24,795,207)
Machinery and equipment	(13,373,986)	(2,072,821)	205,271	(15,241,536)
Infrastructure	(61,539,500)	(2,978,964)	-	(64,518,464)
Right-to-use SBITA asset	-	(88,127)	-	(88,127)
Total accumulated depreciation/amortization	(98,326,859)	(6,521,746)	205,271	(104,643,334)
Total capital assets - being depreciated/amortized	74,636,079	(2,688,762)	137,831	72,085,148
Governmental capital assets, net	\$ 115,789,091	\$ 7,919,636	\$ (102,051)	\$ 123,606,676

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

Note 4. Capital Assets (continued)

Business-type activities	Beginning Balance	Increases	Reclassification/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 319,473	\$ 832,798	\$ -	\$ 1,152,271
Water rights	19,716,695	-	-	19,716,695
Construction in progress	9,629,504	7,135,579	2,242,015	19,007,098
Total capital assets, not being depreciated	29,665,672	7,968,377	2,242,015	39,876,064
Capital assets, being depreciated:				
Buildings and improvements	683,906	-	-	683,906
Machinery and equipment	7,878,937	55,832	-	7,934,769
Water and sewer system	78,013,079	1,654,952	(3,609,532)	76,058,499
Total capital assets, being depreciated	86,575,922	1,710,784	(3,609,532)	84,677,174
Less accumulated depreciation for:				
Buildings and improvements	(365,057)	(19,757)	-	(384,814)
Machinery and equipment	(5,282,385)	(235,077)	-	(5,517,462)
Water and sewer system	(39,042,940)	(1,765,178)	-	(40,808,118)
Total accumulated depreciation	(44,690,382)	(2,020,012)	-	(46,710,394)
Total capital assets - being depreciated	41,885,540	(309,228)	(3,609,532)	37,966,780
Business-type capital assets, net	\$ 71,551,212	\$ 7,659,149	\$ (1,367,517)	\$ 77,842,844

Capital assets activity for the discretely presented component units for the fiscal year ended September 30, 2023, is as follows:

Component Unit	Beginning Balance	Increases	Reclassification/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 7,762,414	\$ -	\$ (66,666)	\$ 7,695,748
Construction in progress	-	505,174	-	505,174
Total capital assets, not being depreciated	7,762,414	505,174	(66,666)	8,200,922
Capital assets, being depreciated:				
Water production and distribution facilities	483,467	-	-	483,467
Total capital assets, being depreciated	483,467	-	-	483,467
Less accumulated depreciation for:				
Water production and distribution facilities	(127,282)	(10,746)	-	(138,028)
Total accumulated depreciation	(127,282)	(10,746)	-	(138,028)
Total capital assets - being depreciated	356,185	(10,746)	-	345,439
Component Unit capital assets, net	\$ 8,118,599	\$ 494,428	\$ (66,666)	\$ 8,546,361

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

Note 4. Capital Assets (continued)

Depreciation/Amortization

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

	Depreciation/ Amortization Expense
Primary Government	
Governmental activities:	
General government	\$ 615,626
Public safety	1,317,872
Public works	3,365,034
Community development	17,651
Parks and recreation	574,842
Capital assets held by the City's internal service fund are charged to the various functions based on their usage	630,721
Total Governmental activities	6,521,746
Business-type activities:	
Water and sewer	2,020,012
Total Business-type activities:	2,020,012
Total Primary Government	\$ 8,541,758

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, 2023. 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	\$ 101,420	\$ 44,780
Blackhawk Emergency Shelter	871,475	28,400	843,075
Blackhawk Building Renovation	3,577,797	1,989,186	1,588,611
Blackhawk Blvd Reconstruction	2,394,576	258,564	2,136,012
Fire Station #2	4,745,568	4,559,306	186,262
Public Safety Building	6,387,158	6,115,905	271,253
Centennial Wall	452,247	428,175	24,072
Utility Relocation at Clear Creek Utility Bridge	240,200	223,550	16,650
Forest Bend Detention Pond	3,954,602	3,895,068	59,534
Deepwood Flood Control	251,369	214,737	36,632
Friendswood Regional Detention Basin	954,233	954,233	-
Access Control Project	65,300	32,650	32,650
	<u>24,040,725</u>	<u>18,801,194</u>	<u>5,239,531</u>
Enterprise funds:			
Southeast Transmission Water Line Settlement	\$ 20,489,887	\$ 5,134,296	\$ 15,355,591
Lift Station Mitigation Program	4,784,904	889,053	3,895,851
Automated Water Meters	8,995,300	8,991,024	4,276
Water Systems Improvements	2,454,824	1,481,064	973,760
2023 Tank Rehabilitation Project	1,556,675	-	1,556,675
Lift Station SCADA Server Upgrade	91,229	49,369	41,860
Fire Station #2	191,244	82,589	108,655
Blackhawk Building Construction	2,123,692	2,114,466	9,226
Blackhawk Boulevard	297,734	265,237	32,497
Blackhawk Shelter	92,000	-	92,000
	<u>41,077,489</u>	<u>19,007,098</u>	<u>22,070,391</u>
Component unit:			
FDEDC FM 518 Illumination	\$ 2,371,974	\$ 505,174	\$ 1,866,800
	<u>2,371,974</u>	<u>505,174</u>	<u>1,866,800</u>
Total Commitments	<u>\$ 67,490,188</u>	<u>\$ 38,313,466</u>	<u>\$ 29,176,722</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 \$3,891,673 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, 2023:

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%	\$ 1,430,000	\$ 4,005,000
2015 General Obligation Refunding	9,595,000	2030	2.0% - 3.0%	5,945,000	-
2016 General Obligation Permanent Improvement and Refunding	19,095,000	2031	2.0% - 5.0%	6,510,000	6,190,000
2016A General Obligation Refunding	9,765,000	2034	2.0% - 4.0%	-	6,725,000
2017 General Obligation Bonds	5,605,000	2031	2.0% - 4.0%	3,885,000	-
2020 General Obligation and Refunding Bonds	10,465,000	2050	2.0% - 4.0%	9,220,000	-
2021 General Obligation and Refunding Bonds	16,235,000	2051	2.375% - 4.0%	14,560,000	-
2023 General Obligation Bonds	27,995,000	2053	4.0% - 5.0%	29,775,000	-
Total general obligation bonds				<u>71,325,000</u>	<u>16,920,000</u>
Revenue Bonds:					
2016 Waterworks and Sewer System	5,735,000	2036	2.0% - 4.0%	-	4,105,000
2018 Waterworks and Sewer System	20,170,000	2038	4.0% - 5.0%	-	17,285,000
2021 Waterworks and Sewer System	13,690,000	2041	3.0% - 4.0%	-	12,730,000
Total revenue bonds				<u>-</u>	<u>34,120,000</u>
Total				<u>\$ 71,325,000</u>	<u>\$ 51,040,000</u>

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	
2024	\$ 2,485,000	\$ 2,846,566	\$ 3,345,000	\$ 1,973,275	\$ 10,649,841
2025	2,840,000	2,663,788	3,485,000	1,837,125	10,825,913
2026	2,965,000	2,555,988	3,685,000	1,687,950	10,893,938
2027	3,085,000	2,438,997	3,760,000	1,528,000	10,811,997
2028	3,210,000	2,312,388	3,930,000	1,362,225	10,814,613
2029-2033	14,575,000	9,504,439	17,340,000	4,316,600	45,736,039
2034-2038	10,770,000	6,929,845	12,830,000	1,510,225	32,040,070
2039-2043	10,165,000	4,945,852	2,665,000	121,575	17,897,427
2044-2048	10,760,000	3,101,674	-	-	13,861,674
2049-2053	10,470,000	989,558	-	-	11,459,558
	<u>\$ 71,325,000</u>	<u>\$ 38,289,095</u>	<u>\$ 51,040,000</u>	<u>\$ 14,336,975</u>	<u>\$ 174,991,070</u>

Changes in the City's long-term liability activity for the year ended September 30, 2023, are as follows:

	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities:					
General obligation bonds	\$ 43,950,000	\$ 29,775,000	\$ (2,400,000)	\$ 71,325,000	\$ 2,485,000
Premium on bond issuance	3,193,902	541,134	(368,494)	3,366,542	-
Notes payable	2,613,729	925,000	(893,100)	2,645,629	893,009
SBITA payable	176,744	-	(84,250)	92,494	92,494
Compensated absences	1,144,343	1,369,826	(1,263,629)	1,250,540	250,108
Governmental activity					
Long-term liabilities	<u>\$ 51,078,718</u>	<u>\$ 32,610,960</u>	<u>\$ (5,009,473)</u>	<u>\$ 78,680,205</u>	<u>\$ 3,720,611</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	35,630,000	\$ -	\$ (1,510,000)	\$ 34,120,000	\$ 1,575,000
General obligation bonds	18,635,000	-	(1,715,000)	16,920,000	1,770,000
Premium on bond issuance	5,264,036	-	(402,255)	4,861,781	-
Compensated absences	109,410	175,841	(158,825)	126,426	25,285
Business-type activity					
Long-term liabilities	<u>\$ 59,638,446</u>	<u>\$ 175,841</u>	<u>\$ (3,786,080)</u>	<u>\$ 56,028,207</u>	<u>\$ 3,370,285</u>
Total primary government	<u>\$ 110,717,164</u>	<u>\$ 32,786,801</u>	<u>\$ (8,795,553)</u>	<u>\$ 134,708,412</u>	<u>\$ 7,090,896</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, 2023:

General Obligation Bonds:	Amounts Outstanding	Interest Rates	Range of Maturities	Callable Date *
Road Series 2014	\$ 1,780,000	2.00% - 3.75%	2023-2040	September 1, 2022
Series 2015	3,530,000	2.950% - 4.125%	2023-2030	September 1, 2023
Series 2016	2,080,000	3.00% - 4.00%	2031-2040	September 1, 2024
Refunding Series 2016	540,000	2.00% - 4.00%	2023-2026	September 1, 2024
Series 2020	8,735,000	2.00% - 4.00%	2023-2040	September 1, 2025
Refunding Series 2016	1,520,000	2.00% - 4.00%	2023-2040	September 1, 2025
Total general obligation bonds	\$ 18,185,000			

* 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
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	1,065,000	393,396	1,458,396
2029-2033	5,205,000	1,484,082	6,689,082
2034-2038	4,865,000	818,269	5,683,269
2039-2041	3,245,000	145,358	3,390,358
	\$ 18,185,000	\$ 4,757,241	\$ 22,942,241

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, 2023, are as follows:

West Ranch Management District	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Component Unit					
General obligation bonds	\$ 19,050,000	\$ -	\$ (865,000)	\$ 18,185,000	\$ 900,000
Discount on bonds	(213,410)	-	12,284	(201,126)	-
Premium on bonds	67,448	-	(9,401)	58,047	-
Developer advances	40,000	-	(40,000)	-	-
Due to developer	369,600	-	(369,600)	-	-
Total	\$ 19,313,638	\$ -	\$ (1,271,717)	\$ 18,041,921	\$ 900,000

At July 31, 2023, 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 paid in fiscal year 2023.

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 paid in fiscal year 2023.

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, 2023, 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 an ambulance and related equipment. An initial liability was recorded in the amount of \$925,000 during the current fiscal year. The City is required to make annual principal and interest payments of \$204,587. The agreement has an interest rate of 4.45%.

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:

Fiscal Year	Principal	Interest
2024	\$ 893,009	\$ 84,582
2025	585,639	58,242
2026	573,838	39,093
2027	593,143	19,888
Total	<u>\$ 2,645,629</u>	<u>\$ 201,805</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, 2023, the remaining principal on the series 2016, 2018 and 2021 bonds was \$4,105,000, \$17,285,000, and \$12,730,000, respectively. Principal and interest payments for the fiscal year were \$1,510,000 and \$1,372,275, respectively. Net pledged revenue in 2023 produced 421 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, 2023 as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	HMGP Acquisition and Demolition	\$ 205,178	Expenditures funded by General Fund pending grant reimbursement.
General Fund	2017 CDBG- DR Harvey - Harris County	1,248,144	Expenditures funded by General Fund pending grant reimbursement.
General Fund	2017 CDBG- DR Harvey - Galveston County	334,365	Expenditures funded by General Fund pending grant reimbursement.
		<u>\$ 1,787,687</u>	

Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2023, were as follows:

<u>Transfer In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water and Sewer Fund	\$ 1,803,800	Budgeted annual transfers for indirect water and sewer costs by the General Fund
Internal Service Fund	General Fund	9,467	To fund new vehicle for Public Works and Fire Marshal Office
Nonmajor governmental f General Fund		6,868	To fund expenditures not reimbursable by the CDBG-DR Grant
		<u>\$ 1,820,135</u>	

Note 6. Leases

Lease Receivable

The City leases real property to third parties for the placement of their telecommunication towers. The City recognized \$37,653 in lease revenue and \$29,164 in interest revenue during the current fiscal year related to these leases. As of September 30, 2023, the City's receivable for lease payments was \$995,808. 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, 2023, the balance of the deferred inflow of resources was \$974,036.

Note 7. SBITA Liabilities

During the current fiscal year, the City entered into a two-year SBITA agreement for the acquisition of governmental software. An initial SBITA liability was recorded in the amount of \$176,744 during the current fiscal year. As of September 30, 2023, the value of the SBITA liability was \$92,494. There are no variable payments. The City is required to make annual principal and interest payments of \$84,250 and \$95,500 respectively. The SBITA has an interest rate of 3.25%. The value of the right-to-use asset as of the end of the current fiscal year was \$176,744 and had accumulated amortization of \$88,127. There are no commitments under SBITAs before the commencement of the subscription term.

The future principal and interest SBITA payments as of September 30, 2023, were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 92,494	\$ 3,006	\$ 95,500

Note 8. 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 8. Employee Retirement System (continued)

Texas Municipal Retirement System (continued)

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	169
Inactive employees entitled to but not yet receiving benefits	132
Active employees	<u>228</u>
Total	<u>529</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 16.27% and 16.33% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$3,039,855 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, 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, 2022 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:	23 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 8. 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%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
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 8. 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 12/31/2021	\$ 96,863,664	\$ 91,705,874	\$ 5,157,790
Changes for the year:			
Service Cost	3,205,331	-	3,205,331
Interest (on the Total Pension Liability)	6,508,227	-	6,508,227
Difference between expected and actual experience	1,493,003	-	1,493,003
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(4,096,292)	(4,096,292)	-
Contributions – employer	-	2,879,665	(2,879,665)
Contributions – employee	-	1,238,946	(1,238,946)
Net investment income	-	(6,696,002)	6,696,002
Administrative Expense	-	(57,928)	57,928
Other	-	69,125	(69,125)
Balance at 12/31/2022	\$ 103,973,933	\$ 85,043,388	\$ 18,930,545

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	\$ 33,425,805	\$ 18,930,545	\$ 7,025,492

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.tmr.com.

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

Note 8. 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, 2023, the City recognized a pension expense of \$4,710,265.

At September 30, 2023, 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	\$ 1,725,609	\$ (49,589)
Changes in actuarial assumptions	47,269	-
Difference between projected and actual investment earnings	5,850,262	-
Contributions subsequent to the measurement date	2,231,484	-
	<u>2,231,484</u>	<u>-</u>
Total	<u><u>\$ 9,854,624</u></u>	<u><u>\$ (49,589)</u></u>

The \$2,231,484 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, 2024. 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
2024	\$ 974,311
2025	1,932,022
2026	1,982,604
2027	2,684,614
Thereafter	-
Total	<u><u>\$ 7,573,551</u></u>

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

Note 9. 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, 2022 was as follows:

Inactive employees currently receiving benefits	114
Inactive employees entitled to but not yet receiving benefits	31
Active employees	<u>228</u>
Total	<u>373</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 0.30% 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 4.05% based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2022.

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

Note 9. 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, 2022 and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

Valuation Date: December 31, 2022

Methods and Assumptions:

Inflation:	2.50%
Salary Increases:	3.50% to 11.50%, including inflation
Discount rate *:	4.05%
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, 2022.

Note: The actuarial assumptions used in the December 31, 2022 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	\$	51,328
Interest		16,968
Changes of benefit terms		-
Difference between expected and actual experience		122
Changes of assumptions		(326,179)
Benefit payments		(12,389)
Net change in total OPEB liability		(270,150)
Total OPEB liability - beginning		902,708
Total OPEB liability - ending	\$	632,558

Ending total OPEB liability is \$632,558 as of December 31, 2022. Changes of assumptions reflect a change in the discount rate from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

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

Note 9. 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 4.05%, 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 (3.05%) or 1 percentage point higher (5.05%) 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.

	Current Discount Rate	
	Assumption	1% Increase to
1% Decrease to 3.05%	4.05%	5.05%
\$ 757,005	\$ 632,558	\$ 535,641

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$37,685 related to the TMRS Supplemental Death Benefit Fund and OPEB expense of \$73,598 related to the City's retiree healthcare plan for total OPEB expense of \$111,283. As of September 30, 2023, 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	\$ 101	\$ (55,072)
Changes in assumptions and other inputs	125,084	(281,709)
Contributions made subsequent to the measurement date	12,298	-
Total	\$ 137,483	\$ (336,781)

The \$12,298 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, 2024. 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
2024	\$ (36,057)
2025	(32,902)
2026	(37,015)
2027	(48,184)
2028	(52,619)
Thereafter	(4,819)
Total	\$ (211,596)

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

Note 9. 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, 2022, the following employees were covered by the benefit terms:

Retirees and beneficiaries	5
Inactive, nonretired members	0
Active members	<u>219</u>
Total	<u>224</u>

Total OPEB Liability

The City’s total OPEB liability of \$937,877 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2022.

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

Note 9. 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, 2022. The total OPEB liability in the December 31, 2022 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, 2022
<i>Measurement Date:</i>	December 31, 2022
<i>Methods and Assumptions:</i>	
Actuarial Cost Method:	Individual Entry-Age Normal
Discount Rate:	4.05% as of December 31, 2022
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 7.00% 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 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022. 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 4.05% (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 1.84% 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 9. Post Employee Benefits Other Than Pensions (continued)

Retiree Health Care Plan (RHCP) (continued)

Changes in the Total OPEB Liability

Service cost	\$	89,471
Interest		19,387
Changes of benefit terms		-
Difference between expected and actual experience		74,496
Changes of assumptions		(230,413)
Benefit payments		(47,887)
Net change in total OPEB liability		(94,946)
Total OPEB liability - beginning		1,032,823
Total OPEB liability - ending	\$	937,877

The ending Total OPEB Liability was \$937,877 as of December 31, 2022.

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 4.05%, 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:

	Current Discount Rate	
1% Decrease to 3.05%	Assumption	1% Increase to
	4.05%	5.05%
\$ 1,034,303	\$ 937,877	\$ 850,988

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:

	Current Healthcare	
1% Decrease	Cost Trend Rate	1% Increase
	Assumption	
\$ 831,715	\$ 937,877	\$ 1,062,748

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

Note 9. 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, 2023, the City recognized OPEB expense of \$37,685 related to the TMRS Supplemental Death Benefit Fund and OPEB expense of \$73,598 related to the City's retiree healthcare plan for total OPEB expense of \$111,283. As of September 30, 2023, 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	\$ 83,151	\$ (173,690)
Changes assumptions	125,550	(295,509)
Contributions subsequent to the measurement date	19,083	-
Total	\$ 227,784	\$ (469,199)

The \$19,083 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, 2024. 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:

Fiscal Year	Net Deferred Outflows (Inflows) of Resources
2023	\$ (35,260)
2024	(35,260)
2025	(35,260)
2026	(36,902)
2027	(31,101)
Thereafter	(86,715)
Total	\$ (260,498)

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

Note 10. 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. Due to the fact that the City is responsible for its pro rata share of maintaining the water purification plant, the City capitalizes its pro rata share of capital improvements.

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, 2023, 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 10. 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, 2023, the City believed the amounts paid on workers' compensation would not change significantly from the amounts recorded.

During the year ended September 30, 2023, 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 11. Subsequent Events

In December 2023, the City Council approved the establishment of the Reinvestment Zone Number One, City of Friendswood, and the creation of the Friendswood City Center Public Improvement District in January 2024.



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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Revenues				
Property taxes	\$ 18,006,381	\$ 18,006,381	\$ 18,122,796	\$ 116,415
Sales and alcohol taxes	8,680,009	8,680,009	9,717,528	1,037,519
Franchise taxes	2,044,100	2,044,100	2,235,689	191,589
Fines and forfeitures	922,160	922,160	834,135	(88,025)
Permits and fees	1,740,360	1,760,360	1,800,725	40,365
Intergovernmental	618,060	1,829,218	1,973,125	143,907
Investment earnings	378,387	378,387	612,954	234,567
Donations	17,000	101,740	112,474	10,734
Miscellaneous	44,700	52,220	348,413	296,193
Total Revenues	32,451,157	33,774,575	35,757,839	1,983,264
Expenditures				
General Government:				
Mayor and Council - Governing Body:				
Supplies and maintenance	11,700	11,700	9,570	2,130
Other services and charges	71,508	69,008	59,733	9,275
Total Governing Body	83,208	80,708	69,303	11,405
City Attorney:				
Personnel services	339,111	339,111	356,262	(17,151)
Supplies	1,160	2,861	2,677	184
Other services and charges	51,748	50,047	27,846	22,201
Total City Attorney	392,019	392,019	386,785	5,234
City Manager - Administration:				
Personnel services	776,571	776,571	780,379	(3,808)
Supplies	21,780	20,180	12,368	7,812
Other services and charges	38,350	39,950	30,357	9,593
Total Administration	836,701	836,701	823,104	13,597
City Manager - Economic Development:				
Supplies	5,000	5,000	147	4,853
Other services and charges	59,820	409,820	375,790	34,030
Total Economic Development	64,820	414,820	375,937	38,883
City Secretary - Municipal Clerk:				
Personnel services	497,227	497,227	492,796	4,431
Supplies	7,370	8,390	7,913	477
Other services and charges	97,412	122,241	110,853	11,388
Total Municipal Clerk	602,009	627,858	611,562	16,296

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
General Government (continued):				
Administrative Services - Finance:				
Personnel services	\$ 1,048,263	\$ 1,048,263	\$ 1,041,574	\$ 6,689
Supplies	7,930	12,520	11,709	811
Other services and charges	311,061	307,822	262,445	45,377
Total Finance	1,367,254	1,368,605	1,315,728	52,877
Administrative Services - Municipal Court:				
Personnel services	427,344	427,344	439,278	(11,934)
Supplies	9,680	9,680	4,928	4,752
Other services and charges	29,425	29,425	22,815	6,610
Total Municipal Court	466,449	466,449	467,021	(572)
Human Resources - Administration:				
Personnel services	397,716	397,716	387,737	9,979
Supplies	11,700	9,200	3,264	5,936
Other services and charges	87,131	88,806	56,277	32,529
Total Administration	496,547	495,722	447,278	48,444
Human Resources - Insurance:				
Other services and charges	321,754	325,054	283,474	41,580
Total Insurance	321,754	325,054	283,474	41,580

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
General Government (continued):				
Human resources - Risk Management:				
Personnel services	\$ 155,152	\$ 155,152	\$ 155,088	\$ 64
Supplies	10,960	27,603	18,522	9,081
Other services and charges	40,740	31,440	11,417	20,023
Total Risk Management	206,852	214,195	185,027	29,168
Information Technology - Administration:				
Personnel services	784,569	784,569	773,820	10,749
Supplies	80,290	119,566	72,647	46,919
Repairs and maintenance	65,630	65,630	35,992	29,638
Other services and charges	1,011,304	1,357,867	1,045,966	311,901
Total Administration	1,941,793	2,327,632	1,928,425	399,207
Total General Government	6,779,406	7,549,763	6,893,644	656,119
Public Safety:				
Police Department - Administration:				
Personnel services	958,111	958,111	967,944	(9,833)
Supplies	30,760	55,807	28,163	27,644
Repairs and maintenance	77,507	18,263	14,899	3,364
Other services and charges	91,227	347,973	265,376	82,597
Total Administration	1,157,605	1,380,154	1,276,382	103,772
Police Department - Communications:				
Personnel services	1,290,816	1,234,116	1,206,218	27,898
Supplies	10,400	11,191	5,689	5,502
Repairs and maintenance	33,700	70,700	25,025	45,675
Other services and charges	22,190	18,118	12,764	5,354
Total Communications	1,357,106	1,334,125	1,249,696	84,429
Police Department - Patrol:				
Personnel services	6,526,512	6,517,598	6,724,474	(206,876)
Supplies	343,175	363,504	330,499	33,005
Repairs and maintenance	231,400	266,022	261,666	4,356
Other services and charges	681,755	685,521	685,559	(38)
Total Patrol	7,782,842	7,832,645	8,002,198	(169,553)
Police Department - Patrol - DOT Program:				
Personnel services	109,058	109,104	118,175	(9,071)
Supplies	7,060	6,560	5,931	629
Repairs and maintenance	1,250	4,950	4,884	66
Other services and charges	13,260	10,060	8,768	1,292
Total Patrol - DOT Program	130,628	130,674	137,758	(7,084)

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
Public Safety (continued):				
Police Department - Criminal Investigation:				
Personnel services	\$ 2,064,588	\$ 1,904,744	\$ 1,833,970	\$ 70,774
Supplies	60,500	61,897	54,748	7,149
Repairs and maintenance	53,900	33,805	33,197	608
Other services and charges	196,353	190,698	184,266	6,432
Total Criminal Investigation	2,375,341	2,191,144	2,106,181	84,963
Police Department - Animal Control:				
Personnel services	362,576	362,575	382,624	(20,049)
Supplies	33,750	47,312	36,091	11,221
Repairs and maintenance	12,000	9,000	5,925	3,075
Other services and charges	69,492	79,592	67,695	11,897
Total Animal Services	477,818	498,479	492,335	6,144
Fire Marshal - Administration:				
Personnel services	978,289	978,289	1,018,564	(40,275)
Supplies	37,430	45,670	44,129	1,541
Repairs and maintenance	11,000	11,478	10,627	851
Other services and charges	79,694	79,444	76,625	2,819
Total Administration	1,106,413	1,114,881	1,149,945	(35,064)
Fire Marshal - Emergency Management:				
Personnel services	102,932	102,932	108,508	(5,576)
Supplies	24,300	31,475	29,715	1,760
Repairs and maintenance	5,000	3,000	1,560	1,440
Other services and charges	50,190	59,104	45,616	13,488
Total Emergency Management	182,422	196,511	185,399	11,112
Fire Marshal - Fire/EMS Administration:				
Other services and charges	1,963,400	1,963,400	2,040,405	(77,005)
Total Fire/EMS Administration	1,963,400	1,963,400	2,040,405	(77,005)
Total Public Safety	16,533,575	16,642,013	16,640,299	1,714

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
Public Works:				
Administration:				
Personnel services	\$ 263,038	\$ 263,038	\$ 263,660	\$ (622)
Supplies	4,020	4,720	4,123	597
Other services and charges	13,365	16,313	4,910	11,403
Total Administration	280,423	284,071	272,693	11,378
Streets:				
Personnel services	861,972	861,972	998,612	(136,640)
Supplies	164,515	152,615	146,787	5,828
Repairs and maintenance	151,830	498,565	438,126	60,439
Other services and charges	465,794	461,721	525,927	(64,206)
Total Streets	1,644,111	1,974,873	2,109,452	(134,579)
Drainage:				
Personnel services	326,286	326,286	308,430	17,856
Supplies	17,600	15,481	13,062	2,419
Repairs and maintenance	66,000	65,052	33,006	32,046
Other services and charges	16,310	14,010	13,007	1,003
Total Drainage	426,196	420,829	367,505	53,324
Total Public Works	2,350,730	2,679,773	2,749,650	(69,877)
Engineering:				
Capital Projects Administration:				
Personnel services	502,851	502,851	549,405	(46,554)
Supplies	14,985	22,005	21,594	411
Repairs and maintenance	2,000	2,863	2,322	541
Other services and charges	100,718	84,828	67,883	16,945
Total Capital Projects Administration:	620,554	612,547	641,204	(28,657)
Total Engineering	620,554	612,547	641,204	(28,657)
Community Development:				
Administration:				
Personnel services	382,772	382,772	380,208	2,564
Supplies	6,680	6,560	4,251	2,309
Other services and charges	15,795	10,564	8,295	2,269
Total Administration	405,247	399,896	392,754	7,142

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
Community Development (continued):				
Planning and Zoning:				
Personnel services	\$ 417,751	\$ 417,751	\$ 360,848	\$ 56,903
Supplies	5,250	3,250	2,432	818
Other services and charges	50,305	57,656	37,672	19,984
Total Planning and Zoning	473,306	478,657	400,952	77,705
Inspection and Code Enforcement:				
Personnel services	428,532	428,532	437,032	(8,500)
Supplies	11,310	11,310	8,326	2,984
Repairs and maintenance	3,650	3,650	2,995	655
Other services and charges	67,230	71,730	51,221	20,509
Total Inspection and Code Enforcement	510,722	515,222	499,574	15,648
Total Community Development	1,389,275	1,393,775	1,293,280	100,495
Parks and recreation:				
Administration:				
Personnel services	303,798	303,798	354,495	(50,697)
Supplies	4,450	13,684	13,641	43
Repairs and maintenance	32,950	33,840	29,913	3,927
Total Administration	341,198	351,322	398,049	(46,727)
Recreation Programs:				
Personnel services	353,167	353,167	332,296	20,871
Supplies	21,000	25,708	25,510	198
Other services and charges	129,870	145,212	139,061	6,151
Total Recreation programs	504,037	524,087	496,867	27,220
July 4th Program:				
Personnel services	32,103	32,103	54,509	(22,406)
Supplies	4,450	5,216	5,215	1
Other services and charges	101,100	105,334	103,212	2,122
Total July 4th Program	137,653	142,653	162,936	(20,283)
Summer Day Camp Program:				
Personnel services	120,619	120,619	89,279	31,340
Supplies	18,000	22,791	22,793	(2)
Other services and charges	51,774	46,983	44,905	2,078
Total Summer Day Camp Program	190,393	190,393	156,977	33,416

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
Parks and recreation (continued):				
Keep Friendswood Beautiful committee:				
Supplies	\$ 13,900	\$ 13,755	\$ 13,803	\$ (48)
Repairs and maintenance	2,500	5,253	5,075	178
Other services and charges	37,514	41,294	40,457	837
Total Keep Friendswood Beautiful committee	53,914	60,302	59,335	967
Stevenson Park pool:				
Personnel services	78,944	78,944	70,176	8,768
Supplies	31,300	38,590	31,568	7,022
Repairs and maintenance	9,000	15,917	15,908	9
Other services and charges	23,020	21,261	18,547	2,714
Total Stevenson park pool	142,264	154,712	136,199	18,513
Senior Activity Center:				
Personnel services	189,230	189,230	189,555	(325)
Supplies	10,960	10,345	6,605	3,740
Repairs and maintenance	4,000	12,985	7,148	5,837
Other services and charges	19,704	26,724	24,625	2,099
Total Senior Activity Center	223,894	239,284	227,933	11,351
Park Operations:				
Personnel services	870,890	870,890	897,242	(26,352)
Supplies	111,570	120,977	111,388	9,589
Repairs and maintenance	588,000	246,719	207,951	38,768
Other services and charges	602,245	911,855	901,423	10,432
Total Park Operations	2,172,705	2,150,441	2,118,004	32,437
Facility Operations:				
Supplies	45,000	43,144	36,220	6,924
Repairs and maintenance	314,001	710,306	386,910	323,396
Other services and charges	1,044,240	904,348	734,815	169,533
Total Facility Operations	1,403,241	1,657,798	1,157,945	499,853
Total parks and recreation	5,169,299	5,470,992	4,914,245	556,747
Library:				
Administration:				
Personnel services	1,209,731	1,209,731	1,216,097	(6,366)
Supplies	158,785	172,559	157,349	15,210
Repairs and maintenance	2,482	3,016	1,016	2,000
Other services and charges	22,122	30,598	26,837	3,761
Total Administration	1,393,120	1,415,904	1,401,299	14,605
Total library	1,393,120	1,415,904	1,401,299	14,605

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, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final budget - Positive (Negative)
Expenditures (continued)				
Capital improvements:				
Repairs and Maintenance	\$ -	\$ -	\$ -	\$ -
Other services and charges	-	27,007	26,817	190
Capital outlay	519,000	8,134,388	4,148,714	3,985,674
Total capital improvements	519,000	8,161,395	4,175,531	3,985,864
Debt service:				
Principal on long-term debt	-	-	84,250	(84,250)
Total debt service	-	-	84,250	(84,250)
Total Expenditures	34,754,959	43,926,162	38,793,402	5,132,760
Excess (deficiency) of revenues over expenditures	(2,303,802)	(10,151,587)	(3,035,563)	7,116,024
Other Financing Sources (Uses)				
Insurance recoveries	-	63,799	69,683	5,884
Sale of capital assets	-	-	18,181	18,181
Notes payable issued	-	514,000	514,000	-
Transfers in	1,803,800	1,803,800	1,803,800	-
Transfers out	-	(16,335)	(16,335)	-
Total Other Financing Sources (Uses)	1,803,800	2,365,264	2,389,329	24,065
Net change in fund balances	(500,002)	(7,786,323)	(646,234)	7,140,089
Fund Balances - Beginning	17,385,087	17,385,087	17,385,087	-
Fund Balances - Ending	\$ 16,885,085	\$ 9,598,764	\$ 16,738,853	\$ 7,140,089

CITY OF FRIENDSWOOD, TEXAS

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (WITH VARIANCES)
CORONAVIRUS STATE FISCAL RECOVERY FUND
For the Year Ended September 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Investment earnings	\$ 86,249	\$ 86,249	\$ 369,436	\$ 283,187
Total Revenues	<u>86,249</u>	<u>86,249</u>	<u>369,436</u>	<u>283,187</u>
Expenditures				
Current:	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	86,249	86,249	369,436	283,187
Fund Balances - Beginning	<u>(1,666)</u>	<u>(1,666)</u>	<u>(1,666)</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 84,583</u>	<u>\$ 84,583</u>	<u>\$ 367,770</u>	<u>\$ 283,187</u>

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 be 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.

Excess of Expenditures over Appropriations

For the year ended September 30, 2023, expenditures exceeded appropriations in the following departments (the legal level of budgetary control):

General Fund	
Fire marshal	\$100,957
Public works	\$69,877
Engineering	\$28,657
Debt service	\$84,250
Debt Service Fund	
Debt service - principal and interest	\$112,933
Bond Consutction Fund	
Debt service - interest and other charges	\$311,664
CDBG - DR Galveston County Fund	
Public works	\$129,082
CDBG - DR Harris County Fund	
Capital outlay	\$505,048
Fire/EMS Donation Fund	
Debt service - principal	\$18,905

CITY OF FRIENDSWOOD, TEXAS

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

	2022	2021	2020	2019
A. Total pension liability				
1. Service Cost	\$ 3,205,331	\$ 3,032,100	\$ 2,979,569	\$ 2,738,906
2. Interest (on the Total Pension Liability)	6,508,227	6,110,807	5,780,980	5,345,140
3. Difference between expected and actual experience	1,493,003	788,166	(146,825)	1,150,459
4. Changes of assumptions	-	-	-	378,973
5. Benefit payments, including refunds of employee contributions	(4,096,292)	(4,163,654)	(3,343,679)	(3,210,157)
6. Net change in total pension liability	7,110,269	5,767,419	5,270,045	6,403,321
7. Total pension liability – beginning	96,863,664	91,096,245	85,826,200	79,422,879
8. Total pension liability – ending	103,973,933	96,863,664	91,096,245	85,826,200
B. Plan fiduciary net position				
1. Contributions – employer	2,879,665	2,777,049	2,620,564	2,395,398
2. Contributions – employee	1,238,946	1,174,582	1,158,078	1,068,692
3. Net investment income	(6,696,002)	10,611,017	5,713,369	10,053,454
4. Benefit payments, including refunds of employee contributions	(4,096,292)	(4,163,654)	(3,343,679)	(3,210,157)
5. Administrative Expense	(57,928)	(49,073)	(36,958)	(56,778)
6. Other	69,125	337	(1,442)	(1,704)
7. Net change in plan fiduciary net position	(6,662,486)	10,350,258	6,109,932	10,248,905
8. Plan fiduciary net position – beginning	91,705,874	81,355,616	75,245,684	64,996,779
9. Plan fiduciary net position – ending	85,043,388	91,705,874	81,355,616	75,245,684
C. Net pension liability (A.9 – B.9)	<u>\$ 18,930,545</u>	<u>\$ 5,157,790</u>	<u>\$ 9,740,629</u>	<u>\$ 10,580,516</u>
D. Plan fiduciary net position as a percentage of the total pension liability	81.79%	94.68%	89.31%	87.67%
E. Covered payroll	\$ 17,699,233	\$ 16,779,748	\$ 16,543,970	\$ 15,267,034
F. Net position liability as a percentage of covered payroll	106.96%	30.74%	58.88%	69.30%

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

CITY OF FRIENDSWOOD, TEXAS

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

	2018	2017	2016	2015	2014
A. Total pension liability					
1. Service Cost	\$ 2,626,099	\$ 2,505,392	\$ 2,334,817	\$ 2,204,299	\$ 2,018,353
2. Interest (on the Total Pension Liability)	5,044,613	4,755,782	4,435,987	4,317,394	4,084,392
3. Difference between expected and actual experience	59,617	(60,180)	366,687	(1,032,789)	(736,093)
4. Changes of assumptions	-	-	-	847,469	-
5. Benefit payments, including refunds of employee contributions	(3,458,824)	(2,505,921)	(2,464,107)	(2,256,734)	(2,005,311)
6. Net change in total pension liability	4,271,505	4,695,073	4,673,384	4,079,639	3,361,341
7. Total pension liability – beginning	75,151,374	70,456,304	65,782,920	61,703,281	58,341,940
8. Total pension liability – ending	79,422,879	75,151,377	70,456,304	65,782,920	61,703,281
B. Plan fiduciary net position					
1. Contributions – employer	2,305,344	2,182,093	2,037,849	1,998,038	1,867,782
2. Contributions – employee	1,025,248	987,399	923,896	886,669	829,598
3. Net investment income	(2,013,270)	8,104,390	3,672,583	79,202	2,868,842
4. Benefit payments, including refunds of employee contributions	(3,458,824)	(2,505,921)	(2,464,107)	(2,256,734)	(2,005,311)
5. Administrative Expense	(38,892)	(41,987)	(41,467)	(48,239)	(29,949)
6. Other	(2,032)	(2,127)	(2,234)	(2,383)	(2,462)
7. Net change in plan fiduciary net position	(2,182,426)	8,723,847	4,126,520	656,553	3,528,500
8. Plan fiduciary net position – beginning	67,179,205	58,455,358	54,328,838	53,672,285	50,143,785
9. Plan fiduciary net position – ending	64,996,779	67,179,205	58,455,358	54,328,838	53,672,285
C. Net pension liability (A.9 – B.9)	\$ 14,426,100	\$ 7,972,172	\$ 12,000,946	\$ 11,454,082	\$ 8,030,996
D. Plan fiduciary net position as a percentage of the total pension liability	81.84%	89.39%	82.97%	82.59%	86.98%
E. Covered payroll	\$ 14,646,398	\$ 14,098,997	\$ 13,198,512	\$ 12,653,842	\$ 11,851,396
F. Net position liability as a percentage of covered payroll	98.50%	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 Ten Fiscal Years

	2023	2022	2021	2020	2019
Actuarially required contributions	\$ 3,039,855	\$ 2,844,852	\$ 2,721,688	\$ 2,485,117	\$ 2,376,185
Contributions in relation to the actuarially required contributions	3,039,855	2,844,852	2,721,688	2,485,117	2,376,185
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 18,633,414	\$ 17,404,825	\$ 16,639,755	\$ 15,724,041	\$ 15,133,171
Contributions as a percentage of covered payroll	16.31%	16.35%	16.36%	15.80%	15.70%

	2018	2017	2016	2015	2014
Actuarially required contributions	\$ 2,255,270	\$ 2,161,617	\$ 2,100,698	\$ 1,960,652	\$ 1,847,375
Contributions in relation to the actuarially required contributions	2,255,270	2,161,617	2,100,698	1,960,652	1,847,375
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 14,385,208	\$ 13,986,135	\$ 13,525,613	\$ 12,423,310	\$ 11,781,281
Contributions as a percentage of covered payroll	15.68%	15.46%	15.53%	15.78%	15.68%

CITY OF FRIENDSWOOD, TEXAS
NOTES TO SCHEDULE OF CONTRIBUTIONS
For the Year Ended September 30, 2023

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	23 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 Six Measurement Years

	2022	2021	2020
Service cost	\$ 51,328	\$ 45,305	\$ 36,397
Interest	16,968	17,025	20,150
Difference between expected and actual experience	122	(9,842)	(48,181)
Changes of assumptions	(326,179)	29,168	115,737
Benefit payments **	(12,389)	(15,102)	(4,963)
Net change in total OPEB liability	(270,150)	66,554	119,140
Total OPEB liability - beginning	902,708	836,154	717,014
Total OPEB liability - ending	\$ 632,558	\$ 902,708	\$ 836,154
Covered-employee payroll	\$ 17,699,233	\$ 16,779,748	\$ 16,543,970
Total OPEB liability as a percentage of covered-employee payroll	3.57%	5.38%	5.05%
	2019	2018	2017
Service cost	\$ 27,481	\$ 30,757	\$ 26,788
Interest	23,199	20,933	20,384
Difference between expected and actual experience	(60,356)	(7,425)	-
Changes of assumptions	118,183	(43,775)	49,777
Benefit payments **	(6,107)	(5,859)	(5,640)
Net change in total OPEB liability	102,400	(5,369)	91,309
Total OPEB liability - beginning	614,614	619,983	528,674
Total OPEB liability - ending	\$ 717,014	\$ 614,614	\$ 619,983
Covered-employee payroll	\$ 15,267,034	\$ 14,646,398	\$ 14,098,997
Total OPEB liability as a percentage of covered-employee payroll	4.70%	4.20%	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:

2022	4.05%
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 Six Measurement Years

	2022	2021	2020
Service cost	\$ 89,471	\$ 60,759	\$ 60,972
Interest	19,387	22,218	30,484
Difference between expected and actual experience	74,496	11,967	(104,038)
Changes of assumptions	(230,413)	(111,991)	75,401
Benefit payments	(47,887)	(61,339)	(59,267)
Net change in total OPEB liability	(94,946)	(78,386)	3,552
Total OPEB liability - beginning	1,032,823	1,111,209	1,107,657
Total OPEB liability - ending	\$ 937,877	\$ 1,032,823	\$ 1,111,209

Covered-employee payroll	\$ 17,701,249	\$ 16,779,752	\$ 16,543,973
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Total OPEB liability as a percentage of covered-employee payroll	5.30%	6.16%	6.72%
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	2019	2018	2017
Service cost	\$ 46,995	\$ 53,919	\$ 44,637
Interest	36,314	37,843	39,497
Difference between expected and actual experience	8,768	(214,124)	4,573
Changes of assumptions	86,718	7,071	51,765
Benefit payments	(52,896)	(38,566)	(38,414)
Net change in total OPEB liability	125,899	(153,857)	102,058
Total OPEB liability - beginning	981,758	1,135,615	1,033,557
Total OPEB liability - ending	\$ 1,107,657	\$ 981,758	\$ 1,135,615

Covered-employee payroll	\$ 15,267,037	\$ 14,646,402	\$ 12,035,859
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Total OPEB liability as a percentage of covered-employee payroll	7.26%	6.70%	9.44%
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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:

2022 – The spousal coverage and health care trend assumptions were modified.

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:

2022	4.05%
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)**

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.

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.

CITY OF FRIENDSWOOD, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

Page 1 of 3

	Special Revenue Funds			
	Police Investigation	Fires/EMS Donation	Municipal Court	CDBG - DR Harris County
Assets				
Cash and cash equivalents	\$ 29,059	\$ 78,587	\$ 44,186	\$ 150,900
Investments	103,066	288,673	162,305	554,302
Receivables, net of allowance:				
Taxes	-	-	-	-
Customer accounts	-	2,739	-	-
Other receivables	-	-	3,573	-
Accrued interest	125	385	172	-
Prepaid items	-	-	300	-
Due from other governments	-	-	-	764,243
Total Assets	\$ 132,250	\$ 370,384	\$ 210,536	\$ 1,469,445
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,086	\$ -	\$ -	\$ 54,502
Retainage payable	-	-	4,912	166,799
Due to other funds	-	-	-	1,248,144
Unearned revenues	-	-	-	-
Total Liabilities	2,086	-	4,912	1,469,445
Deferred Inflows of Resources:				
Unavailable revenue	-	-	3,756	-
Total Deferred Inflows	-	-	3,756	-
Fund Balances:				
Nonspendable:				
Prepaid items	-	-	300	-
Permanent fund	-	-	-	-
Restricted:				
Municipal court operations	-	-	201,568	-
Debt service	-	-	-	-
Public safety	130,164	370,384	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	130,164	370,384	201,868	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 132,250	\$ 370,384	\$ 210,536	\$ 1,469,445

CITY OF FRIENDSWOOD, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

Page 2 of 3

	Special Revenue Funds		Permanent	
	HMGP Acquisition & Demolition Project	CDBG - DR Galveston County	1776 Park Fund	Debt Service Fund
Assets				
Cash and cash equivalents	\$ -	\$ 23,895	\$ 2,459	\$ 6,146
Investments	-	87,775	9,032	22,580
Receivables, net of allowance:				
Taxes	-	-	-	57,083
Customer accounts	-	-	-	-
Other receivables	-	-	-	-
Accrued interest	-	-	10	831
Prepaid items	-	-	-	-
Due from other governments	205,178	295,395	-	-
Total Assets	<u>\$ 205,178</u>	<u>\$ 407,065</u>	<u>\$ 11,501</u>	<u>\$ 86,640</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 21,540	\$ -	\$ -
Retainage payable	-	13,020	-	-
Due to other funds	205,178	334,365	-	-
Unearned revenues	-	20,166	-	-
Total Liabilities	<u>205,178</u>	<u>389,091</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	55,847
Total Deferred Inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,847</u>
Fund Balances:				
Nonspendable:				
Prepaid items	-	-	-	-
Permanent fund	-	-	11,501	-
Restricted:				
Municipal court operations	-	-	-	-
Debt service	-	-	-	30,793
Public safety	-	-	-	-
Capital projects	-	17,974	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>17,974</u>	<u>11,501</u>	<u>30,793</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 205,178</u>	<u>\$ 407,065</u>	<u>\$ 11,501</u>	<u>\$ 86,640</u>

	Capital Projects Funds			
	Sidewalk Install Fund	Park Land Dedication Funds	Street Improvements Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,307	\$ 15,457	\$ 1,060,329	\$ 1,412,325
Investments	4,803	56,779	3,894,925	5,184,240
Receivables, net of allowance:				
Taxes	-	-	428,472	485,555
Customer accounts	-	-	-	2,739
Other receivables	-	-	-	3,573
Accrued interest	5	47	3,913	5,488
Prepaid items	-	-	-	300
Due from other governments	-	-	-	1,264,816
Total Assets	\$ 6,115	\$ 72,283	\$ 5,387,639	\$ 8,359,036
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 50,644	\$ 128,772
Retainage payable	-	-	6,294	191,025
Due to other funds	-	-	-	1,787,687
Unearned revenues	-	-	-	20,166
Total Liabilities	-	-	56,938	2,127,650
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	59,603
Total Deferred Inflows	-	-	-	59,603
Fund Balances:				
Nonspendable:				
Prepaid items	-	-	-	300
Permanent fund	-	-	-	11,501
Restricted:				
Municipal court operations	-	-	-	201,568
Debt service	-	-	-	30,793
Public safety	-	-	-	500,548
Capital projects	6,115	72,283	5,330,701	5,427,073
Unassigned	-	-	-	-
Total Fund Balances	6,115	72,283	5,330,701	6,171,783
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,115	\$ 72,283	\$ 5,387,639	\$ 8,359,036

CITY OF FRIENDSWOOD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

Page 1 of 3

	Special Revenue Funds			
	Police Investigation	Fires/EMS Donation	Municipal Court	CDBG - DR Harris County
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Fines and forfeitures	5,060	-	56,382	-
Permits and fees	-	-	-	-
Intergovernmental	-	-	-	3,131,816
Miscellaneous	-	-	-	-
Donations	-	183,494	-	-
Investment income (loss)	7,339	17,214	7,850	-
Total Revenues	12,399	200,708	64,232	3,131,816
Expenditures				
Current:				
General government	-	-	42,734	-
Public works	-	-	-	-
Parks and recreation	-	-	-	-
Debt Service:				
Principal	-	206,438	-	-
Interest and other charges	-	17,298	-	-
Capital Outlay	70,208	504,151	102,931	2,934,262
Total Expenditures	70,208	727,887	145,665	2,934,262
Excess (deficiency) of revenues over (under) expenditures	(57,809)	(527,179)	(81,433)	197,554
Other Financing Sources (Uses)				
Premium on issuance of bonds	-	-	-	-
Transfers in	-	-	-	6,868
Notes payable issued	-	411,000	-	-
Total Other Financing Sources (Uses)	-	411,000	-	6,868
Net change in fund balances	(57,809)	(116,179)	(81,433)	204,422
Fund Balances - Beginning	187,973	486,563	283,301	(204,422)
Fund Balances - Ending	\$ 130,164	\$ 370,384	\$ 201,868	\$ -

CITY OF FRIENDSWOOD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

Page 2 of 3

	Special Revenue Funds		Permanent	
	HMGP Acquisition & Demolition Project	CDBG - DR Galveston County	1776 Park Fund	Debt Service Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 4,602,691
Sales taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Permits and fees	-	-	-	-
Intergovernmental	-	626,044	-	-
Miscellaneous	-	1,682	-	-
Donations	-	-	-	-
Investment income (loss)	-	-	408	43,768
Total Revenues	-	627,726	408	4,646,459
Expenditures				
Current:				
General government	-	-	-	-
Public works	-	169,264	-	-
Parks and recreation	-	-	-	-
Debt Service:				
Principal	-	-	-	3,086,662
Interest and other charges	-	-	-	1,579,849
Capital Outlay	-	467,163	-	-
Total Expenditures	-	636,427	-	4,666,511
Excess (deficiency) of revenues over (under) expenditures	-	(8,701)	408	(20,052)
Other Financing Sources (Uses)				
Premium on issuance of bonds	-	-	-	4,470
Transfers in	-	-	-	-
Notes payable issued	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	4,470
Net change in fund balances	-	(8,701)	408	(15,582)
Fund Balances - Beginning	-	26,675	11,093	46,375
Fund Balances - Ending	\$ -	\$ 17,974	\$ 11,501	\$ 30,793

CITY OF FRIENDSWOOD, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

Page 3 of 3

	Capital Projects Funds			
	Sidewalk Install Fund	Park Land Dedication Funds	Street Improvements Fund	Total Nonmajor Governmental Funds
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 4,602,691
Sales taxes	-	-	2,409,256	2,409,256
Fines and forfeitures	-	-	-	61,442
Permits and fees	-	60,600	-	60,600
Intergovernmental	-	-	-	3,757,860
Miscellaneous	-	-	-	1,682
Donations	-	-	-	183,494
Investment income (loss)	256	1,472	151,898	230,205
Total Revenues	256	62,072	2,561,154	11,307,230
Expenditures				
Current:				
General government	-	-	-	42,734
Public works	-	-	642,411	811,675
Parks and recreation	-	4,093	-	4,093
Debt Service:				
Principal	-	-	-	3,293,100
Interest and other charges	-	-	-	1,597,147
Capital Outlay	-	20,358	131,897	4,230,970
Total Expenditures	-	24,451	774,308	9,979,719
Excess (deficiency) of revenues over (under) expenditures	256	37,621	1,786,846	1,327,511
Other Financing Sources (Uses)				
Premium on issuance of bonds	-	-	-	4,470
Transfers in	-	-	-	6,868
Notes payable issued	-	-	-	411,000
Total Other Financing Sources (Uses)	-	-	-	422,338
Net change in fund balances	256	37,621	1,786,846	1,749,849
Fund Balances - Beginning	5,859	34,662	3,543,855	4,421,934
Fund Balances - Ending	\$ 6,115	\$ 72,283	\$ 5,330,701	\$ 6,171,783

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

POLICE INVESTIGATION

For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 5,060	\$ 5,060
Investment earnings	4,073	4,073	7,339	3,266
Total Revenues	<u>4,073</u>	<u>4,073</u>	<u>12,399</u>	<u>8,326</u>
Expenditures				
Capital outlay	-	76,505	70,208	6,297
Total Expenditures	<u>-</u>	<u>76,505</u>	<u>70,208</u>	<u>6,297</u>
Net change in fund balances	4,073	(72,432)	(57,809)	14,623
Fund Balances - Beginning	<u>187,973</u>	<u>187,973</u>	<u>187,973</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 192,046</u>	<u>\$ 115,541</u>	<u>\$ 130,164</u>	<u>\$ 14,623</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, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Donations	\$ 200,000	\$ 200,000	\$ 183,494	\$ (16,506)
Investment earnings	12,630	12,630	17,214	4,584
Total Revenues	<u>212,630</u>	<u>212,630</u>	<u>200,708</u>	<u>(11,922)</u>
Expenditures				
Debt service:				
Principal	187,533	187,533	206,438	(18,905)
Interest and other charges	22,272	22,272	17,298	4,974
Capital outlay	<u>114,800</u>	<u>571,329</u>	<u>504,151</u>	<u>67,178</u>
Total Expenditures	<u>324,605</u>	<u>781,134</u>	<u>727,887</u>	<u>53,247</u>
Excess (deficiency) of revenues over expenditures	<u>(111,975)</u>	<u>(568,504)</u>	<u>(527,179)</u>	<u>41,325</u>
Other Financing Sources (Uses)				
Notes payable issued	-	411,000	411,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>411,000</u>	<u>411,000</u>	<u>-</u>
Net change in fund balances	(111,975)	(157,504)	(116,179)	41,325
Fund Balances - Beginning	<u>486,563</u>	<u>486,563</u>	<u>486,563</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 374,588</u>	<u>\$ 329,059</u>	<u>\$ 370,384</u>	<u>\$ 41,325</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, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Fines and forfeitures	\$ 49,000	\$ 49,000	\$ 56,382	\$ 7,382
Investment earnings	5,450	5,450	7,850	2,400
Total Revenues	<u>54,450</u>	<u>54,450</u>	<u>64,232</u>	<u>9,782</u>
Expenditures				
Current:				
General government	55,914	55,914	42,734	13,180
Capital outlay	-	113,081	102,931	10,150
Total Expenditures	<u>55,914</u>	<u>168,995</u>	<u>145,665</u>	<u>23,330</u>
 Net change in fund balances	 (1,464)	 (114,545)	 (81,433)	 33,112
Fund Balances - Beginning	<u>283,301</u>	<u>283,301</u>	<u>283,301</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 281,837</u>	<u>\$ 168,756</u>	<u>\$ 201,868</u>	<u>\$ 33,112</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ 2,400,115	\$ 3,131,816	\$ 731,701
Total Revenues	<u>-</u>	<u>2,400,115</u>	<u>3,131,816</u>	<u>731,701</u>
Expenditures				
Capital outlay	-	2,429,214	2,934,262	(505,048)
Total Expenditures	<u>-</u>	<u>2,429,214</u>	<u>2,934,262</u>	<u>(505,048)</u>
Other Financing Sources (Uses)				
Transfers in	-	6,868	6,868	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,868</u>	<u>6,868</u>	<u>-</u>
Net change in fund balances	-	(22,231)	204,422	226,653
Fund Balances - Beginning	<u>(204,422)</u>	<u>(204,422)</u>	<u>(204,422)</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (204,422)</u>	<u>\$ (226,653)</u>	<u>\$ -</u>	<u>\$ 226,653</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, 2023**

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

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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ 337,349	\$ 626,044	\$ 288,695
Miscellaneous revenue	-	1,682	1,682	-
Total Revenues	<u>-</u>	<u>339,031</u>	<u>627,726</u>	<u>288,695</u>
Expenditures				
Current:				
Public works	-	40,182	169,264	(129,082)
Capital outlay	-	514,444	467,163	47,281
Total Expenditures	<u>-</u>	<u>554,626</u>	<u>636,427</u>	<u>(81,801)</u>
Net change in fund balances	-	(215,595)	(8,701)	206,894
Fund Balances - Beginning	<u>26,675</u>	<u>26,675</u>	<u>26,675</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 26,675</u>	<u>\$ (188,920)</u>	<u>\$ 17,974</u>	<u>\$ 206,894</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, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Investment earnings	\$ 230	\$ 230	\$ 408	\$ 178
Total Revenues	<u>230</u>	<u>230</u>	<u>408</u>	<u>178</u>
Expenditures				
Current	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	230	230	408	178
Fund Balances - Beginning	<u>11,093</u>	<u>11,093</u>	<u>11,093</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 11,323</u>	<u>\$ 11,323</u>	<u>\$ 11,501</u>	<u>\$ 178</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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Investment earnings	\$ 871	\$ 871	\$ 256	\$ (615)
Total Revenues	<u>871</u>	<u>871</u>	<u>256</u>	<u>(615)</u>
Expenditures				
Capital outlay	-	5,969	-	5,969
Total Expenditures	<u>-</u>	<u>5,969</u>	<u>-</u>	<u>5,969</u>
Net change in fund balances	871	(5,098)	256	5,354
Fund Balances - Beginning	<u>5,859</u>	<u>5,859</u>	<u>5,859</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 6,730</u>	<u>\$ 761</u>	<u>\$ 6,115</u>	<u>\$ 5,354</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, 2023**

	<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	\$ 60,600	\$ 10,600
Investment earnings	1,800	1,800	1,472	(328)
Total Revenues	<u>51,800</u>	<u>51,800</u>	<u>62,072</u>	<u>10,272</u>
Expenditures				
Current:				
Parks and recreation	-	4,093	4,093	-
Capital outlay	-	20,358	20,358	-
Total Expenditures	<u>-</u>	<u>24,451</u>	<u>24,451</u>	<u>-</u>
Net change in fund balances	51,800	27,349	37,621	10,272
Fund Balances - Beginning	<u>34,662</u>	<u>34,662</u>	<u>34,662</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 86,462</u>	<u>\$ 62,011</u>	<u>\$ 72,283</u>	<u>\$ 10,272</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, 2023**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Sales taxes	\$ 2,155,380	\$ 2,155,380	\$ 2,409,256	\$ 253,876
Investment earnings	37,480	37,480	151,898	114,418
Total Revenues	<u>2,192,860</u>	<u>2,192,860</u>	<u>2,561,154</u>	<u>368,294</u>
Expenditures				
Public works	-	644,289	642,411	1,878
Capital outlay	-	727,556	131,897	595,659
Total Expenditures	<u>-</u>	<u>1,371,845</u>	<u>774,308</u>	<u>597,537</u>
Net change in fund balances	2,192,860	821,015	1,786,846	965,831
Fund Balances - Beginning	<u>3,543,855</u>	<u>3,543,855</u>	<u>3,543,855</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 5,736,715</u>	<u>\$ 4,364,870</u>	<u>\$ 5,330,701</u>	<u>\$ 965,831</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Property taxes	\$ 4,573,578	\$ 4,573,578	\$ 4,602,691	\$ 29,113
Investment earnings	18,186	18,186	43,768	25,582
Total Revenues	<u>4,591,764</u>	<u>4,591,764</u>	<u>4,646,459</u>	<u>54,695</u>
Expenditures				
Debt service:				
Principal	2,980,984	2,980,984	3,086,662	(105,678)
Interest and other charges	1,572,594	1,572,594	1,579,849	(7,255)
Total Expenditures	<u>4,553,578</u>	<u>4,553,578</u>	<u>4,666,511</u>	<u>(112,933)</u>
Other Financing Sources (Uses)				
Premium on bond issuance	-	-	4,470	4,470
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>4,470</u>	<u>4,470</u>
Net change in fund balances	38,186	38,186	(15,582)	(53,768)
Fund Balances - Beginning	<u>46,375</u>	<u>46,375</u>	<u>46,375</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 84,561</u>	<u>\$ 84,561</u>	<u>\$ 30,793</u>	<u>\$ (53,768)</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Investment earnings	\$ 323,943	\$ 323,943	\$ 479,377	\$ 155,434
Total Revenues	<u>323,943</u>	<u>323,943</u>	<u>479,377</u>	<u>155,434</u>
Expenditures				
Current:				
Public works	-	59,001	11,001	48,000
Parks and recreation	-	-	-	-
Debt service:				
Interest and other charges	-	-	311,664	(311,664)
Capital outlay	<u>-</u>	<u>7,880,943</u>	<u>5,080,622</u>	<u>2,800,321</u>
Total Expenditures	<u>-</u>	<u>7,939,944</u>	<u>5,403,287</u>	<u>2,536,657</u>
Other Financing Sources (Uses)				
Issuance of capital-related debt	-	-	29,775,000	29,775,000
Premium on issuance of bonds	-	-	536,664	536,664
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>30,311,664</u>	<u>30,311,664</u>
Net change in fund balances	323,943	(7,616,001)	25,387,754	33,003,755
Fund Balances - Beginning	<u>8,152,712</u>	<u>8,152,712</u>	<u>8,152,712</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 8,476,655</u>	<u>\$ 536,711</u>	<u>\$ 33,540,466</u>	<u>\$ 33,003,755</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>	118
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>	128
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	133
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>	138
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>	142
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)

Table 1
Page 1 of 2

	2023	2022	2021	2020	2019
Governmental Activities					
Net investment in capital assets	\$ 79,714,165	\$ 74,006,329	\$ 72,240,727	\$ 68,990,597	\$ 66,823,023
Restricted	7,105,294	5,059,835	3,491,974	4,606,124	4,003,468
Unrestricted	6,302,252	8,668,866	6,886,085	2,563,947	5,402,312
Total Governmental Activities Net Position	\$ 93,121,711	\$ 87,735,030	\$ 82,618,786	\$ 76,160,668	\$ 76,228,803
Business-Type Activities					
Net investment in capital assets	\$ 40,075,768	\$ 35,999,342	\$ 32,910,959	\$ 32,242,803	\$ 27,038,046
Restricted	2,839,232	2,897,578	2,721,465	2,186,731	1,982,666
Unrestricted	14,978,447	11,776,833	9,984,251	8,438,509	12,077,564
Total Business-Type Activities Net Position	\$ 57,893,447	\$ 50,673,753	\$ 45,616,675	\$ 42,868,043	\$ 41,098,276
Primary Government					
Net investment in capital assets	\$ 119,789,933	\$ 110,005,671	\$ 105,151,686	\$ 101,233,400	\$ 93,861,069
Restricted	9,944,526	7,957,413	6,213,439	6,792,855	5,986,134
Unrestricted	21,280,699	20,445,699	16,870,336	11,002,456	17,479,876
Total Primary Government Net Positions	\$ 151,015,158	\$ 138,408,783	\$ 128,235,461	\$ 119,028,711	\$ 117,327,079

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

Table 1
Page 2 of 2

	2018	2017	2016	2015	2014
Governmental Activities					
Net investment in capital assets	\$ 68,320,682	\$ 72,631,192	\$ 73,588,484	\$ 73,611,490	\$ 65,404,791
Restricted	4,085,999	2,534,312	1,405,907	1,179,764	653,496
Unrestricted	6,248,751	5,532,198	5,579,677	5,901,505	10,798,907
Total Governmental Activities Net Position	\$ 78,655,432	\$ 80,697,702	\$ 80,574,068	\$ 80,692,759	\$ 76,857,194
Business-Type Activities					
Net investment in capital assets	\$ 27,088,280	\$ 29,305,429	\$ 28,322,718	\$ 26,628,714	\$ 24,495,816
Restricted	582,697	260,703	99,006	27,468	90,395
Unrestricted	13,620,211	10,584,764	10,238,993	12,040,181	14,818,104
Total Business-Type Activities Net Position	\$ 41,291,188	\$ 40,150,896	\$ 38,660,717	\$ 38,696,363	\$ 39,404,315
Primary Government					
Net investment in capital assets	\$ 95,408,962	\$ 101,936,621	\$ 101,911,202	\$ 100,240,204	\$ 89,900,607
Restricted	4,668,696	2,795,015	1,504,913	1,207,232	743,891
Unrestricted	19,868,962	16,116,962	15,818,670	17,941,686	25,617,011
Total Primary Government Net Positions	\$ 119,946,620	\$ 120,848,598	\$ 119,234,785	\$ 119,389,122	\$ 116,261,509

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

Table 2
Page 1 of 4

	2023	2022	2021	2020	2019
Expenses					
Governmental Activities:					
General government	\$ 7,873,719	\$ 6,210,336	\$ 5,867,654	\$ 6,119,806	\$ 5,912,467
Public safety	18,526,954	15,655,859	15,645,527	15,501,734	15,134,465
Public works	6,990,046	6,994,042	7,160,229	8,840,113	7,897,373
Engineering	640,292	570,098	506,959	434,976	-
Community development	1,406,566	1,017,509	1,035,202	1,122,506	1,359,878
Parks and recreation	5,608,792	4,870,623	4,604,943	4,439,511	4,839,076
Library services	1,485,716	1,283,007	1,221,740	1,214,130	1,257,970
Interest and fiscal charges	1,659,932	1,268,435	1,244,881	1,055,889	923,350
Total Government Activities Expenses	44,192,017	37,869,909	37,287,135	38,728,665	37,324,579
Business-Type Activities:					
Water and wastewater	12,017,020	11,178,323	11,864,245	12,071,159	11,507,880
Interest and other	1,808,120	1,808,120	1,808,120	1,733,123	1,579,182
Total Business-Type Activities	13,825,140	12,986,443	13,672,365	13,804,282	13,087,062
Total Primary Government Expenses	\$ 58,017,157	\$ 50,856,352	\$ 50,959,500	\$ 52,532,947	\$ 50,411,641
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 921,752	\$ 974,029	\$ 871,362	\$ 930,686	\$ 751,112
Public safety	1,023,874	1,197,570	1,372,432	871,714	811,768
Public works	241,445	234,103	225,419	222,337	236,352
Community development	-	1,238	-	9,275	6,841
Parks and recreation	493,846	441,649	384,489	181,709	341,560
Library services	-	-	-	-	-
Operating grants and contributions	2,229,755	841,537	3,874,866	3,430,645	1,842,704
Capital grants and contributions	3,757,860	2,620,495	3,864,589	708,306	-
Total Governmental Activities Program Revenues:	8,668,532	6,310,621	10,593,157	6,354,672	3,990,337
Business-Type Activities:					
Charges for services:					
Water and wastewater	21,293,632	19,419,622	17,919,751	16,638,758	13,669,552
Operating grants and contributions	104,354	289,181	-	22,602	-
Total Business-Type activities Program Revenues	21,397,986	19,708,803	17,919,751	16,661,360	13,669,552
Total Primary Government Program Revenues	\$ 30,066,518	\$ 26,019,424	\$ 28,512,908	\$ 23,016,032	\$ 17,659,889
Net (Expense) Revenues					
Governmental activities	(35,523,485)	(31,559,288)	(26,693,978)	(32,373,993)	(33,334,242)
Business-type activities	7,572,846	6,722,360	4,247,386	2,857,078	582,490
Total Primary Government Net Expense	\$ (27,950,639)	\$ (24,836,928)	\$ (22,446,592)	\$ (29,516,915)	\$ (32,751,752)

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

Table 2
Page 2 of 4

	2018	2017	2016	2015	2014
Expenses					
Governmental Activities:					
General government	\$ 5,734,611	\$ 5,128,399	\$ 4,736,867	\$ 5,410,643	\$ 4,589,795
Public safety	17,538,040	15,861,719	13,101,691	11,763,659	11,236,402
Public works	6,267,824	4,429,664	4,429,482	3,933,288	3,921,658
Engineering	-	-	-	-	-
Community development	945,701	1,495,001	1,577,813	1,406,288	1,097,075
Parks and recreation	4,554,114	3,459,053	3,080,453	2,869,345	3,356,587
Library services	1,210,207	1,215,683	1,134,859	1,026,967	1,093,043
Interest and fiscal charges	953,509	953,146	862,654	730,614	630,542
Total Government Activities Expenses	37,204,006	32,542,665	28,923,819	27,140,804	25,925,102
Business-Type Activities:					
Water and wastewater	9,019,197	8,502,218	7,975,920	7,629,711	7,995,106
Interest and other	1,029,715	1,086,278	1,642,723	1,524,276	1,514,804
Total Business-Type Activities	10,048,912	9,588,496	9,618,643	9,153,987	9,509,910
Total Primary Government Expenses	\$ 47,252,918	\$ 42,131,161	\$ 38,542,462	\$ 36,294,791	\$ 35,435,012
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 861,271	\$ 1,004,968	\$ 1,002,022	\$ 807,245	\$ 912,910
Public safety	868,761	35,007	28,760	30,275	31,620
Public works	213,042	242,184	174,568	190,099	193,064
Community development	-	1,036,741	949,011	843,648	877,132
Parks and recreation	344,064	387,915	286,727	280,046	315,702
Library services	-	30,600	27,532	33,699	36,081
Operating grants and contributions	4,924,228	2,591,025	800,151	660,633	843,995
Capital grants and contributions	-	219,808	318,657	3,225,672	1,202,376
Total Governmental Activities Program Revenues:	7,211,366	5,548,248	3,587,428	6,071,317	4,412,880
Business-Type Activities:					
Charges for services:					
Water and wastewater	12,183,711	12,295,441	11,319,801	11,020,029	11,117,391
Operating grants and contributions	-	-	-	-	-
Total Business-Type activities Program Revenues	12,183,711	12,295,441	11,319,801	11,020,029	11,117,391
Total Primary Government Program Revenues	\$ 19,395,077	\$ 17,843,689	\$ 14,907,229	\$ 17,091,346	\$ 15,530,271
Net (Expense) Revenues					
Governmental activities	(29,992,640)	(26,994,417)	(25,336,391)	(21,069,487)	(21,502,222)
Business-type activities	2,134,799	2,706,945	1,701,158	1,866,042	1,607,481
Total Primary Government Net Expense	\$ (27,857,841)	\$ (24,287,472)	\$ (23,635,233)	\$ (19,203,445)	\$ (19,894,741)

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

Table 2
Page 3 of 4

	2023	2022	2021	2020	2019
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 22,731,678	\$ 20,845,938	\$ 19,163,858	\$ 18,731,549	\$ 18,111,247
Sales taxes	12,126,784	11,176,190	9,915,046	8,846,359	8,407,249
Franchise and other taxes	2,235,689	2,170,152	2,090,001	2,142,660	2,054,395
Other	-	-	-	-	-
Investment earnings	1,726,549	49,151	50,805	880,606	526,867
Gain (loss) on disposal of capital assets	-	-	-	-	-
Miscellaneous	285,666	638,418	390,533	269,855	351,165
Transfers	1,803,800	1,795,683	1,541,853	1,434,829	1,456,690
Total Governmental Activities	40,910,166	36,675,532	33,152,096	32,305,858	30,907,613
Business-Type Activities:					
Investment earnings	1,450,648	130,401	43,099	347,518	681,288
Gain (loss) on disposal of capital assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Transfers	(1,803,800)	(1,795,683)	(1,541,853)	(1,434,829)	(1,456,690)
Total Business-Type Activities	(353,152)	(1,665,282)	(1,498,754)	(1,087,311)	(775,402)
Total Primary Government	40,557,014	35,010,250	31,653,342	31,218,547	30,132,211
Change in Net Position					
Governmental activities	5,386,681	5,116,244	6,458,118	(68,135)	(2,426,629)
Business-type activities	7,219,694	5,057,078	2,748,632	1,769,767	(192,912)
Total Primary Government	\$ 12,606,375	\$ 10,173,322	\$ 9,206,750	\$ 1,701,632	\$ (2,619,541)

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

Table 2
Page 4 of 4

	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 17,608,094	\$ 17,270,647	\$ 16,350,101	\$ 15,574,684	\$ 14,864,284
Sales taxes	7,965,662	6,482,367	5,393,920	5,291,186	4,693,484
Franchise and other taxes	1,617,121	1,661,654	1,779,234	1,726,557	1,673,615
Other	-	-	-	-	32,799
Investment earnings	321,468	187,001	149,003	79,071	109,849
Gain (loss) on disposal of capital assets	-	25,999	19,564	-	34,359
Miscellaneous	263,245	131,639	128,813	108,306	84,275
Transfers	1,554,849	1,358,744	1,397,065	1,226,205	1,799,344
Total Governmental Activities	29,330,439	27,118,051	25,217,700	24,006,009	23,292,009
Business-Type Activities:					
Investment earnings	200,449	141,978	95,825	49,138	40,713
Gain (loss) on disposal of capital assets	-	-	7,569	-	-
Miscellaneous	-	-	-	7,839	-
Transfers	(1,554,849)	(1,358,744)	(1,397,065)	(1,226,205)	(1,799,344)
Total Business-Type Activities	(1,354,400)	(1,216,766)	(1,293,671)	(1,169,228)	(1,758,631)
Total Primary Government	27,976,039	25,901,285	23,924,029	22,836,781	21,533,378
Change in Net Position					
Governmental activities	(662,201)	123,634	(118,691)	2,936,522	1,789,787
Business-type activities	780,399	1,490,179	407,487	696,814	(151,150)
Total Primary Government	\$ 118,198	\$ 1,613,813	\$ 288,796	\$ 3,633,336	\$ 1,638,637

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

Table 3
Page 1 of 2

	2023	2022	2021	2020	2019
General fund					
Nonspendable	430,134	260,066	355,011	255,796	378,736
Restricted	566,041	460,154	597,908	650,424	727,704
Committed	-	-	-	-	-
Assigned	4,630,982	4,667,500	4,320,912	2,591,745	2,508,234
Unassigned	11,111,696	11,997,367	11,953,314	13,374,059	10,608,815
Total General Fund	16,738,853	17,385,087	17,227,145	16,872,024	14,223,489
All Other Governmental Funds					
Nonspendable	11,801	11,484	11,101	11,070	24,738
Restricted	40,068,218	12,740,909	18,106,088	4,757,183	5,568,395
Unassigned	-	(179,413)	(165,886)	(1,826,743)	-
Total Other Governmental Funds	40,080,019	12,572,980	17,951,303	2,941,510	5,593,133
Total Fund Balances of Governmental Funds	\$ 56,818,872	\$ 29,958,067	\$ 35,178,448	\$ 19,813,534	\$ 19,816,622

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

Table 3
Page 2 of 2

	2018	2017	2016	2015	2014
General fund					
Nonspendable	371,610	434,750	646,778	822,226	143,201
Restricted	631,971	667,271	626,229	518,119	400,411
Committed	-	-	3,612	685,486	-
Assigned	4,229,725	2,893,697	2,706,897	2,773,419	1,421,875
Unassigned	9,052,000	9,547,039	9,776,031	8,760,424	10,554,183
Total General Fund	14,285,306	13,542,757	13,759,547	13,559,674	12,519,670
All Other Governmental Funds					
Nonspendable	24,307	31,869	31,721	31,378	31,241
Restricted	9,304,724	8,464,859	8,165,349	6,539,985	666,317
Unassigned	-	-	(193,750)	-	(239,078)
Total Other Governmental Funds	9,329,031	8,496,728	8,003,320	6,571,363	458,480
Total Fund Balances of Governmental Funds	\$ 23,614,337	\$ 22,039,485	\$ 21,762,867	\$ 20,131,037	\$ 12,978,150

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

Table 4
Page 1 of 2

	2023	2022	2021	2020	2019
Revenues					
Taxes	\$ 37,087,960	\$ 34,192,280	\$ 30,974,155	\$ 29,712,771	\$ 28,389,651
Fines and forfeitures	895,577	1,052,940	1,219,096	780,717	866,812
Permits and fees	1,861,325	1,847,985	1,669,033	1,504,555	1,483,554
Intergovernmental	5,730,985	3,215,269	7,495,971	3,828,898	1,576,838
Investment earnings	1,691,972	49,580	48,609	274,405	518,221
Donations	295,968	255,638	264,938	274,945	290,069
Miscellaneous	350,095	345,364	124,627	719,721	18,777
Total Revenues	47,913,882	40,959,056	41,796,429	37,096,012	33,143,922
Expenditures					
General government	6,936,378	6,040,832	5,591,248	5,690,428	5,336,269
Public safety	16,640,299	15,370,261	14,897,465	14,306,864	13,545,539
Public works	3,572,326	5,765,313	4,612,796	6,021,313	4,127,539
Engineering	641,204	571,010	507,933	434,976	-
Community development	1,293,280	1,187,413	1,131,498	1,139,566	1,099,154
Parks and recreation	4,918,338	4,312,856	3,715,517	3,426,521	3,796,589
Library services	1,401,299	1,336,185	1,223,726	1,182,289	1,204,415
Capital outlay	13,487,123	10,277,134	7,037,490	12,865,475	6,219,243
Debt principal payment	3,377,350	2,840,720	2,556,282	2,221,257	2,168,876
Interest and other charges	1,908,811	1,624,891	1,567,472	1,285,807	1,112,127
Total expenditures	54,176,408	49,326,615	42,841,427	48,574,496	38,609,751
Excess of revenues over (under) expenditures	(6,262,526)	(8,367,559)	(1,044,998)	(11,478,484)	(5,465,829)
Other Financing Sources (Uses)					
Sale of capital assets	18,181	32,029	21,270	72,568	6,614
Insurance recoveries	69,683	74,126	175,351	8,548	235,443
Issuance of capital related debt	29,775,000	-	13,185,000	7,795,000	-
Issuance of notes payable	925,000	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	541,134	-	1,451,456	753,840	-
Transfers in	1,810,668	1,708,331	1,751,915	1,584,985	1,473,591
Transfers out	(16,335)	(124,948)	(210,062)	(223,298)	(47,534)
Total other financing sources (uses)	33,123,331	3,147,178	16,409,912	11,475,396	1,668,114
Net change in fund balances	\$ 26,860,805	\$ (5,220,381)	\$ 15,364,914	\$ (3,088)	\$ (3,797,715)
Debt service as a percentage of noncapital expenditures	13.0%	12.1%	11.7%	9.9%	10.1%

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

Table 4
Page 2 of 2

	2018	2017	2016	2015	2014
Revenues					
Taxes	\$ 27,247,421	\$ 25,509,760	\$ 23,533,294	\$ 22,513,317	\$ 21,335,527
Fines and forfeitures	957,671	1,023,556	873,872	907,557	860,257
Permits and fees	1,566,656	1,708,357	1,450,939	1,349,264	1,385,898
Intergovernmental	4,398,836	1,763,974	664,427	3,536,980	1,791,451
Investment earnings	313,793	184,127	147,403	77,947	109,117
Donations	396,010	434,164	257,724	349,325	349,166
Miscellaneous	181,017	165,619	79,435	72,837	54,989
Total Revenues	35,061,404	30,789,557	27,007,094	28,807,227	25,886,405
Expenditures					
General government	5,440,888	4,975,926	4,385,321	5,343,160	4,306,143
Public safety	16,868,931	14,751,381	12,135,956	11,348,346	10,599,575
Public works	2,157,277	2,160,152	2,118,572	2,066,349	1,689,987
Engineering	-	-	-	-	-
Community development	985,309	893,663	954,103	925,947	1,092,982
Parks and recreation	3,511,146	3,339,864	3,032,979	2,917,857	2,772,072
Library services	1,200,512	1,172,245	1,096,614	1,036,843	1,083,043
Capital outlay	2,615,538	8,429,200	9,332,400	7,255,229	2,500,254
Debt principal payment	2,137,284	1,813,130	1,570,176	1,272,823	1,668,692
Interest and other charges	1,145,400	1,170,958	921,982	776,340	662,718
Total expenditures	36,062,285	38,706,519	35,548,103	32,942,894	26,375,466
Excess of revenues over (under) expenditures	(1,000,881)	(7,916,962)	(8,541,009)	(4,135,667)	(489,061)
Other Financing Sources (Uses)					
Sale of capital assets	9,135	12,757	2,743	99	6,325
Insurance recoveries	725,304	25,999	19,564	39,257	28,886
Issuance of capital related debt	485,305	5,605,000	7,345,000	9,595,000	-
Issuance of notes payable	-	-	-	-	-
Issuance of capital lease	-	756,006	-	-	-
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	1,402,989	1,364,399	1,503,442	1,544,662	1,799,344
Transfers out	(47,000)	(5,655)	(182,503)	(318,457)	-
Total other financing sources (uses)	2,575,733	8,193,580	10,172,839	11,288,644	1,834,555
Net change in fund balances	\$ 1,574,852	\$ 276,618	\$ 1,631,830	\$ 7,152,977	\$ 1,345,494
Debt service as a percentage of noncapital expenditures	9.8%	9.9%	9.2%	7.5%	9.8%

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
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
2023	2022	5,591,194,518	379,247,117	591,110,272	6,561,551,907

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
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
2023	2022	1,947,407,979	4,614,143,928	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
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
2023	0.3886	0.0988	0.4873	1.2094	1.1146	0.1298	0.3676	0.53548

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 TAXPAYERS
CURRENT AND NINE YEARS AGO
(Unaudited)

Table 7

Taxpayer	2023			2014		
	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	\$ 35,632,199	1	0.77%	\$18,864,491	1	0.75%
Texas-New Mexico Power Co.	28,765,360	2	0.62%	12,084,650	3	0.48%
Bellevue at Clear Creek LP	23,669,000	3	0.51%			-
Kroger Co.	13,708,567	4	0.30%	13,570,271	2	0.54%
Tannos Land Holding III LLC	13,703,590	5	0.30%			-
Bay Meadows LLP	11,813,387	6	0.26%			-
The Beldon Friendswood LLC	11,000,150	7	0.24%			-
Frontier Land V P L L	11,000,000	8	0.24%			-
Taylor Morrison of Texas Inc	9,647,960	9	0.21%			-
A-S 108 Friendswood Crossing LP	8,451,620	10	0.18%	6,310,430	9	0.25%
Autumn Creek Dev LTD			-	9,046,190	4	0.36%
G&I VI Sky Hawk LP			-	9,292,240	5	0.37%
H E Butt Grocery Company			-	8,149,920	6	0.33%
HCP Friendswood LLC			-	6,995,240	8	0.28%
HSRE Friendswood LLC			-	7,535,390	7	0.30%
Timber Creek Holdings LP			-	5,646,290	10	0.23%
Total	167,391,833		3.63%	97,495,112		3.89%
All other taxpayers	4,446,752,095		96.37%	2,406,326,524		96.11%
	4,614,143,928		100.00%	\$2,503,821,636		100.00%

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
2014	\$ 14,747,526	\$ 14,656,257	99.38%	\$ 81,610	\$ 14,737,867	99.93%
2015	15,424,948	15,306,943	99.23%	105,556	15,412,499	99.92%
2016	16,431,153	16,264,080	98.98%	155,283	16,419,363	99.93%
2017	17,014,685	16,922,419	99.46%	80,214	17,002,633	99.93%
2018	17,633,192	17,554,220	99.55%	65,370	17,619,590	99.92%
2019	17,952,134	17,756,864	98.91%	180,445	17,937,309	99.92%
2020	18,682,563	18,605,868	99.59%	58,053	18,663,921	99.90%
2021	18,879,840	18,877,842	99.99%	(23,841)	18,854,001	99.86%
2022	20,843,713	20,793,321	99.76%	9,546	20,802,867	99.80%
2023	22,761,758	22,713,172	99.79%	-	22,713,172	99.79%

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	SBITAs Payable	General Obligation Bonds	Water Revenue Bonds			
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
2023	74,691,542	2,645,629	92,494	18,534,984	37,366,797	133,331,446	0.61%	3,118

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			
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
2023	42,757	4,614,143,928	93,226,526	30,793	93,195,733	2.02%	2,180

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, 2023

(Unaudited)

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Friendswood Independent School District	\$189,905,000	100.00%	\$ 189,905,000
Clear Creek Independent School District	1,101,371,754	2.843%	31,311,999
Galveston County	203,115,000	7.220%	14,664,903
Harris County	3,757,467,000	0.148%	5,561,051
Subtotal, overlapping debt			241,442,953
City Direct Debt			77,337,171
Total Direct and Overlapping Debt			\$ 318,780,124

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, 2023 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		
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	
2023	21,293,632	10,055,068	11,238,564	1,510,000	1,162,374	4.21	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest, depreciation or amortization expenses.

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
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%
2023	42,757	21,872,079,000	61,246	3.2%

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

Employer	2023			2014	
	Estimated Employees	Percentage of Total Employment	Rank	Estimated Employees	Rank
Friendswood ISD	817	3.78%	1	700	1
HEB	505	2.34%	2	317	2
City of Friendswood	258	1.19%	3	232	4
Kroger	226	1.05%	4	292	3
Clear Creek ISD	173	0.80%	5	155	5
Friendship Haven Nursing Home	100	0.46%	6	140	6
McDonalds	102	0.47%	7	75	7
U.S. Post Office	75	0.35%	8	62	10
Morada (formerly Atria)	72	0.33%	9	-	
UTMB	60	0.28%	10	-	
Brookdale	-	-		69	8
Friendswood Healthcare (Autumn Hills)	-	-		65	9
Total	2,388	11.06%		2,107	

Source: City Manager's Office

Note: Percentage of total employment is based on total City employment of 21,601 for 2023.
Total City employment for 2014 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				
	2023	2022	2021	2020	2019
General Government:					
City Attorney	2.15	2.15	2.10	2.10	2.10
City Manager	4.00	4.00	6.00	6.00	5.00
City Secretary	4.00	4.00	4.00	4.00	5.00
Administrative Services	16.60	16.60	18.60	18.60	27.60
Human Resources	5.00	5.00	5.00	5.00	-
Information Technology	6.00	6.00	5.00	5.00	-
Public Safety:					
Police	90.40	90.38	90.38	90.38	90.38
Fire marshal	7.38	7.38	7.20	7.20	7.20
Public Works	24.00	23.00	23.00	23.00	23.00
Community Development	11.70	11.18	10.70	10.70	10.70
Engineering	8.45	7.45	7.00	7.00	6.00
Parks and Recreation	25.30	25.30	24.90	24.50	23.10
Library	15.62	15.62	14.97	14.97	14.97
Water	11.30	11.30	9.30	9.30	9.30
Sewer	11.00	11.00	11.00	11.00	11.00
Total City Employees:	242.90	240.36	239.15	238.75	235.35

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				
	2018	2017	2016	2015	2014
General Government:					
City Attorney	2.10	1.00	1.00	1.00	-
City Manager	5.40	5.40	5.40	4.55	4.15
City Secretary	5.00	5.00	5.00	5.00	5.00
Administrative Services	27.60	27.70	27.70	28.70	28.70
Human Resources	-	-	-	-	-
Information Technology	-	-	-	-	-
Public Safety:					
Police	87.72	88.72	86.72	85.72	82.40
Fire marshal	6.60	6.60	6.60	6.60	6.50
Public Works	27.00	26.00	29.00	25.33	26.33
Community Development	10.70	11.70	11.70	10.89	10.89
Engineering	-	-	-	-	-
Parks and Recreation	21.90	20.90	19.63	19.63	19.03
Library	14.97	14.97	14.62	14.62	14.37
Water	9.30	8.30	8.30	8.30	9.30
Sewer	10.00	11.00	8.00	8.00	9.00
Total City Employees:	<u>228.29</u>	<u>227.29</u>	<u>223.67</u>	<u>218.34</u>	<u>215.67</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				
	2023	2022	2021	2020	2019
<u>Function/Program</u>					
Community Development:					
Building permits issued	1,582	1,682	1,658	1,605	1,465
Building inspections conducted	9,297	9,325	9,998	9,124	9,251
Police:					
Physical arrests	100	1,051	1,368	847	1,190
Parking violations	6	11	36	17	26
Traffic violations	4,856	9,952	11,081	8,807	4,468
Fire Marshal:					
Inspections	983	1,315	1,730	1,146	1,448
Fire:					
Emergency responses	4,199	4,458	4,405	3,650	3,655
Fires extinguished	82	129	92	65	80
Parks and Recreation:					
Recreation participants	20,356	36,861	16,907	6,027	19,657
Facility reservations	3,060	5,356	1,033	3,166	3,293
Library:					
Volumes in collection	94,162	95,470	101,061	99,930	101,532
Total volumes borrowed	350,419	349,814	340,478	271,078	342,592
Water:					
New connections	87	136	92	185	169
Water main breaks	201	126	49	41	84
Average daily consumption (thousands of gallons)	6,217	5,714	5,064	5,319	5,129
Peak daily consumption	12,801	11,166	14,041	9,927	9,390
Sewer:					
Average daily sewage treatment (thousands of gallons)	3,072	2,840	3,255	3,113	3,345
Maximum daily flow (thousands of gallons)	11,558	8,369	11,006	10,520	12,491

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Community Development:					
Building permits issued	2,788	2,177	1,865	1,377	1,395
Building inspections conducted	14,157	12,134	11,026	12,145	10,611
Police:					
Physical arrests	1,145	903	1,464	1,479	1,596
Parking violations	15	61	44	63	58
Traffic violations	6,785	3,669	5,001	4,540	5,815
Fire Marshal:					
Inspections	1,139	1,233	1,354	1,512	1,427
Fire:					
Emergency responses	3,720	3,599	3,303	3,258	3,261
Fires extinguished	80	75	76	78	116
Parks and Recreation:					
Recreation participants	18,299	20,556	21,369	16,153	15,178
Facility reservations	2,123	1,004	1,444	1,443	728
Library:					
Volumes in collection	102,852	100,678	147,726	133,165	141,383
Total volumes borrowed	348,554	341,048	301,158	350,145	367,452
Water:					
New connections	125	137	183	-	193
Water main breaks	116	44	46	57	149
Average daily consumption (thousands of gallons)	5,455	5,282	4,963	4,970	5,171
Peak daily consumption	9,475	10,110	10,472	12,623	9,917
Sewer:					
Average daily sewage treatment (thousands of gallons)	3,117	3,286	3,382	3,306	2,867
Maximum daily flow (thousands of gallons)	10,370	12,766	12,188	11,237	10,770

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Police					
Stations	1	1	1	1	1
Patrol units	48	29	38	31	33
Fire					
Stations	4	4	4	4	4
Public Works					
Streets - paved (miles)	223	221	221	185	176
Streets - unpaved (miles)	2	2	2	2	2
Traffic signals	3	3	3	3	3
Parks and Recreation					
Acreage	343	320	273	266	266
Parks	11	11	10	10	10
Swimming pool	1	1	1	1	1
Tennis courts	4	4	4	4	4
Library	1	1	1	1	1
Water					
Water mains (miles)	227	222	222	216	216
Fire hydrants	1,821	1,755	1,747	1,713	1,707
Connections	14,415	14,328	14,192	14,098	13,913
Storage capacity (thousands of gallons)	7,850	7,850	7,850	7,850	7,850
Sewer					
Sanitary sewers (miles)	184	182	182	202	202
Connections	13,324	13,241	13,132	13,029	12,870
Storm sewers (miles)	120	117	117	112	112
Treatment capacity (thousands of gallons)	9,250	9,250	9,250	9,250	9,250

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

Function/Program	Fiscal Year				
	2018	2017	2016	2015	2014
Police					
Stations	1	1	1	1	1
Patrol units	34	32	31	29	27
Fire					
Stations	4	4	4	4	4
Public Works					
Streets - paved (miles)	176	174	172	169	167
Streets - unpaved (miles)	2	2	2	2	2
Traffic signals	3	3	3	3	3
Parks and Recreation					
Acreage	266	266	266	232	189
Parks	9	9	9	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)	216	214	212	209	207
Fire hydrants	1,707	1,690	1,672	1,631	1,610
Connections	13,744	13,619	13,482	13,289	13,093
Storage capacity (thousands of gallons)	7,850	7,850	7,850	8,100	8,000
Sewer					
Sanitary sewers (miles)	202	200	198	195	194
Connections	12,721	12,588	12,378	12,407	12,236
Storm sewers (miles)	112	110	109	106	105
Treatment capacity (thousands of gallons)	9,250	9,250	9,250	9,250	12,000

Source: Various City departments and prior year ACFRs.



CITY OF FRIENDSWOOD, TEXAS

FEDERAL SINGLE AUDIT REPORT

**For the Fiscal Year Ended
September 30, 2023**



CPAs and Professional Consultants

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, 2023, 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, 2024. 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 City’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 or significant deficiencies 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 City'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 City'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, 2024

**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, 2023. 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, 2023.

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, 2023, 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, 2024, 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. 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Houston, Texas
March 22, 2024



CITY OF FRIENDSWOOD, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2023

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, 2023

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, 2023

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	\$ 3,131,816
<i>Community Development Block Grant/State's Program</i>	14.228	20-065-134-C451	141,813
<i>Community Development Block Grant/State's Program</i>	14.228	20-066-045-C444	494,613
<i>Total ALN 14.228</i>			<u>3,768,242</u>
Total U.S. Department of Housing and Urban Development			<u>3,768,242</u>
U.S. Department of Justice			
Direct:			
<i>Bulletproof Vest Partnership Program - FY 21</i>	16.607	None	895
<i>Bulletproof Vest Partnership Program - FY 22</i>	16.607	None	4,800
<i>Total ALN 16.607</i>			<u>5,695</u>
Total U.S. Department of Justice			<u>5,695</u>
U.S. Department of the Treasury			
Passed through the Texas Office of the Governor - Criminal Justice Division:			
<i>Coronavirus State Fiscal Recovery Fund (Victims of Crime - SB 8)</i>			
<i>COVID-19</i>	21.027	2021-CS-21027	69,070
Total U.S. Department of the Treasury			<u>69,070</u>
U.S. National Endowment for the Humanities			
Passed through the Texas State Library & Archives Commission:			
<i>ILMS Reimbursement Program</i>	45.310	LS-252486-OLS-22	4,017
Total U.S. National Endowment for the Humanities			<u>4,017</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-4332	1,104
<i>Disaster Grants - Public Assistance</i>	97.036	DR-4586	242,663
<i>Total ALN 97.036</i>			<u>243,767</u>
Passed through the Texas Office of the Governor:			
<i>HSGP - Friendswood Casualty Training</i>	97.067	EMW-2022-SS-00021	11,158
Total U.S. Department of Homeland Security			<u>254,925</u>
Total Expenditures of Federal Awards			<u>\$ 4,101,949</u>

CITY OF FRIENDSWOOD, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2023

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, 2023. 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, 2023

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.

The Summary Schedule of Prior Audit Findings for the year ended September 30, 2023, has been prepared to address these responsibilities.

I. Prior Audit Findings

None reported

CITY OF FRIENDSWOOD, TEXAS
CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2023

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."

The Corrective Action Plan for the year ended September 30, 2023, has been prepared to address these requirements.

I. Corrective Action Plan

Not applicable

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 1, 2024

Date submitted: 03/18/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Receive and discuss a Schedule of Events for the upcoming Special Assessment Revenue Bonds (Public Improvement District) Sale.

Originating Department: Administrative Services

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

John Robuck of BOK Financial Securities, Incorporated, the City's financial advisory firm, will present a **tentative** schedule of events for the sale of special assessment revenue bonds, Series 2024, to fund a portion of the Friendswood City Center Public Improvement District development. Additional information is being gathered to confirm important dates and deadlines related to the sale of the bonds and will be incorporated into the final schedule of events.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Issuance of the Special Assessment Revenue Bonds, Series 2024 will enable the Public Improvement District to fund a portion of the Friendswood City Center development.

RECOMMENDATIONS

Staff recommends approval of the tentative schedule of events.

ATTACHMENTS

1. Schedule of Events - Friendswood City Center PID (Draft 3-27-24)



Tentative Schedule of Events

\$ _____ City of Friendswood (Friendswood City Center Public Improvement District) Special Assessment Revenue Bonds, Series 2024

April - 2024							May - 2024							June - 2024							July - 2024						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3	4							1		1	2	3	4	5	6
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
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28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			

Date

Action

Monday, April 1, 2024

City Council Meeting

Review Schedule of Events for Friendswood City Center PID Special Assessment Revenue Bonds, Series 2024

Thursday, April 11, 2024

Distribution of Draft Preliminary Service and Assessment Plan and Draft TIRZ #1 Final Project and Financing Plan

Tuesday, April 16, 2024

Comments Due to the Draft Preliminary Service and Assessment Plan and Draft TIRZ #1 Final Project and Financing Plan

Thursday, April 18, 2024

Distribution of Final Preliminary Service and Assessment Plan and Final TIRZ #1 Final Project and Financing Plan

Monday, April 22, 2024

Distribute Preliminary Limited Offering Memorandum (the "PLOM") for comments



Tentative Schedule of Events (Continued)

Date	Action
Wednesday, April 24, 2024	Comments Due to the Final Preliminary Service and Assessment Plan and Final TIRZ #1 Final Project and Financing Plan
Monday, May 6, 2024	City Council Meeting Review and Approve Resolution Determining the Cost of the Authorized Improvements, Approve Preliminary Service and Assessment Plan, Approve Setting of Assessment Levy and Assessment Public Hearing Date for June 3, 2024
Monday, May 13, 2024	Comments Due on PLOM
Monday, May 20, 2024	Publish Preliminary Limited Offering Memorandum (the "PLOM") and Begin Marketing of Special Assessment Revenue Bonds
Thursday, May 23, 2024	Publish Notice of Levy and Assessment Hearing in Newspaper and Mail Notice of Levy and Assessment Hearing to Property Owners Liable for the Assessments
Monday, June 3, 2024	Sale of Special Assessment Revenue Bonds City Council Meeting City Council to Hold Public Hearing on Proposed Levy of Assessment, Approve Assessment Ordinance and Sale of Special Assessment Revenue Bond, and Approve TIRZ#1 Final Project and Finance Plan
Monday, June 10, 2024	City Files the Approved Assessment Ordinance in the Harris County Property Records
Tuesday, July 2, 2024	Closing/Delivery of Funds to Trustee

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 1, 2024

Date submitted: 03/05/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Conduct a public hearing regarding a request for a zone classification change located at 2600 S Friendswood Drive, 4.8476 acres of land out of Lot 64 and 65 of Slone Subdivision, out of the John Dickinson League, according to the map or plat recorded in Volume 254-A, Page 6 and transferred to Plat Record 3, Map Number 61A, both of the map records of Galveston County, Texas, to change from Single Family Residential (SFR) to Community Shopping Center (CSC) and an amendment to the Future Land Use Map to change such property classification from Low Density Residential to Retail.

Originating Department: Community Development

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows for a public hearing regarding a request for a zone classification change and amendment to the City's Future Land Use Plan (FLUP) for approximately 4.8476 acres of land located at 2600 S Friendswood Dr. The property owner is requesting to change the zoning of the subject tract from Single Family Residential (SFR) to Community Shopping Center (CSC). The property in question fronts FM 518, also known as S Friendswood Drive, with the property to its west being zoned Community Shopping Center (CSC) with a plan for a mixed-use town center that was proposed as part of the West Ranch Planned Unit Development (PUD) in 2004 and the property to the east being zoned Single Family Residential (SFR) that is separated by a 50-foot drainage easement. Lastly, the property in question backs up to a detention pond that is part of the West Ranch development and is zoned Planned Unit Development (PUD).

The Future Land Use Map (2021) identifies this property as developing with Low Density Residential and because it is located between a commercial property and a residential property, either use would be suitable. With sufficient screening and the depth of the residential lots, the impact to the adjacent residential lots would be minimal.

On February 21, 2024, the notice of this public hearing was published in *The Reporter News* and posted on the City's notice boards and website. The required property owner notices were posted and mailed on March 1, 2024, and the Planning and Zoning Committee held its public hearing on March 14, 2024.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Changing the zoning to a commercial zoning designation will increase the percentage of commercially zoned property in Friendswood, which is a goal. The property is located adjacent to a large tract that is planned for a mixed-use development, so a commercial development would be compatible.

RECOMMENDATIONS

At the Planning and Zoning Commission meeting held March 14, 2024, following the public hearing, the City of Friendswood Planning and Zoning Commission voted 5-0 (Commissioners Sasson and Mann were absent) to recommend the future land use map and zoning map amendments. See attached final report for full details.

ATTACHMENTS

1. 2600 S Friendswood Dr Rezoning Report
2. Aerial Map_2600 S Friendswood Dr
3. Location Map_2600 S Friendswood Dr
4. Zoning Map_2600 S Friendswood Dr
5. Future Land Use Map_2600 S Friendswood Dr
6. 2600 S Friendswood Dr PZ Final Report 03-18-2024

Rezoning Report

February 2024

Project: Zone Change Request

Address: 2600 S Friendswood Drive

Legal: 4.8476 acres of land out of Lot 64 and 65 of Slone Subdivision, out of the John Dickinson League, according to the map or plat recorded in Volume 254-A, Page 6 and transferred to Plat Record 3, Map Number 61A, both of the map records of Galveston County, Friendswood, Galveston County, Texas



Request: Zone classification change from Single Family Residential (SFR) to Community Shopping Center (CSC) and amendment to the Future Land Use Map to change the property from Low Density Residential to Retail

Applicable Zoning Ordinance Excerpts:

Appendix C - Zoning Ordinance

Section 7. Schedule of District Regulations

F. CSC, Community Shopping Center District, general purpose and description. The CSC, Community Shopping Center District, is intended for a unified grouping, in one or more buildings of several, typically between five and 20, retail and service shops or stores that provide for the regular needs and are for the convenience of the people residing in adjacent residential neighborhoods. Gross floor area in a community shopping center typically ranges from 30,000 to 100,000 square feet, and land area consists of two to ten acres in size. It is intended that the community shopping center be developed as a unit, with adequate off-street parking for customers and employees, and with appropriate landscaping and screening to ensure compatibility with surrounding residential environment. This district is ideally located at the intersection of two or more arterial or major streets with a service area of up to 1½ miles. Development of a community shopping center requires approval of a development site plan by the planning and zoning commission.

1. Area and height regulations. Area and height regulations in a CSC district are set forth in subsection Q.2 of this section, regulation matrix.
2. See section 8 for supplementary district regulations.
3. See section 9 for temporary certificate of zoning compliance that may be granted by the administrative official and specific use permits that may be recommended by the planning and zoning commission within the CSC district under certain circumstances and conditions.
4. Permitted uses. Uses permitted in a CSC district are set forth in subsection P of this section, permitted use table. A specific use permit for a shopping center as a particular use is required before any building permit or certificate of occupancy may be issued in this district.
5. No CSC district shall be created which includes less than two acres.

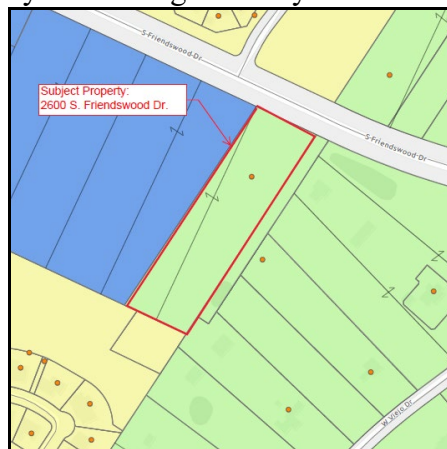
6. Buildings in the CSC zoning district are encouraged to have exterior cladding of brick, masonry, stone, stucco or glass. Fiber cement boards/siding are discouraged, except as trim for eaves and overhangs, while all building products and materials approved for use by a national model code published within the last three code cycles (2018, 2015 and 2012) are allowed by V.T.C.A., Government Code ch. 3000.

Section 7.5. - Community overlay district.

1. General purpose and description. The community overlay district (COD) is intended to preserve and enhance the physical characteristics of the city along its entryways and in the downtown area by promoting the safety, welfare, convenience, and enjoyment of travel along these roads; providing for unified and orderly development; and promoting and aiding economic growth. The establishment of a COD does not repeal the underlying zoning classification of property to which the COD applies. The requirements of the COD are in addition to the requirements of the underlying zoning district, with the exception of the downtown district. The COD does not apply to the DD. The DD is subject to supplementary regulations and the DD geographic limitations as shown on the official zoning map. The COD includes the following thoroughfares: FM 2351 from Friendswood City Limit to Friendswood City Limit, FM 518 from the Friendswood City Limit to the Friendswood City Limit, FM 528 from Friendswood City Limit to Friendswood City Limit, Friendswood Lakes Boulevard (also known as Brittany Bay) from Friendswood City Limit to Friendswood City Limit, Bay Area Boulevard, from Friendswood City Limit to FM 528. (Remainder of requirements in Section 7.5.)

Zoning History:

The zoning of the property has always been Single Family Residential (SFR).



City of Friendswood Zoning Map

Adjacent Zoning/Land Use:

The property fronts FM 518, also known as S. Friendswood Drive. Property to the west is zoned Community Shopping Center (CSC) with a plan for a mixed-use town center that was proposed as part of the West Ranch Planned Unit Development (PUD) in 2004. The property to the east is zoned Single Family Residential (SFR) and is separated by a 50-foot drainage easement. The property backs up to a detention pond that is part of the West Ranch development and is zoned Planned Unit Development (PUD).

Platting Analysis:

The property will need to be platted prior to development.

Planning Analysis:

This property fronts FM 518. The subject property is subject to the Community Overlay District (COD).

Comprehensive Planning Analysis:

The Future Land Use Map (2021) identifies this property as developing with Low Density Residential. It is sandwiched between a commercial property and a residential property, so either use would be suitable. With sufficient screening and the depth of the residential lots, impact to the adjacent residential lots would be minimal.



City of Friendswood GIS Aerial Map

Infrastructure/Service Delivery Impacts

Storm Water Management and Floodplain Issues:

On site detention is required, and the property is not located in any high hazard flood zones.

Utilities:

City water is available along FM 518, and sewer service will need to be extended from W Viejo Drive and FM 518.

Access:

The property currently has access onto FM 518. Any driveway improvements would need to be approved by the Texas Department of Transportation (TXDOT). A five-foot sidewalk will be required along FM 518.

Park/Open Space:

Park Dedication Fees are not applicable for commercial development.

Aerial Map_2600 S Friendswood Dr



Subject Property:
2600 S. Friendswood Dr.

1/30/2024, 11:32:23 AM

• Address Points

City Limit

Galveston County - Lot Lines

Parcels

Streets

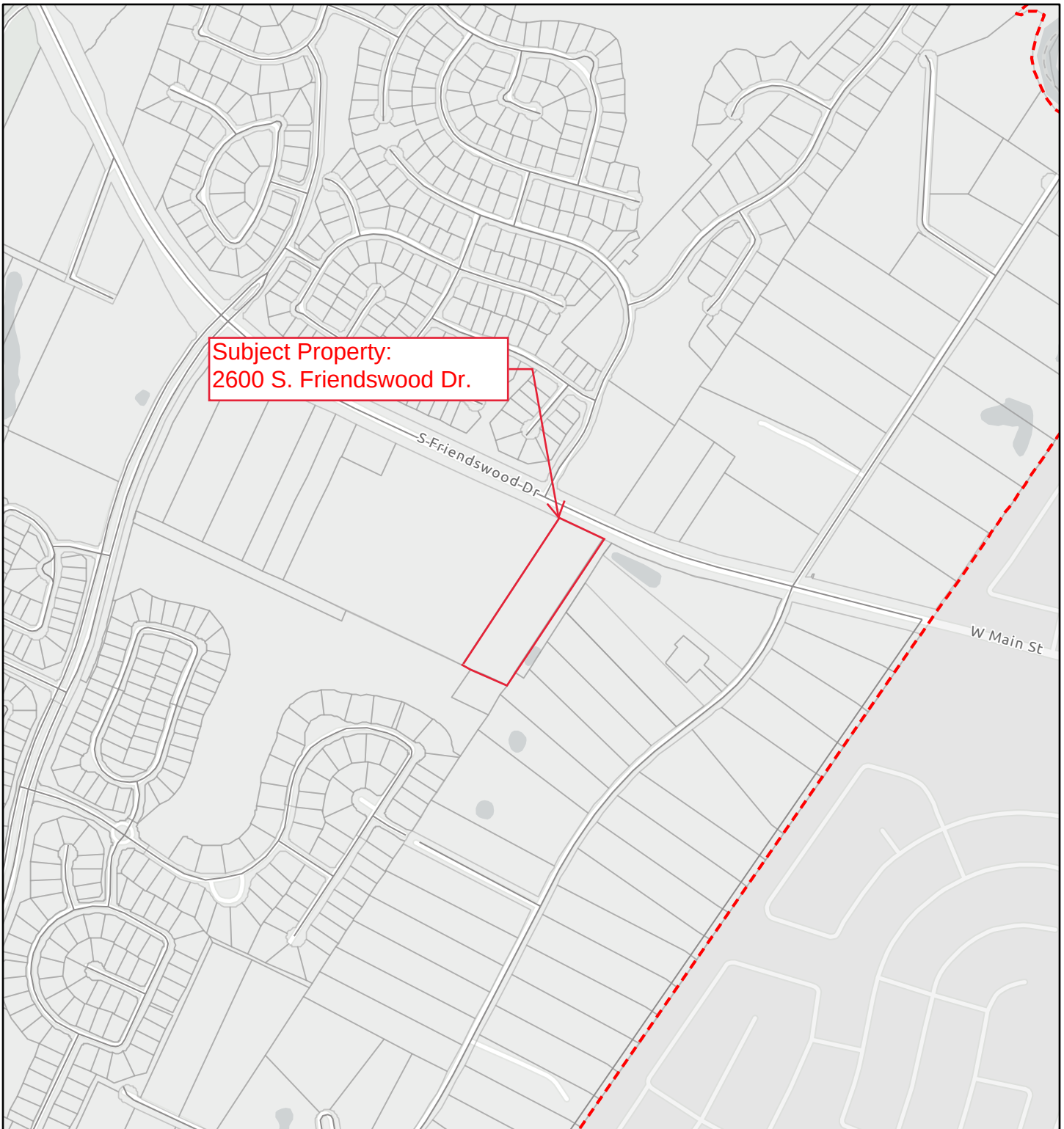


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Houston- Galveston Area Council, Esri Community Maps Contributors, Brazoria County, Texas Parks & Wildlife, © OpenStreetMap, Microsoft, CONANP, Esri, TomTom, Garmin, Foursquare, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS

Location Map



1/30/2024, 11:36:08 AM

 City Limit

 Parcels

 Streets

 Surrounding Cities

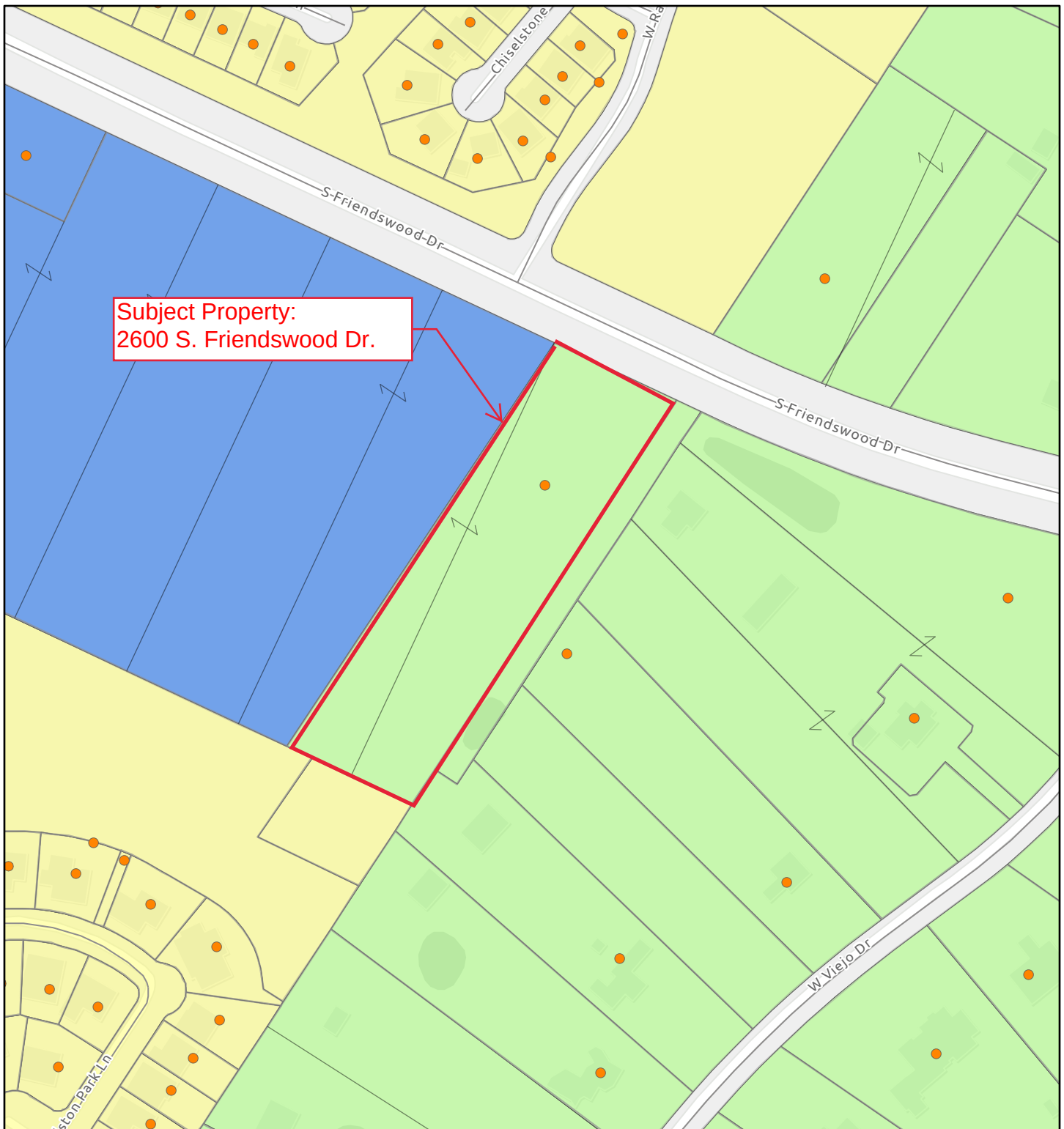


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Esri Community Maps Contributors, Texas Parks & Wildlife, CONANP, Esri, TomTom, Garmin, Foursquare, SafeGraph, GeoTechnologies, Inc, METI/ NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS

Zoning Map



1/30/2024, 11:33:46 AM

• Address Points

City Limit

Galveston County - Lot Lines

Parcels

Streets

Zoning by Parcel

CSC

PUD

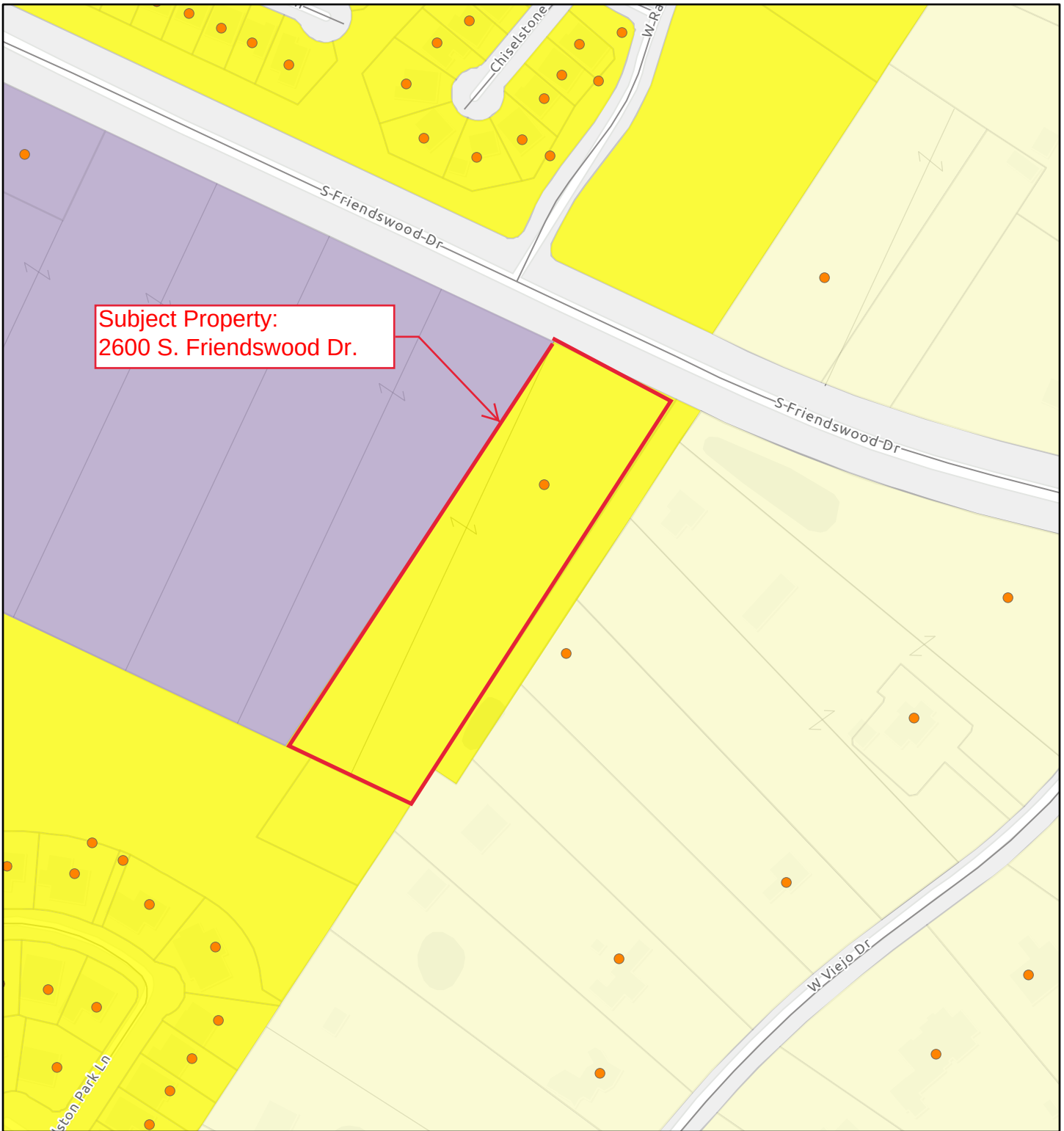
SFR



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Esri Community Maps Contributors, Brazoria County, Texas Parks & Wildlife, © OpenStreetMap, Microsoft, CONANP, Esri, TomTom, Garmin, Foursquare, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS

Future Land Use Map



1/30/2024, 11:34:58 AM

Address Points

City Limit

Future Land Use Adopted 2021

SFR- Estate

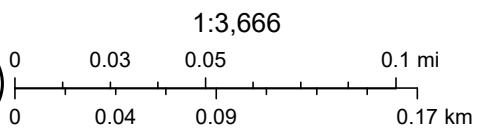
Low Density

Mixed Use

Galveston County - Lot Lines

Parcels

Streets



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Planning & Zoning Commission
Final Report

To: Mayor and City Council
From: Thomas Hinckley, Planning & Zoning Commission Chairman
Aubrey Harbin, Director of Community Development/Planner *TH (TH)*
Date: March 18, 2024
Re: Zone classification change from Single Family Residential (SFR) to Community Shopping Center (CSC) and amendment to the Future Land Use Map to change the property from Low Density Residential to Retail

At the Planning and Zoning Commission meeting held March 14, 2024, following the public hearing the City of Friendswood Planning and Zoning Commission voted 5-0 (Commissioners Sasson and Mann were absent) on a motion to approve the requested zone change and amendment to the Future Land Use Map.

The subject property fronts FM 518, also known as S. Friendswood Drive. Property to the west is zoned Community Shopping Center (CSC) with a plan for a mixed-use town center that was proposed as part of the West Ranch Planned Unit Development (PUD) in 2004. The property to the east is zoned Single Family Residential (SFR) and is separated by a 50-foot drainage easement. The property backs up to a detention pond that is part of the West Ranch development and is zoned Planned Unit Development (PUD).

The Future Land Use Map (2021) identifies this property as developing with Low Density Residential. The classification of this property was discussed at length when updating the FLUM in 2021 because it is located between a commercial property and a residential property, so either use would be suitable. With sufficient screening and the depth of the residential lots, impact to the adjacent residential lots would be minimal.

One neighbor expressed concerns over potential light pollution from a commercial business. The Commission is forwarding a positive recommendation.

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 1, 2024

Date submitted: 03/05/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider an ordinance amending the Official Zoning Map of the City of Friendswood to change the zoning classification of the property located at 2600 S Friendswood Drive, 4.8476 acres of land out of Lot 64 and 65 of Slone Subdivision, out of the John Dickinson League, according to the map or plat recorded in Volume 254-A, Page 6 and transferred to Plat Record 3, Map Number 61A, both of the map records of Galveston County, Texas, to change from Single Family Residential (SFR) to Community Shopping Center (CSC) and amending the Future Land Use Map to change the property from Low Density Residential to Retail.

Originating Department: Community Development

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This proposed ordinance amends the City's Comprehensive Plan to update the Future Land Use Map (FLUM) to change the zone classification of approximately 4.8476 acres of land located at 2600 S Friendswood Dr. from Single Family Residential (SFR) to Community Shopping Center (CSC).

The property in question fronts FM 518, also known as S Friendswood Drive, with the property to its west being zoned Community Shopping Center (CSC) with a plan for a mixed-use town center that was proposed as part of the West Ranch Planned Unit Development (PUD) in 2004 and the property to its east being zoned Single Family Residential (SFR) that is separated by a 50-foot drainage easement. Lastly, the property in question backs up to a detention pond that is part of the West Ranch development and is zoned Planned Unit Development (PUD).

The Future Land Use Map (2021) identifies this property as developing with Low Density Residential and because it is located between a commercial property and a residential property, either use would be suitable. With sufficient screening and the depth of the residential lots, the impact to the adjacent residential lots would be minimal.

On February 21, 2024, the notice of this public hearing was published in *The Reporter News* and posted on the City's notice boards and website. The required property owner notices were posted and mailed on March 1, 2024, and the Planning and Zoning Committee held its public hearing on March 14, 2024.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Changing the zoning to a commercial zoning designation will increase the percentage of commercially zoned property in Friendswood, which is a goal. The property is located adjacent to a large tract that is planned for a mixed-use development, so a commercial development would be compatible.

RECOMMENDATIONS

At the Planning and Zoning Commission meeting held March 14, 2024, following the public hearing, the City of Friendswood Planning and Zoning Commission voted 5-0 (Commissioners Sasson and Mann were absent) to recommend approval of the subject future land use map and the zoning map amendments.

ATTACHMENTS

1. Ordinance - Updating Comprehensive Plan Land Use Map & Official Zoning Map - 2600 S Friendswood Dr
2. Exhibit A - Map of 2600 S Friendswood Drive

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING THE FRIENDSWOOD COMPREHENSIVE PLAN TO UPDATE THE FUTURE LAND USE MAP ("FLUM") CONCERNING PROPERTY LOCATED AT 2600 S. FRIENDSWOOD DRIVE, FRIENDSWOOD, GALVESTON COUNTY, TEXAS, BEING 4.8476 ACRES OF LAND OUT OF LOTS 64 AND 65 OF SLONE SUBDIVISION, OUT OF THE JOHN DICKINSON LEAGUE, ACCORDING TO THE MAP OR PLAT RECORDED IN VOLUME 254-A, PAGE 6 AND TRANSFERRED TO PLAT RECORD 3, MAP NUMBER 61A, BOTH OF THE MAP RECORDS OF GALVESTON COUNTY, TEXAS, TO CHANGE THE FLUM DESIGNATION FROM LOW DENSITY RESIDENTIAL TO RETAIL; AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF FRIENDSWOOD TO CHANGE THE CLASSIFICATION OF SUCH PROPERTY FROM SINGLE FAMILY RESIDENTIAL (SFR) TO COMMUNITY SHOPPING CENTER (CSC); PROVIDING A MAXIMUM PENALTY OF TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00); REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HERewith; PROVIDING FOR SEVERABILITY, PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, the Friendswood Comprehensive Plan (the "Plan") assists City officials, staff and citizens in making sound decisions affecting the future growth and development of the City and the surrounding area; and

WHEREAS, the amendment of the Plan to update the Future Land Use Map contained therein concerning a tract of land located at 2600 S. Friendswood Drive, Friendswood, Galveston County, Texas, being 4.8476 acres of land out of Lots 64 and 65 of Slone Subdivision, out of the John Dickinson League, according to the map or plat recorded in Volume 254-A, Page 6 and transferred to Plat Record 3, Map Number 61A, both of the map records of Galveston County, Texas (the "Property"), has been reviewed by the City's Community Development Department (the "Department") and the Planning and Zoning Commission (the "Commission"); and

WHEREAS, a map depicting the location of the Property is attached hereto, marked Exhibit "A," and made a part hereof for all intents and purposes; and

WHEREAS, public hearings at which the public was given the opportunity to give testimony and present written evidence regarding the amendment of the Plan were conducted by the Commission on March 14, 2024, and by the City Council on April 1, 2024; and

WHEREAS, after receiving the recommendations of the Department and the Commission as well as the input received at the public hearing, the City Council desires to amend the Plan to update the Future Land Use Map to better reflect future development within the boundaries of the City; and

WHEREAS, additionally, Ginger Grisby (the "Owner"), the owner of the Property, made application to the City to change the zoning classification of the Property from Single Family Residential (SFR) to Community Shopping Center (CSC); and

WHEREAS, in accordance with the Friendswood City Code and all applicable laws, the Commission and the City Council conducted public hearings on such application, allowing all interested persons the opportunity to be heard; and

WHEREAS, the Commission filed with City Council its written report recommending approval of the application; and

WHEREAS, in accordance with the Friendswood City Code and all applicable laws, the City Council has determined that all public notices have been posted and published and all required hearings on this matter have been held; and

WHEREAS, the City Council further finds that this ordinance complies with the applicable provisions of the City Charter of the City of Friendswood, the Friendswood City Code and all other applicable laws; and

WHEREAS, the City Council deems it appropriate to approve the application, subject to applicable regulations, restrictions, exceptions, and conditions; NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, STATE OF TEXAS:

Section 1. All matters and facts set forth in the recitals above are found to be true, and are approved as the processes and procedures which the City Council of the City of Friendswood undertook and completed prior to the adoption of this ordinance.

Section 2. That the City Council of the City of Friendswood, Texas, hereby amends the Friendswood Comprehensive Plan to update the Future Land Use Map concerning the Property, to change the FLUM designation from Low-Density Residential to Retail.

Section 3. The Official Zoning Map of the City of Friendswood is hereby amended to change the classification of the Property from Single Family Residential (SFR) to Community Shopping Center (CSC). The City Council hereby directs the Mayor to sign and the City Secretary to attest to an entry on such map containing the number and effective date of this ordinance along with a brief description of the nature of the change in accordance with Section 3.A.(3), Appendix C of the Friendswood City Code.

Section 4. This ordinance shall in no manner amend, change, supplement or revise any provision of any ordinance of the City of Friendswood, save and except the change in zoning classification of the Property as described in Section 3 hereinabove.

Section 5. A violation of this ordinance is subject to the penalty provisions contained in Section 1-14 of the Friendswood City Code and as otherwise provided by law. Any person who

shall intentionally, knowingly, recklessly, or with criminal negligence fail to comply with any provision of this ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be fined in an amount not to exceed TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00). Each act of violation and each day upon which any such violation shall occur shall constitute a separate offense.

Section 6. That all ordinances or parts of ordinances in conflict or inconsistent with this ordinance are hereby expressly repealed.

Section 7. In the event any section, paragraph, subdivision, 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, or whether there be one or more parts.

Section 8. The City Secretary shall give notice of the enactment of this ordinance by promptly publishing the caption of this ordinance after final passage in the official newspaper of the City.

Section 9. This ordinance shall take effect upon its publication and the proper entry on the official zoning map in accordance with Section 3.A.(3), Appendix C of the Friendswood City Code.

INTRODUCED, READ, AND PASSED by the affirmative vote of the City Council of the City of Friendswood on this 1st day of April, 2024.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

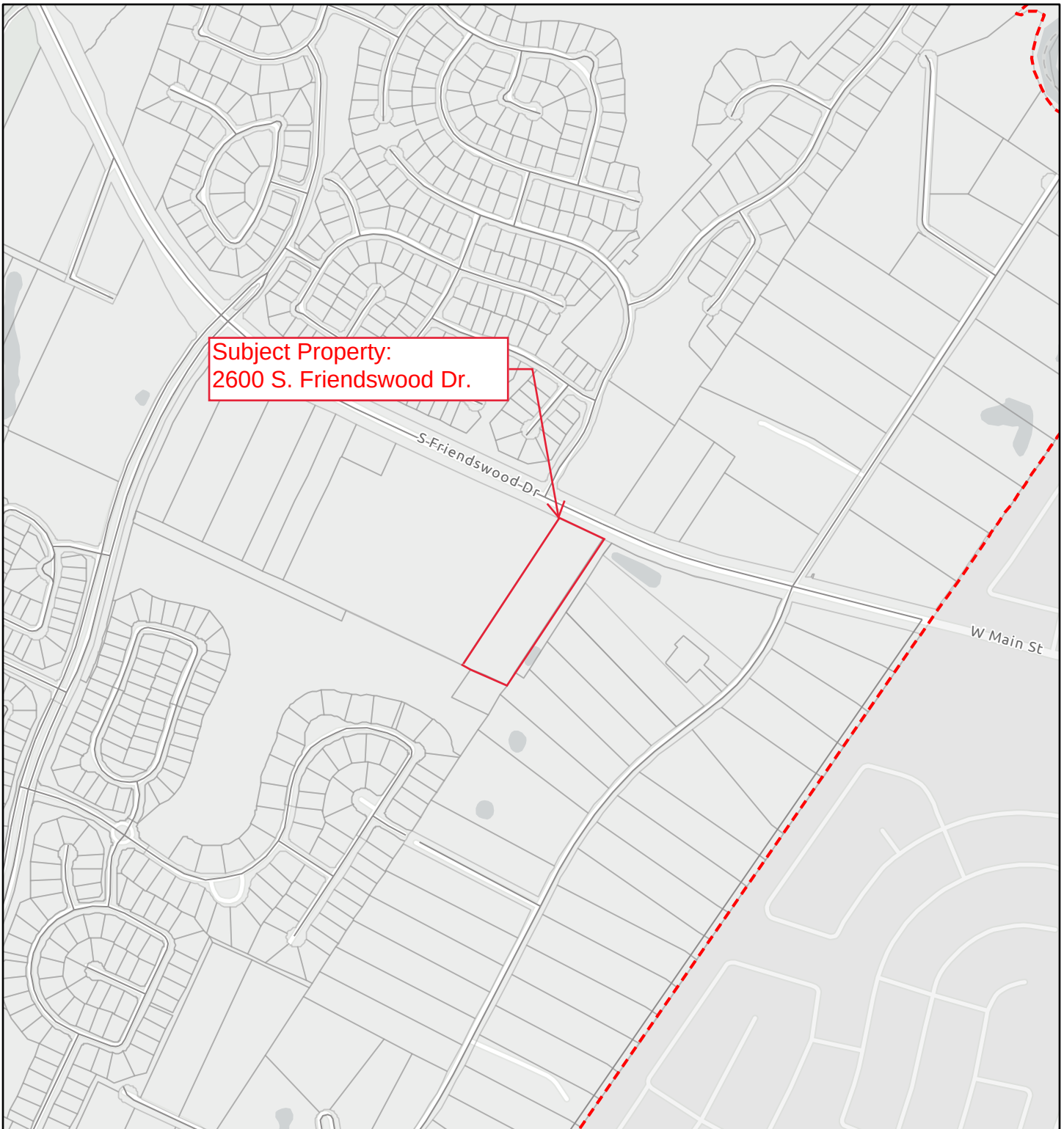
APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

H:\City Council\Ordinances\2024\04-01-2024\Ordinance - Updating Comprehensive Plan Land Use Map & Official Zoning Map - 2600 S Friendswood Dr.docx

Exhibit "A"

Location Map



1/30/2024, 11:36:08 AM

 City Limit

 Parcels

 Streets

 Surrounding Cities



1:10,184

0 0.07 0.15 0.3 mi

0 0.1 0.2 0.4 km

Esri Community Maps Contributors, Texas Parks & Wildlife, CONANP, Esri, TomTom, Garmin, Foursquare, SafeGraph, GeoTechnologies, Inc, METI/ NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS

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 1, 2024

Date submitted: 03/07/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Present an update regarding the City's Administrative Services Department receiving their 21st GFOA Distinguished Budget Presentation Award.

Originating Department: City Manager

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

The City of Friendswood has received the Government Finance Officers Association's Distinguished Budget Presentation Award for the Fiscal Year 2023 - 2024 adopted budget.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

The award represents a significant achievement by the City. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the City had to satisfy nationally recognized guidelines for effective budget presentation. Budget documents must be rated "proficient" by serving as 1) a policy document, 2) a financial plan, 3) an operations guide and 4) a communications device.

This is the 21st consecutive year the City has received this award.

We would like to recognize the efforts of Katina Hampton, Director of Administrative Services, Rhonda Boskas, Deputy Director of Administrative Services – Finance, and Andree Calhoun, Budget Manager, and Stephen Rowe, Financial Analyst. We would also like to recognize the Budget Team, the Accounting staff, the entire Administrative Services Department. Their cumulative efforts enable us to achieve this award.

RECOMMENDATIONS

N/A

ATTACHMENTS

1. 1 - Result Letter - Awarded
2. 3 - Budget Award
3. 5 - Press Release



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

January 30, 2024

Andree Calhoun
Director of Administrative Services
City of Friendswood, Texas

Dear Andree:

A panel of independent reviewers have completed their examination of your Annual budget document for the period beginning October 2023. We are pleased to inform you that your budget document has been awarded the Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement by your organization.

Your Distinguished Budget Presentation Award is valid for one year. To continue your participation in the program, it will be necessary to submit your next budget document to GFOA within 90 days of the proposed budget's submission to the legislature or within 90 days of the budget's final adoption.

Your electronic award package contains the following:

- **Scores and Comments.** Each entity submitting a budget to the program is provided with reviewers' scores for each of the categories on which the budget document was judged along with reviewers' confidential comments and suggestions for possible improvements to the budget document. We urge you to carefully consider these suggestions as you prepare your next budget.
- **Budget Award.** A camera-ready reproduction of the Award is included for inclusion in your next budget. If you reproduce the camera-ready image in your next budget, it should be accompanied by a statement indicating continued compliance with program criteria. Please refer to the instructions for reproducing your Award in your next budget (also included in your award package).
- **Certificate of Recognition.** When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award. The Certificate of Recognition is presented to: **Andree Calhoun, Rhonda Boskas, and Jennifer Walker.**
- **Sample press release.** Attaining this Award is a significant accomplishment. The sample press release may be used to give appropriate publicity to this notable achievement.

In addition, award recipients will receive via mail either a plaque (if the government is a first-time recipient or has received the Award fifteen times since it received its last plaque) or a brass medallion to affix to the plaque.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain excellence in governmental budgeting. The most current list of award recipients can be found on GFOA's website at www.gfoa.org. If we can be of further assistance, please contact the Awards Programs staff at (312) 977-9700.

Sincerely,

Michele Mark Levine
Director, Technical Services Center



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Friendswood
Texas**

For the Fiscal Year Beginning

October 01, 2023

Christopher P. Morrell

Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION
NEWS RELEASE

FOR IMMEDIATE RELEASE

1/30/2024

For more information, contact:
Technical Services Center
Phone: (312) 977-9700
Email: budgetaward@gfoa.org

(Chicago, Illinois)—Government Finance Officers Association is pleased to announce that **City of Friendswood, Texas** received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- a policy document
- a financial plan
- an operations guide
- a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

There are over 1,700 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources, and practical research for more than 22,500 members and the communities they serve.

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 1, 2024

Date submitted: 03/18/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Present an update regarding the upcoming Spring Sparkle Event hosted by the Parks and Recreation Department and Keep Friendswood Beautiful.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Spring Sparkle Event is scheduled for April 13, 2024, from 8:00 a.m. to 2:00 p.m. at Centennial Park, located at 2200 S Friendswood Dr. This event is open to residents and includes electronic recycling, shredding services, disposal of clean-up items and a garage sale. The event flyer with more information is attached to the item.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

N/A

ATTACHMENTS

1. Spring Sparkle 2024

SPRING SPARKLE

APRIL 13, 2024

8:00 AM - 2:00 PM

Centennial Park - 2200 S. Friendswood Dr.

FRIENDSWOOD RESIDENTS

Please have your ID available for proof of residency.

ELECTRONIC RECYCLING (8AM - 12PM)

Accepting computers, routers, laptops, power cords, USB, cell phones, monitors, hubs, printers, cables, cable boxes, servers, ink jet/toner cartridges, keyboards, switches, TV's (No TV's over 36"), fax machines, and telephones.

SHREDDING SERVICES (8AM - 12PM)

Shredding will be offered from 8 a.m. - 12 p.m., or until truck is full. There will be a 200 lb limit or 4 medium boxes of paper per vehicle. Items not able to be shredded are 3 ring binders, cardboard, floppy disks, hanging file folders, newspaper, microfiche, and video tapes.

Residential shredding only (no Commercial shredding).

CLEAN-UP ITEMS

Tree limbs, grass clippings, old appliances, old furniture, unwanted wood, metal, and plastic.

GARAGE SALE

KFB will be accepting garage sale donations such as; furniture, household items, bikes, etc. in good condition, (clothing not accepted). Garage sale items can be dropped off from 8 a.m. - 12 p.m. at Centennial Park. All proceeds from the garage sale will benefit the beautification of City facilities and parks.

NO HAZARDOUS WASTE

Examples of items that will not be accepted are: tires, paint, batteries, oil, or any other household hazardous waste. If you have any questions please call the Parks and Recreation Department at 281-996-3220.



WASTE CONNECTIONS OF TEXAS
Connect with the Future

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 1, 2024

Date submitted: 03/18/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Present an update regarding the May 4, 2024, Friendswood Special Election voting locations and times.

Originating Department: City Secretary

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City of Friendswood has contracted with Galveston County for election services related to its Special Election to be held on May 4, 2024, from 7:00 a.m. to 7:00 p.m. for the purpose of voting for or against Proposition A related to the reauthorization of the City's street maintenance local sales and use tax for another four years. As such, Friendswood voters from both Harris County and Galveston County will have the same voting locations and schedule for both early voting by personal appearance and Election Day. Below is the early voting by personal appearance information:

EARLY VOTING BY PERSONAL APPEARANCE
Main EV Polling Location: Texas City Office, Suite A 10000 Emmett F. Lowry Expressway Texas City, TX 77591
Branch EV Polling Locations: First Baptist Church – Friendswood Club 56 Room, Family Life Center 202 Heritage Drive, Friendswood, TX 77546 Village on the Park, Town Hall Room 400 E. Parkwood, Friendswood, TX 77546
The early voting schedule is as follows: <i>Monday, April 22 - Friday, April 26, 2024, from 8 a.m. - 5 p.m.</i> <i>Monday, April 29, 2024 - Tuesday, April 30, 2024, from 7 a.m. - 7 p.m.</i>
For More Information or Additional EV Locations: Call 409-770-5108 or visit: https://www.galvestonvotes.org/voter-information/polling-locations

Election Day is Saturday, May 4, 2024, from 7:00 a.m. to 7:00 p.m., and below are the Election Day polling locations in Friendswood:

ELECTION DAY POLLING PLACES

First Baptist Church – Friendswood, Club 56, 202 Heritage Dr., Friendswood, TX 77546

For more countywide polling locations visit: <https://www.galvestonvotes.org/voter-information/polling-locations>.

For more information on this election, please contact the City Secretary at 281-996-3270 or citysecretary@friendswood.com, or visit the website at: www.friendswood.com.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Provide election information prior to commencement of early voting by personal appearance.

RECOMMENDATIONS

No action is required.

ATTACHMENTS

- 1. May 4, 20024, Notice of Special Election - English
- 2. May 4, 2024, Notice of Special Election - Spanish
- 3. May 4, 2024 Notice of Special Election - Vietnamese
- 4. May 4, 2024, Notice of Special Election - Chinese (Traditional)



CITY OF FRIENDSWOOD

OFFICE OF THE CITY SECRETARY

NOTICE OF SPECIAL ELECTION

TO THE REGISTERED VOTERS OF THE CITY OF FRIENDSWOOD:

The City of Friendswood has contracted with Galveston County for election services related to its Special Election to be held on May 4, 2024, from 7:00 a.m. to 7:00 p.m. for the purpose of voting for or against Proposition A related to the reauthorization of the City's street maintenance local sales and use tax for another four years. The ballot language will be set forth substantially in the form listed below:

OFFICIAL BALLOT	
☐ FOR	<u>CITY OF FRIENDSWOOD PROPOSITION A</u> THE REAUTHORIZATION OF THE LOCAL SALES AND USE TAX IN THE CITY OF FRIENDSWOOD AT THE RATE OF THREE-EIGHTHS OF ONE PERCENT TO CONTINUE PROVIDING REVENUE FOR MAINTENANCE AND REPAIR OF MUNICIPAL STREETS. THE TAX EXPIRES ON THE FOURTH ANNIVERSARY OF THE DATE OF THIS ELECTION UNLESS THE IMPOSITION OF THE TAX IS REAUTHORIZED.
☐ AGAINST	

Additionally, pursuant to Section 2.053(c) of the Texas Election Code, the following will be included on the Special Election ballot under a heading entitled "Unopposed Candidates Declared Elected." Under which the Office of Mayor, Councilmember Position No.1 and Councilmember Position No. 3 will appear. Voters will be able to see the information but will not be able to vote as the individuals have already been declared elected. The ballot language will be set forth substantially in the form listed below.

<u>Unopposed Candidates Declared Elected</u>
Mayor Mike Foreman
Councilmember, Position No. 1 John Ellisor
Councilmember, Position No. 3 Trish Hanks

Early Voting by Personal Appearance will begin on Monday, April 22, 2024, and end on Tuesday, April 30, 2024. The Galveston County Elections Division will administer the City of Friendswood's May 4, 2024, election. As such, Friendswood voters from both Harris County and Galveston County will have the same voting by personal appearance and schedule. Below is the early voting by personal appearance information:

EARLY VOTING BY PERSONAL APPEARANCE
Main EV Polling Location: Texas City Office, Suite A 10000 Emmett F. Lowry Expressway Texas City, TX 77591
Branch EV Polling Locations: First Baptist Church – Friendswood Club 56 Room, Family Life Center 202 Heritage Drive, Friendswood, TX 77546

Village on the Park, Town Hall Room 400 E. Parkwood, Friendswood, TX 77546
The early voting schedule is as follows: Monday, April 22 - Friday, April 26, 2024, from 8 a.m. - 5 p.m. Monday, April 29, 2024 - Tuesday, April 30, 2024, from 7 a.m. - 7 p.m.
For More Information or Additional EV Locations: Call 409-770-5108 or visit: https://www.galvestonvotes.org/voter-information/polling-locations

Ballots by mail applications can be requested at any time; however, the last day to apply for a ballot by mail is at the close of business on Tuesday, April 23, 2024 (received, not postmarked). Federal Post Card Applications (FPCAs) must also be received no later than the close of business on Tuesday, April 23, 2024. Residents applying for a ballot by mail shall send their application to the Early Voting Clerk of the county in which they are registered to vote. However, note that for this election Harris County Voters will receive their election ballot and ballot material from the Galveston County Elections Division. Harris County voters should follow the instructions provided in the election materials for the return of the marked ballot. Below is the information for each county to **request** a mail ballot:

HARRIS COUNTY	GALVESTON COUNTY
Request an application by: Downloading an application at: https://www.harrisvotes.com or calling 713-755-6965 Submit Application to: Teneshia Hudspeth, Harris County Clerk Attn: Elections Department PO Box 1148 Houston, TX 77251-1148 Via Common or Contract Carrier: Teneshia Hudspeth, Harris County Clerk Attn: Elections Department 1001 Preston, 4 th Floor Houston, TX 77002 Via Fax to: 713-755-4983 or 713-437-8683 Via Email to: vbm@HarrisVotes.com ***	Request an Application by: Downloading application at: http://galvestonvotes.org or calling 409-770-5108 Submit Application to: Attn: Ballots by Mail, c/o Dwight Sullivan Galveston County Clerk P. O. Box 17253 Galveston, TX 77552-7253 Via Common or Contract Carrier: Galveston County Courthouse Dwight D. Sullivan, Galveston County Clerk, Elections Division 600 59th St., 2nd Floor, Suite 2001 Galveston, TX 77551 Via Fax to: (409) 765-3249 Via Email to: absenteeballotapplications@co.galveston.tx.us ***

**** If an application is sent to the early voting clerk by fax or email, the original application must still be mailed, and received by the early voting clerk no later than the 4th business day after receiving the emailed or faxed ABBM or faxed FPCA, to the address shown above for Regular Mail.

Hart InterCivic Verity equipment shall be used for early voting by personal appearance and at the designated Election Day countywide polling locations listed below. Electronic counting devices and equipment shall be used for counting the ballots.

Election Day is Saturday, May 4, 2024, from 7:00 a.m. to 7:00 p.m., and the countywide polling locations identified below will serve Friendswood voters from both Harris County and Galveston County. Please note that the Countywide Polling Locations are subject to change up to Election Day and Friendswood voters may choose to vote at any designated voting center. For more countywide polling locations visit: <https://www.galvestonvotes.org/voter-information/polling-locations>. Below are the Election Day polling locations:

ELECTION DAY POLLING PLACES

First Baptist Church – Friendswood, Club 56, 202 Heritage Dr., Friendswood, TX 77546

Village on the Park, Town Hall, 400 E. Parkwood, Friendswood, TX 77546

For more information on this election, please contact the City Secretary at 281-996-3270 or citysecretary@friendswood.com.

Want to view polling locations, scan this QR code:



*Issued this 1st day of April, 2024
S/Mike Foreman, Mayor*

**FOR A COPY OF THIS INFORMATION IN SPANISH, VIETNAMESE, OR CHINESE, PLEASE
VISIT THE CITY OF FRIENDSWOOD WEBSITE AT: WWW.FRIENDSWOOD.COM.**



CIUDAD DE FRIENDSWOOD
OFICINA DE LA SECRETARIA DE LA CIUDAD

AVISO DE ELECCIÓN ESPECIAL

PARA LOS VOTANTES REGISTRADOS DE LA CIUDAD DE FRIENDSWOOD:

La Ciudad de Friendswood contrató los servicios electorales del Condado de Galveston en relación con sus Elección Especial a celebrarse el 4 de mayo de 2024 de 7:00 a.m. a 7:00 p.m. con el propósito de votar a favor o en contra de la Proposición A vinculada con volver a autorizar el impuesto local a las ventas y al uso para mantenimiento de calles de la Ciudad por otros cuatro años. El lenguaje de boleta de votación básicamente tendrá la forma indicada a continuación:

BOLETA OFICIAL DE VOTACIÓN	
☐ A FAVOR	PROPOSICIÓN A DE LA CIUDAD DE FRIENDSWOOD VOLVER A AUTORIZAR EL IMPUESTO LOCAL A LAS VENTAS Y AL USO EN LA CIUDAD DE FRIENDSWOOD A LA TASA DE TRES OCTAVOS DEL UNO POR CIENTO PARA SEGUIR GENERANDO INGRESOS PARA EL MANTENIMIENTO Y LA REPARACIÓN DE CALLES MUNICIPALES. EL IMPUESTO CADUCA EN EL CUARTO ANIVERSARIO DE LA FECHA DE ESTA ELECCIÓN A MENOS QUE SU IMPOSICIÓN SE VUELVA A AUTORIZAR.
☐ EN CONTRA	

Además, en virtud de la Sección 2.053(c) del Código Electoral de Texas, se incluirá lo siguiente en la boleta de la Elección Especial debajo de un título “Candidatos sin oponentes declarados electos” debajo de donde aparecerán el Cargo de Alcalde, Concejal, Posición Nro. 1 y Concejal, Posición Nro. 3. Los votantes podrán ver la información, pero no podrán votar porque los individuos ya habrán sido declarados electos. El lenguaje de boleta de votación básicamente tendrá la forma indicada a continuación.

<u>Candidatos sin oponentes declarados electos</u>
Alcalde Mike Foreman
Concejal, Posición Nro. 1 John Ellisor
Concejal, Posición Nro. 3 Trish Hanks

La votación anticipada en persona comenzará el lunes 22 de abril de 2024 y terminará el martes 30 de abril de 2024. La División de Elecciones del Condado de Galveston administrará las elecciones del 4 de la Ciudad de Friendswood. Por tanto, los votantes de Friendswood del Condado de Harris y del Condado de Galveston tendrán la misma votación en persona y cronograma. A continuación, aparece la información para la votación anticipada en persona:

VOTACIÓN ANTICIPADA EN PERSONA
Principal lugar de votación anticipada: Texas City Office, Suite A 10000 Emmett F. Lowry Expressway Texas City, TX 77591

Sucursales de votación anticipada: First Baptist Church – Friendswood Sala Club 56 del Centro de Vida Familiar 202 Heritage Drive, Friendswood, TX 77546 Village on the Park, Alcaldía 400 E. Parkwood, Friendswood, TX 77546
El cronograma de votación anticipada es el siguiente: Lunes 22 de abril al viernes 26 de abril de 2024, 8 a.m. - 5 p.m. Lunes 29 de abril de 2024 y martes 30 de abril de 2024, 7 a.m. - 7 p.m.
Para obtener más información o lugares adicionales de votación anticipada: Llame al 409-770-5108 o visite: https://www.galvestonvotes.org/voter-information/polling-locations

Se pueden enviar solicitudes de boleta de voto postal en cualquier momento; sin embargo, el último día para solicitar una boleta de voto postal es al cierre de actividades del martes 23 de abril de 2024 (recibida para esta fecha, no simplemente fechada por el correo). Las solicitudes de tarjeta postal federal (FPCA) también deben recibirse a más tardar al cierre de actividades del martes 23 de abril de 2024. Los residentes que solicitan una boleta de votación para votar por correo deberán enviar su solicitud al Oficial de Votación Anticipada del condado donde están registrados para votar. Sin embargo, adviértase que, para esta elección, los votantes del Condado de Harris recibirán su boleta y material electoral de la División de Elecciones del Condado de Galveston. Los votantes del Condado de Harris deberían seguir las instrucciones provistas en los materiales electorales para el regreso de su boleta marcada. A continuación, aparece la información para cada condado para **solicitar** una boleta postal:

CONDADO DE HARRIS	CONDADO DE GALVESTON
Pida una solicitud: Descargando una solicitud en: https://www.harrisvotes.com o llamando al 713-755-6965 Envíe la solicitud a: Teneshia Hudspeth, Harris County Clerk Attn: Elections Department PO Box 1148 Houston, TX 77251-1148 Por Transportista común o contratado: Teneshia Hudspeth, Harris County Clerk Attn: Elections Department 1001 Preston, 4th Floor Houston, TX 77002 Por fax a: 713-755-4983 o 713-437-8683 Por correo electrónico a: vbm@HarrisVotes.com ***	Pida una solicitud: Descargando una solicitud en: http://galvestonvotes.org o llamando al 409-770-5108 Envíe la solicitud a: Attn: Ballots by Mail, c/o Dwight Sullivan Galveston County Clerk P. O. Box 17253 Galveston, TX 77552-7253 Por Transportista común o contratado: Galveston County Courthouse Dwight D. Sullivan, Galveston County Clerk, Elections Division 600 59th St., 2nd Floor, Suite 2001 Galveston, TX 77551 Por fax a: (409) 765-3249 Por correo electrónico a: absenteeballotapplications@co.galveston.tx.us ***

**** Si una solicitud se envía al oficial de votación anticipada por fax o correo electrónico, la solicitud original debe ser enviada por correo postal de todos modos y debe ser recibida por el oficial de votación anticipada no después del 4.º día laborable posterior a recibir la ABBM por correo electrónico o fax o la FPCA por fax, a la dirección que aparece antes como correo común.

Se usará equipo de Hart InterCivic Verity durante la votación anticipada en persona y en los lugares de votación para todo el condado designados el Día de Elección que aparecen más adelante. Se usarán dispositivos y equipos electrónicos de conteo para el cómputo de las boletas.

El Día de la Elección es el sábado 4 de mayo de 2024, de 7:00 a.m. a 7:00 p.m., y los lugares de votación para todo el condado identificados a continuación atenderán a los votantes de Friendswood del Condado de Harris y del Condado de Galveston. Tenga en cuenta que los lugares de votación para todo el condado están sujetos a cambio hasta el Día de Elección y los votantes de Friendswood pueden optar por votar en cualquier centro de votación designado. Si desea conocer más lugares de votación para todo el condado, visite: <https://www.galvestonvotes.org/voter-information/polling-locations>. A continuación, aparecen los lugares de votación para el Día de Elección:

LUGARES DE VOTACIÓN DEL DÍA DE ELECCIÓN	
First Baptist Church – Friendswood,	Club 56, 202 Heritage Dr., Friendswood, TX 77546
Village on the Park, Alcaldía,	400 E. Parkwood, Friendswood, TX 77546

Para obtener más información sobre esta elección, comuníquese con el Secretario de la Ciudad a través del 281-996-3270 o citysecretary@friendswood.com.

Si desea ver los lugares de votación, escanee este código QR:	<i>Emitido el 1 de abril de 2024. /F/Mike Foreman, Alcalde</i>
	

**PARA OBTENER UNA COPIA DE ESTA INFORMACIÓN EN INGLÉS, VIETNAMITA O CHINO,
ACUDA AL SITIO WEB DE LA CIUDAD DE FRIENDSWOOD EN:
WWW.CI.FRIENDSWOOD.TX.US.**



THÀNH PHỐ FRIENDSWOOD

VĂN PHÒNG THƯ KÝ THÀNH PHỐ

THÔNG BÁO VỀ CUỘC BẦU CỬ ĐẶC BIỆT

GỬI CÁC CỬ TRI ĐÃ GHI DANH BỎ PHIẾU CỦA THÀNH PHỐ FRIENDSWOOD:

Thành phố Friendswood đã ký hợp đồng với Quận Galveston cho các dịch vụ bầu cử liên quan đến các Cuộc Bầu cử Đặc Biệt của thành phố sẽ được tổ chức vào ngày 4 tháng Năm, 2024, từ 7:00 sáng đến 7:00 tối, với mục đích bỏ phiếu ủng hộ hoặc chống lại Kế Hoạch Đề Nghị A liên quan đến việc tái ủy quyền thuế bán hàng và sử dụng địa phương cho việc bảo trì đường xá của Thành phố trong bốn năm nữa. Nội dung sẽ được ghi trên lá phiếu chủ yếu như sau:

LÁ PHIẾU CHÍNH THỨC	
[] THUẬN [] CHỐNG	KẾ HOẠCH ĐỀ NGHỊ A CỦA THÀNH PHỐ FRIENDSWOOD
	TÁI PHÊ CHUẨN KHOẢN THUẾ DOANH THU BÁN HÀNG VÀ SỬ DỤNG ĐỊA PHƯƠNG TẠI THÀNH PHỐ FRIENDSWOOD Ở MỨC BA PHẦN TÁM CỦA MỘT PHẦN TRĂM ĐỂ TIẾP TỤC CUNG CẤP DOANH THU CHO HOẠT ĐỘNG BẢO TRÌ VÀ SỬA CHỮA CÁC ĐƯỜNG PHỐ TRONG THÀNH PHỐ. KHOẢN THUẾ SUẤT NÀY HẾT HẠN VÀO THỜI ĐIỂM TRÒN NĂM THỨ TƯ KỂ TỪ NGÀY TỔ CHỨC CUỘC BẦU CỬ NÀY, TRỪ KHI VIỆC TIẾP TỤC ÁP DỤNG THUẾ ĐƯỢC TÁI PHÊ CHUẨN.

Ngoài ra, theo Điều 2.053(c) của Bộ luật Bầu cử Texas, nội dung sau sẽ được đưa vào lá phiếu cho Cuộc Bầu Cử Đặc Biệt, dưới tiêu đề "Ứng cử viên không đối thủ được tuyên bố trúng cử." Trong đó, chức vụ Thị trưởng, Ủy viên Hội đồng Vị trí Số 1 và Ủy viên Hội đồng Vị trí Số 3 sẽ được liệt kê. Các cử tri có thể xem thông tin nhưng không thể bỏ phiếu vì các cá nhân này đã được tuyên bố trúng cử. Nội dung sẽ được ghi trên lá phiếu chủ yếu như sau:

Các ứng cử viên không có đối thủ tranh cử được tuyên bố trúng cử	
Thị Trưởng	Mike Foreman
Ủy Viên Hội Đồng, Vị trí số 1	John Ellisor
Ủy Viên Hội Đồng, Vị trí số 3	Trish Hanks

Thủ Tục Đích Thân Tới Bỏ Phiếu Sớm sẽ bắt đầu từ thứ Hai, ngày 22 tháng Tư, 2024 và kết thúc vào thứ Ba, ngày 30 tháng Tư, 2024. Ban Bầu cử của Quận Galveston sẽ phụ trách tiến hành cuộc bầu cử của Thành phố Friendswood vào ngày 4 tháng Năm, 2024. Như vậy, các cử tri của thành phố Friendswood từ cả Quận Harris và Quận Galveston sẽ có cùng quy trình bỏ phiếu trực tiếp và lịch trình bỏ phiếu. Dưới đây là thông tin về thủ tục đích thân tới bỏ phiếu sớm:

ĐÍCH THÂN TỚI BỎ PHIẾU SỚM
Địa Điểm Bỏ Phiếu Sớm Chính: Texas City Office, Suite A 10000 Emmett F. Lowry Expressway Texas City, TX 77591

Các Địa Điểm Bỏ Phiếu Sớm Chi Nhánh: First Baptist Church – Friendswood Phòng Câu Lạc Bộ 56, Trung Tâm Đời Sống Gia Đình 202 Heritage Drive, Friendswood, TX 77546 Village on the Park Town Hall 400 E. Parkwood, Friendswood, TX 77546
Lịch bỏ phiếu sớm như sau: Thứ Hai, 22 tháng Tư – Thứ Sáu, 26 tháng Tư, 2024 từ 8 giờ sáng đến 5 giờ chiều Thứ Hai, 29 tháng Tư – Thứ Ba, ngày 30 tháng Tư, 2024 từ 7 giờ sáng đến 7 giờ tối
Để Biết Thêm Thông Tin hoặc Địa Điểm Bỏ Phiếu Sớm Bổ Sung: Gọi số 409-770-5108 hoặc truy cập: https://www.galvestonvotes.org/voter-information/polling-locations

Đơn xin các lá phiếu bầu qua thư có thể được yêu cầu bất kỳ lúc nào; tuy nhiên, hạn chót nộp đơn xin lá phiếu bầu qua thư là cuối giờ làm việc thứ Ba, ngày 23 tháng Tư, 2024 (ngày nhận được chứ không phải là ngày đóng dấu bưu điện). Các đơn gửi qua Đường Bưu điện Liên bang (viết tắt tiếng Anh là FPCA) cũng phải nhận được trễ nhất là cuối giờ làm việc thứ Ba, ngày 23 tháng Tư, 2024. Những cư dân nộp đơn xin lá phiếu bầu qua thư phải gửi đơn xin tới cho Thư Ký phụ trách Bỏ Phiếu Sớm của quận nơi họ ghi danh đi bầu. Tuy nhiên, lưu ý rằng trong cuộc bầu cử này, các cử tri thuộc Quận Harris sẽ nhận lá phiếu bầu cử và tài liệu bầu cử từ Ban Bầu Cử của Quận Galveston. Cử tri Quận Harris nên theo dõi hướng dẫn được cung cấp trong tài liệu bầu cử để nộp lại lá phiếu đã đánh dấu. Dưới đây là thông tin để quý vị gửi yêu cầu cho lá phiếu bầu qua thư cho mỗi quận.

QUẬN HARRIS	QUẬN GALVESTON
Yêu cầu cung cấp mẫu đơn xin bằng cách: Tải xuống mẫu đơn xin tại: https://www.harrisvotes.com hoặc gọi số 713-755-6965 Gửi đơn xin đến: Teneshia Hudspeth, Harris County Clerk Attn: Elections Department PO Box 1148 Houston, TX 77251-1148 Thông qua Hãng đưa thư thông dụng hoặc hãng đưa thư theo hợp đồng: Teneshia Hudspeth, Harris County Clerk Attn: Elections Department 1001 Preston, 4th Floor Houston, TX 77002 Qua Fax tới: 713-755-4983 hoặc 713-437-8683 Qua Email tới: vbm@HarrisVotes.com ***	Yêu cầu cung cấp mẫu đơn xin bằng cách: Tải xuống mẫu đơn xin tại: http://galvestonvotes.org hoặc gọi số 409-770-5108 Gửi đơn xin đến: Attn: Ballots by Mail, c/o Dwight Sullivan Galveston County Clerk P. O. Box 17253 Galveston, TX 77552-7253 Thông qua Hãng đưa thư thông dụng hoặc hãng đưa thư theo hợp đồng: Galveston County Courthouse Dwight D. Sullivan, Galveston County Clerk, Elections Division 600 59th St., 2nd Floor, Suite 2001 Galveston, TX 77551 Qua Fax tới: (409) 765-3249 Qua Email tới: absenteeballotapplications@co.galveston.tx.us ***

**** Nếu đơn xin được gửi cho thư ký phụ trách bỏ phiếu sớm qua fax hoặc email, vẫn phải gửi bản gốc đơn xin qua thư bưu điện, và phải đến tay thư ký phụ trách bỏ phiếu sớm trễ nhất là ngày làm việc thứ 4 sau khi nhận được ABBM gửi qua email hoặc fax hoặc FPCA gửi qua fax, tới địa chỉ ghi trên, nếu gửi qua Thư Thường.

Hart InterCivic Verity sẽ được sử dụng cho thủ tục đích thân tới bỏ phiếu sớm và tại các địa điểm bỏ phiếu trong quận đã chỉ định vào Ngày Bầu Cử đã được ghi dưới đây. Các thiết bị và máy đếm phiếu điện tử sẽ được sử dụng để đếm các lá phiếu.

Ngày Bầu cử là thứ Bảy, ngày 4 tháng Năm, 2024, từ 7 giờ sáng đến 7 giờ tối, và các địa điểm bỏ phiếu toàn quận được xác định dưới đây sẽ phục vụ các cử tri của thành phố Friendswood từ cả Quận Harris và

Quận Galveston. Xin lưu ý rằng các Địa điểm Bỏ Phiếu Toàn Quận có thể thay đổi cho đến Ngày Bầu cử và các cử tri của thành phố Friendswood có thể chọn bỏ phiếu tại bất kỳ trung tâm bỏ phiếu được chỉ định nào. Để biết các địa điểm phòng phiếu toàn quận, truy cập trang mạng: <https://www.galvestonvotes.org/voter-information/polling-locations>. Dưới đây là các địa điểm phòng phiếu vào Ngày Bầu Cử:

CÁC ĐỊA ĐIỂM PHÒNG PHIẾU VÀO NGÀY BẦU CỬ	
First Baptist Church - Friendswood , Phòng Câu Lạc Bộ 56, 202 Heritage Drive, Friendswood, TX 77546	
Village on the Park, Town Hall , 400 E. Parkwood, Friendswood, TX 77546	

Để tìm hiểu thêm về các cuộc bầu cử này, vui lòng liên lạc với Thư Ký Hội Đồng Thành Phố tại 281-996-3270 hoặc citysecretary@friendswood.com.

Muốn xem các địa điểm bỏ phiếu, hãy quét mã QR này:	<i>Ban hành ngày 1 tháng Tư, 2024</i> <i>Mike Foreman, Thị Trưởng</i>
	

ĐỂ CÓ MỘT BẢN SAO CỦA THÔNG TIN NÀY BẰNG TIẾNG TÂY BAN NHA, TIẾNG VIỆT HOẶC TIẾNG HOA, VUI LÒNG TỚI WEBSITE CỦA THÀNH PHỐ FRIENDSWOOD TẠI:
WWW.CI.FRIENDSWOOD.TX.US



FRIENDSWOOD市

市秘書長辦公室

特別選舉通知

致FRIENDSWOOD市已登記選民：

Friendswood市與Galveston縣就2024年5月4日上午7:00至晚上7:00舉行的特別選舉，簽訂了選舉服務協議。該選舉旨在就提案A進行表決，該提案涉及是否重新授權本市繼續徵收為期四年的街道維護地方銷售及使用稅。選票條文將大致以如下形式載明：

正式選票	
☐ 贊成	FRIENDSWOOD市提案A 重新授權在FRIENDSWOOD市徵收地方銷售和使用稅（稅率為百分之一的八分之三），以持續為市政街道及人行道的維護與修復提供資金支持。除非該稅項獲得重新授權，否則將於本次選舉後第四年屆滿。
☐ 反對	

此外，根據Texas州選舉法第2.053(c)節規定，以下內容將包含在特別選舉選票的標題「無對手候選人宣布當選」下方。市長職位、第1號市議員席位和第3號市議員席位將出現在該標題下。選民可以看到訊息，但無法投票，因為個人已宣布當選。選票條文將大致以如下形式載明。

無對手候選人宣布當選
市長 Mike Foreman
第1號席位市議員 John Ellisor
第3號席位市議員 Trish Hanks

親自出席提前投票時間為2024年4月22日（週一）至2024年4月30日（週二）。Galveston縣選務部將負責管理Friendswood市2024年5月4日的選舉。因此，來自Harris縣和Galveston縣的Friendswood選民都將享有相同的親自出席投票權和時間表。以下為親自出席提前投票資訊：

親自出席提前投票
提前投票之主要投票地點： Texas City Office, Suite A 10000 Emmett F. Lowry Expressway Texas City, TX 77591
提前投票之分部投票地點： First Baptist Church - Friendswood Club 56房間，家庭生活中心 202 Heritage Drive, Friendswood, TX 77546

Village on the Park, Town Hall 400 E. Parkwood, Friendswood, TX 77546
提前投票時間表如下所示： 4月22日（週一）至4月26日（週五），上午8:00至下午5:00 4月29日（週一）至4月30日（週二），上午7:00至晚上7:00
如需了解更多詳情或其他提前投票地點，請致電409-770-5108或瀏覽 https://www.galvestonvotes.org/voter-information/polling-locations

選民可隨時索要郵寄選票申請表；但申請郵寄選票的最後截止時間為2024年4月23日（週二）辦公結束時（以申請送達的時間為準，不以郵戳為準）。聯邦明信片申請（FPCA）亦必須在2024年4月23日（週二）辦公結束前寄達。居民若申請郵寄選票，應將申請表送交其登記投票所在縣的提前投票書記官。但請注意，就本次選舉而言，Harris縣選民將從Galveston縣選務部收到選票和選票材料。Harris縣選民應根據選舉材料中的說明寄回已標選的選票。以下是各縣**申請**郵寄選票的資訊：

HARRIS縣	GALVESTON縣
索要申請表的方式： 下載申請表： https://www.harrisvotes.com 或撥打713-755-6965 將申請表呈送： Teneshia Hudspeth, Harris County Clerk Attn: Elections Department PO Box 1148 Houston, TX 77251-1148 普通速遞或合約速遞： Teneshia Hudspeth, Harris County Clerk Attn: Elections Department 1001 Preston, 4 th Floor Houston, TX 77002 傳真： 713-755-4983或713-437-8683 電子郵件： vbm@HarrisVotes.com ***	索要申請表的方式： 下載申請表： http://galvestonvotes.org 或撥打409-770-5108 將申請表呈送： Attn: Ballots by Mail, c/o Dwight Sullivan Galveston County Clerk P. O. Box 17253 Galveston, TX 77552-7253 普通速遞或合約速遞： Galveston County Courthouse Dwight D. Sullivan, Galveston County Clerk, Elections Division 600 59th St., 2nd Floor, Suite 2001 Galveston, TX 77551 傳真： (409) 765-3249 電子郵件： absenteeballotapplications@co.galveston.tx.us ***

**** 如果通過傳真或電子郵件將申請書發送給提前投票書記官，則仍須將申請書原件郵寄給提前投票書記官，並須在收到電郵或傳真寄出的ABBM或傳真寄出的FPCA後4個工作日內送達，郵寄地址為上文的普通郵件地址。

在親自出席的提前投票期間以及在下列指定的選舉日全縣各投票地點投票時，應使用Hart InterCivic Verity設備。在清點選票時，應使用電子點票儀器設備。

選舉日是2024年5月4日（週六）上午7:00至晚上7:00，下方所示的全縣投票地點將同時為來自Harris縣和Galveston縣的Friendswood選民提供服務。請注意，全縣投票地點在選舉日前可能有變更Friendswood選民可選擇在任一指定投票中心投票。如需了解更多全縣投票地點，請瀏覽：<https://www.galvestonvotes.org/voter-information/polling-locations>。以下為選舉日投票地點：

選舉日投票所

First Baptist Church - Friendswood, Club 56, 202 Heritage Dr., Friendswood, TX 77546

Village on the Park, Town Hall, 400 E. Parkwood, Friendswood, TX 77546

有關此次選舉的更多詳情，請致電281-996-3270或發送電郵至citysecretary@friendswood.com，諮詢市秘書長。

想要查看投票地點，請掃描此二維碼：



本通知於2024年4月1日發布
Mike Foreman, 市長

如需本資訊的西班牙語、越南語或中文版本，請瀏覽FRIENDSWOOD市網站：
WWW.CI.FRIENDSWOOD.TX.US。

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 1, 2024

Date submitted: 03/19/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Present an update regarding National Library Week, April 7th - 13th, 2024.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Join the Friendswood Public Library for a week-long celebration of National Library Week, happening April 7 - 13, 2024! Get ready to dive into the excitement with this year's theme: "Ready, Set, Library!"

Be sure to swing by the Library and grab a giveaway while they're still available. These items, including eclipse glasses, which are made possible thanks to the support of the Friends of the Library, among other fun items.

First sponsored in 1958, National Library Week, is a national observance sponsored by the American Library Association (ALA) and libraries across the country each April. It is a time to celebrate the contributions of our nation's libraries and librarians and to promote library use and support. All types of libraries - school, public, academic and special - participate.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. nlw24-social-english-2-facebookshare



NATIONAL LIBRARY WEEK

April 7-13, 2024

ALA American
Library
Association



**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 1, 2024

Date submitted: 03/20/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Present an update regarding Keep Friendswood Beautiful receiving the Gold Star Recognition from Keep Texas Beautiful.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Keep Friendswood Beautiful received the Gold Star recognition status from Keep Texas Beautiful for 2024. This is the 11th consecutive year in which they have received this status. Many thanks to all of the board members who volunteer their time towards projects and events that enhance our community!

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

- 1. KFB 2024 Recognition Status

From: [Corinne Pierce](#)
To: [Mchilders](#)
Subject: [EXTERNAL]2024 Recognition Status
Date: Friday, March 8, 2024 11:59:23 AM

Meg Childers,

You are receiving this email because Keep Friendswood Beautiful has successfully completed all of the requirements for the 2024 Keep Texas Beautiful Affiliate Recognition. We have now updated your 2024 recognition status as **Gold Star**. Congratulations on another fantastic year!

If your affiliate has received a Gold or Silver star, you will receive your digital decal and press release at the conclusion of Recognition in April 2024. This will allow us to add all of the statistics from this year's Recognition.

Please let me know if you have any questions or concerns about your KTB Affiliate recognition status.

Thank you all for your hard work and we look forward to working with you this year!

Best,

--

Corinne Pierce (she/her)

Affiliate and Youth Programs Manager | [Keep Texas Beautiful](#)

8850 Business Park Drive, Ste. 200, Austin, TX 78759

Office: 512 861 2232



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 1, 2024

Date submitted: 03/07/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider ratifying and concurring with the City Manager's appointment of Steve Vavrecka to the position of Director of Public Works.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Steve Vavrecka began his career in Public Works with the City of Pearland in 2000, working his way up to Supervisor of Water and Sewer Maintenance. In 2009, he took a position with the City of Rosenberg as Utilities Supervisor and in May 2012, Steve joined the City of Friendswood as Utilities Superintendent. In 2019, he was promoted to Deputy Director of Public Works and has served in this capacity since. Steve holds dual water and wastewater licenses with the Texas Commission on Environmental Quality (TCEQ) as well as a Certified Public Manager (CPM) designation from the University of Houston. Steve and his wife DeShana have been married for 25 years and have two adult children and a grandson. Together, they enjoy traveling, camping, hunting, and fishing.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

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 1, 2024

Date submitted: 03/18/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider authorizing the First Amendment to the Amended and Restated Cost Sharing Agreement for the Southeast Transmission Line Project - COH 42" Waterline Replacement

Originating Department: Public Works

Degree of importance:

SUMMARY / ORIGINATING CAUSE

In 2020, the Amended and Restated Cost Sharing Agreement (the "Agreement") for the Southeast Transmission Line Project (the "Project") was approved by the parties, including the City of Houston, Baybrook Municipal Utility District No. 1, the City of Friendswood, the City of Pasadena, the City of Webster, the Gulf Coast Water Authority and the Harris County Municipal Utility District No. 55 (the "Participants"). Based upon some changes approved in 2021 at the Participants' Quarterly Update Meeting in 2021, the Agreement needs to be amended to include an alternative delivery method for awarding the Project's construction contract and expand on flow monitoring practices. The following summarizes the proposed changes:

Procurement Process.

Because of the unique and difficult components of the Project that require experienced and qualified contractors, the City of Houston will be using a competitive sealed proposal procurement method, which will allow the construction contract to be awarded to the proposer offering the best value. The City of Friendswood will have the right to observe the proposal evaluation process but will not have a role in same.

Flow Monitoring Practices

The City of Houston will install, own and maintain in-place flow monitoring equipment capable of recording flow and flow rate at each point of delivery. The system will be similar to the City's AMI remote meter system that the City has on its water meters and will permit near-real time publishing of pressure data. The City of Houston's cost of the flow and pressure monitoring system will be reimbursed by the Participants on a per-location basis. The City of Friendswood has two monitoring locations; therefore, the cost will be \$3,000 -- \$1,500 per location. The City of Friendswood will be allowed to observe but not control the flow and pressure data for the shared system.

These costs for this proposed amendment are captured within the existing cash call obligations of the City for the Project.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Replacement of the 55+ year old 42-inch transmission water main will effectively ensure continued uninterrupted water supply to the City of Friendswood from the Southeast Water Purification Plant.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. First Amendment to the Southeast Transmission Line Project

**FIRST AMENDMENT TO THE AMENDED AND RESTATED COST SHARING AGREEMENT
FOR THE SOUTHEAST TRANSMISSION LINE PROJECT BETWEEN THE
CITY OF HOUSTON, BAYBROOK MUNICIPAL UTILITY DISTRICT NO. 1, THE CITY OF
FRIENDSWOOD, THE CITY OF PASADENA, THE CITY OF WEBSTER, CLEAR LAKE CITY
WATER AUTHORITY, GULF COAST WATER AUTHORITY, AND HARRIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 55**

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

THIS FIRST AMENDMENT TO THE AMENDED AND RESTATED COST SHARING AGREEMENT FOR THE SOUTHEAST TRANSMISSION LINE PROJECT (“FIRST AMENDMENT”) is made on the counter-signature date by and between the **CITY OF HOUSTON, TEXAS** (the “City”), a home-rule city of the state of Texas, **BAYBROOK MUNICIPAL UTILITY DISTRICT NO. 1**, a body both corporate and politic, **THE CITY OF FRIENDSWOOD, TEXAS**, a home-rule city of the state of Texas, **THE CITY OF PASADENA, TEXAS**, a home-rule city of the state of Texas, **THE CITY OF WEBSTER, TEXAS**, a home-rule city of the state of Texas, **CLEAR LAKE CITY WATER AUTHORITY**, a body both corporate and politic, **GULF COAST WATER AUTHORITY**, a body both corporate and politic, and **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 55**, a body both corporate and politic (each a “Party” and collectively the “Parties”).

RECITALS:

1. Pursuant to Ordinance No. 2020-0021 (April 15, 2020) the City and the Parties entered into The Amended and Restated Cost Sharing Agreement for the Southeast Transmission Line (‘SETL’) Project (the “Original Agreement”).
2. During the September 1, 2021 Participants Quarterly Update some agenda items involved decisions that would require changes to the Original Agreement.
3. The City and the Parties now desire to amend the Original Agreement to include a competitive bid process and expand on flow monitoring practices.
4. **NOW THEREFORE**, the parties agree as follows:

ARTICLE I.

Article VII, "Phase 2", Section 7.3, "Bidding and Contract for Construction Work", Subsection 7.3.4 "Competitive Sealed Proposal (CSP)", found below, is appended in full to the Original Agreement.

7.3.4. Competitive Sealed Proposal (CSP). The Southeast Transmission Line (SETL) Construction contracts identified by WBS No. referenced in Exhibits B-1 through B-5 have unique and difficult components that require experienced and qualified contractors necessitating the need to use a Competitive Sealed Proposal (CSP) procurement method. The Managing Participant will utilize the CSP method of procurement to evaluate the proposals based on criteria specified in the Request for Proposal (RFP) and award the construction contract to the proposer offering the best value to the City and Parties. The Managing Participant will invite the Parties, as observers, to the proposal evaluation meetings.

ARTICLE II.

Article X, "Metering and Pressure Monitoring", Section 10.2, "Pressure Monitoring", of the Original Agreement is deleted in its entirety and replaced with the following:

10.2 Flow and Pressure Monitoring. In-line pressure boosting facilities downstream of the Point(s) of Delivery (as shown in Exhibit F) are not permitted. Houston shall construct, install, own, and maintain in-place flow monitoring equipment capable of recording flow and flow rate at each Point of Delivery. Houston will create a data group consisting of the Parties that allows all Parties to observe but not control meter flow and pressure data, for the shared SETL system. The following defines the flow and pressure monitoring system and process:

10.2.1 A "group" data set necessitates each Participants' authorization to permit the near-real time publishing of flow data to the group.

10.2.1.1 Houston shall construct, install, own, and maintain an

Advanced Metering Infrastructure (AMI) system capable of recording flow and flow rate at each take point.

10.2.1.2 All SETL Participant Point(s) of Delivery and the Point(s) of Measurement flow monitoring data will be added to this data group, regardless of their participation in the SETL project.

10.2.1.3 Parties may be released from the flow monitoring data group through notice to, and agreement of, all Parties.

10.2.1.4 Houston has in-place flow monitoring equipment and will provide individual and group cloud-based data monitoring to the coparticipants at no additional data, equipment, or Software As A Service (SaaS) charge. This system will allow for observation but not control.

10.2.2 Houston shall procure and install the equipment to permit the near-real time publishing of pressure data to the group utilizing the same or similar system as flow data. Houston requires the coordination, agreement, and to witness each Parties' modifications or taps to allow insertion of the equipment in-line with the existing and any future metering equipment at Parties' own expense.

10.2.3 Each Participant will indicate the desire for the pressure monitoring equipment and convey Houston's estimated (not-to-exceed) costs to be reimbursed. This system will allow for observation but not control.

10.2.3.1 All SETL Participant Point(s) of Delivery pressure monitoring data will be added to this data group, regardless of their participation in the SETL project.

10.2.3.2 Parties may be released from the pressure monitoring data group through notice to and, agreement of all Parties.

ARTICLE III.

Except as modified under this First Amendment, the Original Agreement will remain in full force and effect. In the event of a conflict between the Original Agreement, and this First Amendment, this First Amendment shall prevail.

Signatures

The Parties have executed this Agreement in multiple copies, each of which is an original. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms. The Parties hereby agree that each Party may sign and deliver this Agreement electronically or by electronic means and that an electronic transmittal of a signature, including but not limited to, a scanned signature page, will be as good, binding, and effective as an original signature.

BAYBROOK MUNICIPAL UTILITY DISTRICT NO. 1

By: _____
Title: _____

ATTEST/SEAL (if a corporation)
WITNESS (if not a corporation)

By: _____
Name: _____
Title: _____

CITY OF FRIENDSWOOD, TEXAS

By: _____
Title: _____

ATTEST/SEAL (if a corporation)
WITNESS (if not a corporation)

By: _____
Name: _____
Title: _____

CITY OF HOUSTON, TEXAS

By: _____
Mayor

ATTEST/SEAL:

City Secretary

APPROVED:

Director, Houston Public Works

COUNTERSIGNED BY:

City Controller

DATE COUNTERSIGNED:

APPROVED AS TO FORM:

Assistant City Attorney
L.D. No. _____

CITY OF PASADENA, TEXAS

By: _____

Title: _____

ATTEST/SEAL (if a corporation)
WITNESS (if not a corporation)

By: _____

Name: _____

Title: _____

CLEAR LAKE CITY WATER AUTHORITY

By: _____

Title: _____

ATTEST/SEAL (if a corporation)
WITNESS (if not a corporation)

By: _____

Name: _____

Title: _____

**HARRIS COUNTY MUNICIPAL UTILITY
DISTRICT NO. 55**

By: _____

Title: _____

ATTEST/SEAL (if a corporation)
WITNESS (if not a corporation)

By: _____

Name: _____

Title: _____

CITY OF WEBSTER, TEXAS

By: _____

Title: _____

ATTEST/SEAL (if a corporation)
WITNESS (if not a corporation)

By: _____

Name: _____

Title: _____

GULF COAST WATER AUTHORITY

By: _____

Title: _____

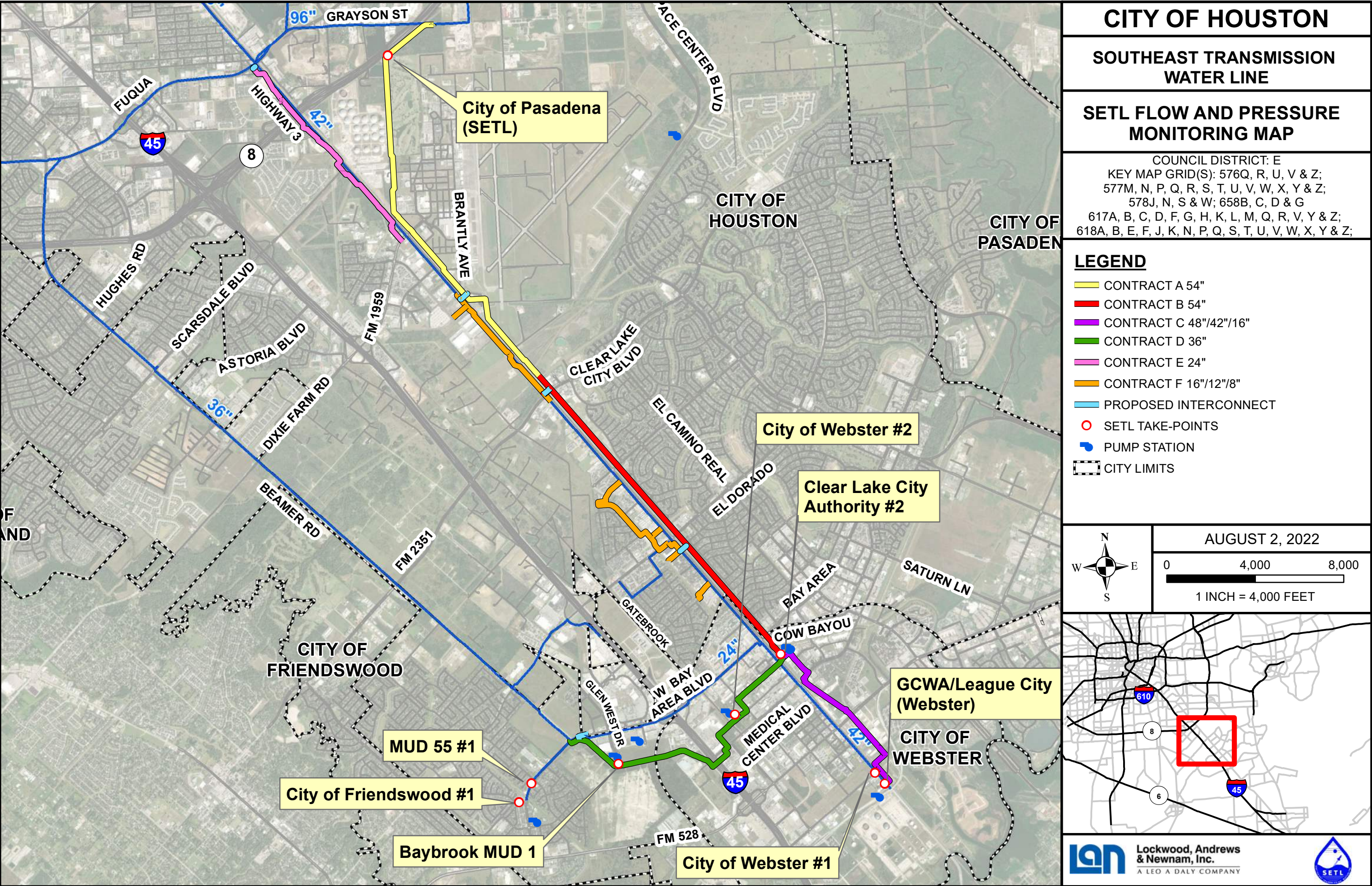
ATTEST/SEAL (if a corporation)
WITNESS (if not a corporation)

By: _____

Name: _____

Title: _____

EXHIBIT F



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 1, 2024

Date submitted: 03/19/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider authorizing a Professional Services Agreement with JER HR Group LLC, for a citywide compensation study.

Originating Department: Human Resources

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows for the City Council to approve a professional services agreement with JER HR Group LLC for a citywide compensation study (the "agreement") in an amount not to exceed \$73,000.

The City sought proposals for a classification and total compensation study. Such proposals were opened on February 15, 2024. The City received six (6) submissions with JER HR Group LLC, receiving the highest score based on the proposal's criteria. As such, the City negotiated this proposed agreement for the desired services, which include the following:

The scope of the study will entail:

1. Classification

JER will receive electronic descriptions for 130 job descriptions along with the current classification system. Thereafter, JER will make recommendations for changes to ensure compliance with applicable laws and requirements and provide input for improvement which can be maintained on a long-term basis.

2. Compensation

JER will provide a comprehensive pay analysis for 130 full-time positions, which will include an internal job valuation and an external market pay study. As a result of such analysis, JER will provide a compensation and classification system/structure/analysis that addresses pay equity, rewarding different competencies, skills, and/or performance, employee retention, longevity, along with cost of labor and merit. JER will present its results including the cost, if any, of implementing the proposed changes with current employees and the future impact of the recommended changes and will recommend a plan and methodology for the City to maintain a pay plan that is sustainable and competitive for the future.

3. Employee Benefits

JER will also provide a benefits study template, which will include employer-provided medical benefit packages and other key employee benefits offerings that will be bench-marked with other organizations.

The services will be completed within 22 weeks.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Agreement - Classification Compensation Benefits Services
2. Proposal from JER HR Group - City of Friendswood comp 2024
3. 2024-01 Compensation Study

EMPLOYEE CLASSIFICATION, COMPENSATION, AND BENEFITS STUDY AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This Compensation Study (this "Agreement") is entered into as of the date specified hereinbelow (the "Effective Date"), by and between the City of Friendswood, Texas, a home-rule municipality located in Galveston and Harris Counties, Texas (hereinafter called the "City") and JER HR Group, LLC, a New York limited liability company ("JER").

1. SCOPE OF SERVICES

This Agreement authorizes JER to perform consulting services associated with a Classification Study and Total Compensation and Benefits Study (the "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

JER shall proceed with performance of the services upon receipt of a written notice to proceed from the City. The services shall be completed within the time limits specified in Exhibit "B," which is attached hereto and incorporated herein for all intents and purposes, unless delayed by causes outside the control of JER. JER shall proceed with subsequent services only on authorization by City's Director of Human Resources (the "Director"). JER shall immediately submit to City in writing evidence of delay satisfactory to the Director, upon which an extension of time equal to the period of actual delay, if approved by the Director, may be granted in writing.

3. INFORMATION AND SERVICES TO BE FURNISHED TO JER

It is agreed that the City shall furnish, without charge, for the purpose of this Agreement, job descriptions for the 130 job classifications, organizational charts and any other information, as are existing and available, for the carrying out of the services of JER in accordance with this Agreement. The City shall cooperate with JER to facilitate the performance of the services 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 all services under this contract will not exceed the sum of SEVENTY-THREE THOUSAND AND NO/100 DOLLARS (\$73,000.00), as further detailed in Exhibit "C," which is attached hereto and incorporated herein for all intents and purposes.

b. INVOICING

JER shall invoice based upon total services actually completed and expenses actually incurred during the applicable month. JER shall not charge for correction of its or its subconsultants' errors and omissions and shall be responsible for changes 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. JER 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 JER's invoice being denied. It is expressly understood and agreed that the City may withhold from each payment fifteen percent (15%), which will be paid after the City's final acceptance of all product and service deliverables.

c. **PAYMENT**

The City shall have thirty (30) days to pay JER's invoices from the date of receipt of such invoices and necessary backup information submitted by JER 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. JER shall pay its subconsultants, if any, no later than the tenth (10th) day after it receives payment from the City.

d. **RECORDS**

JER 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 JER for a period of not less than five (5) years and shall be made available to the City for inspection and copying in the City without cost upon reasonable request.

5. **INSURANCE**

JER 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 services to be performed hereunder by JER, its agents, representatives, volunteers, employees or subconsultants.

a. **COVERAGES REQUIRED**

JER'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 JER's insurance and shall not contribute to it. Further, JER 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) 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 JER. JER shall provide copies of insurance policies and endorsements required hereunder to the City on or before the Effective Date of this Agreement.

6. **STANDARD OF CARE**

JER shall perform services required herein with the professional skill and care ordinarily provided by competent compensation consultants practicing under the same or similar circumstances and as expeditiously as is prudent considering the ordinary professional skill and care of a competent compensation consultant. JER 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. JER shall promptly correct any defective analysis at no cost to City. The City's approval, acceptance, use of or payment for all or any part of JER's services hereunder shall in no way alter JER's obligations or the City's rights under this Agreement.

7. **INDEMNIFICATION AND RELEASE**

JER 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 SUBCONSULTANT OR SUPPLIER COMMITTED BY JER OR JER'S OFFICERS, EMPLOYEES AGENTS, SUBCONSULTANTS, OR ANOTHER PERSON OVER WHICH JER EXERCISES CONTROL (COLLECTIVELY JER'S PARTIES). IT IS THE EXPRESSED INTENTION OF THE PARTIES HERETO, BOTH JER AND THE CITY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS INDEMNITY BY JER TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF JER'S PARTIES' OWN WILLFUL MISCONDUCT, JOINT OR SOLE NEGLIGENCE AS WELL AS THE JER'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 JER'S PARTIES. IN THE EVENT THAT ANY ACTION OR PROCEEDING IS BROUGHT AGAINST THE CITY FROM WHICH THE CITY IS INDEMNIFIED, JER 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. JER 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 JER's services to be performed hereunder. This release shall apply with respect to JER's services regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance.

JER SHALL REQUIRE ALL OF ITS SUBCONSULTANTS TO INCLUDE IN THEIR SUBCONTRACTS A RELEASE AND INDEMNITY IN FAVOR OF THE CITY IN THE SAME FORM AS ABOVE.

8. 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: Haley Brown
Title: Director of Human Resources

JER:

JER HR Group LLC
2928 McKee Cr., Suite 123
Fayetteville, AR 72703
Attn: Blair Johanson
Title: Managing Consultant

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.

9. 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.

10. SUCCESSORS AND ASSIGNMENTS

The City and JER 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 JER 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.

11. TERMINATION

The City may terminate this Agreement at any time by giving at least thirty (30) days' written notice to JER. Furthermore, the City may immediately and without notice terminate this Agreement if JER 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 JER 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 JER;

- (d) the dissolution of JER;
- (e) refusing or failing to prosecute the services or any separable part, with the diligence that will ensure its completion within the time specified in this Agreement;
- (f) failing to complete Project 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, JER shall discontinue all services in connection with the performance of the Agreement. Within ten (10) days after receipt of the notice of termination, JER 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, JER shall also tender to the Director all of JER's instruments of service, including all working papers, notes, reports, estimates, and any and all other documents or work product generated by JER 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, JER shall be liable for any damage to the City resulting therefrom. This liability includes any increased costs incurred by the City in completing JER'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.

12. CHANGES

The City may, from time to time, request changes in the scope of the services to be performed by JER under this Agreement. Such changes, including any increase or decrease in the amount of JER's compensation, which are mutually agreed upon by and between the City and JER, shall be incorporated in written amendments to this Agreement.

13. SUPERVISION OF CONSULTANT

JER is an independent contractor and the City neither reserves nor possesses any right to control the details of the services performed by JER under the terms of this Agreement.

14. PERSONNEL

- a. JER 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 JER or under its supervision and all personnel engaged in the services 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.

15. REPORTS AND INFORMATION
JER 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 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.
16. REQUIRED PROVISIONS
JER shall comply with all applicable federal, state, and local laws. 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.
17. INTEREST OF JER AND EMPLOYEES
JER 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. JER further covenants that in the performance of this Agreement, no person who has any such interest shall be employed by JER.
18. GOVERNING LAW
This Agreement has been made under and shall be governed by the laws of the State of Texas.
19. 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.
20. NO THIRD-PARTY BENEFICIARY
This Agreement shall not bestow any rights upon any third party, but rather, shall bind and benefit JER and the City only. No person or entity not a signatory to this Agreement shall be entitled to rely on JER's performance of its services hereunder, and no right to assert a claim against JER by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of JER's services hereunder.
21. NO RIGHT TO ARBITRATION
Notwithstanding anything to the contrary contained in this Agreement, the City and JER hereby agree that no claim or dispute between the City and JER 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, JER consents to be joined in the arbitration proceeding if JER's presence is required or requested by the City for complete relief to be recorded in the arbitration proceeding.
22. 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.
23. COMPLETE AGREEMENT
This Agreement represents the entire and integrated agreement between the City and JER 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 JER accept and agree to these terms.

24. 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.

25. 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.

26. 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.

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, 2024, the date of execution by the City Manager of the City of Friendswood.

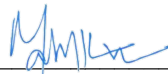
City:

JER:

CITY OF FRIENDSWOOD, TEXAS

JER HR GROUP LLC

MORAD KABIRI
City Manager


(Signature)

Mahesh Kumar
(Printed Name)

Managing Director
(Title)

DATE: _____

DATE: March 28, 2024

ATTEST:

ATTEST:

LETICIA BRYSCH, City Secretary


(Signature)

Brenda Thompson
(Printed Name)

Director of Operations
(Title)

H:\Contracts\JER HR Group - Compensation Study Agreement\Classification and Compensation Services Agreement.docx

Exhibit "A"
SCOPE OF WORK

1. PROJECT OBJECTIVES

JER shall perform all necessary JER services for the Project. With the goal of ensuring the City's classification and compensation system supports the City's mission and strategic objectives as a service-based organization, this Project is intended to achieve the following primary objectives:

- a. Ensure positions performing similar work with essentially the same level of complexity, responsibility, job knowledge, skills, and abilities are classified together;
- b. Develop an updated base compensation system, based on actual salary data through market surveys, local governmental agencies, benchmarked cities, and other appropriate data sources as deemed necessary;
- c. Make recommendations for new hire rates, promotion rates, demotion rates, incentive pay, and certification pay;
- d. Clearly outline job progression opportunities and provide recognizable compensation growth;
- e. Provide justifiable pay differential between individual classifications. Maintain a competitive position with other comparable government entities and private employers within the same geographic areas;
- f. Allow enough flexibility for managers to retain current employees, recruit new talent, and effectively manage turnover rates that is easily explainable to employees at all levels;
- g. Make recommendations to address salary compression;
- h. Provide for training for Human Resources and department leaders for implementation and maintenance of compensation strategy; and
- i. Provide a comprehensive report, including benchmarking and market analysis of direct compensation to determine the value of the City's current program, market comparisons, and recommendations for alternatives based on market and competitive positions reflecting cost/savings to the City. The report shall include recommendations, alternatives, and cost projections as well as narrative, graphs, and charts both at detail and high level.

2. PROJECT DESCRIPTION

The Project will entail the following:

a. Classification

JER will receive and review electronic descriptions for 130 job descriptions. The consultant will meet with The City department heads to discuss their current jobs, current pay levels, current and future staffing plans inclusive of their workforces being overstaffed, understaffed, the opportunity for consolidation of certain positions, and future position job descriptions based on the needs of the City. This information will be helpful during the job analysis and valuation process completed by JER. During this part of the project, JER will review the City's job descriptions and current classification system and make recommendations for changes to ensure compliance with applicable laws and requirements, FLSA designations and provide input for improvement which can be maintained on a long-term basis.

b. Compensation

JER will provide a comprehensive pay analysis for 130 full-time positions using regionally relevant wage data from municipal and private sector wage data from area competitors. The comprehensive pay survey template will include brief job profiles, any experience and

education requirements, any certificates needed and base pay and salary ranges. The survey template will be reviewed and approved by the Director. The market pay study comparison organizations shall be selected based on their likelihood to be recruitment competitors of the City. The final selection of the comparison organizations will be approved by the Leadership team.

The internal job valuation and external market pay study results will provide a compensation and classification system/structure/analysis that addresses pay equity, rewarding different competencies, skills, and/or performance, employee retention, longevity, along with cost of labor and merit. JER will develop and present recommendations and impact studies including cost, if any, of implementing the proposed changes with current employees and the future impact of the recommended changes. Based on the survey data, the consultants will recommend wage adjustments to salary plans that will strengthen the City's ability to satisfy its compensation objectives and recommend a plan and methodology for the City to maintain its pay plan that is sustainable and competitive for the future.

c. Employee Benefits

In addition to the market pay study, an employee benefits study template will be reviewed and approved by City leadership and Human Resources. The benefits study template will include employer-provided medical benefit packages and other key employee benefits offerings that will be benchmarked with other comparison organizations.

3. PROJECT TASKS

a. Project Initiation Phase

JER shall perform the following steps as part of the Project Initiation Phase.

Step 1. Project Initiation Meeting(s)

JER will:

- a. confirm project scope, deliverables and timelines: Agree on steps to be taken at each phase of the project, work products to be delivered, and a timetable for completing each project phase.
- b. define competitive labor market: Discuss the City's positions, the types of peer organizations to be included in the market pricing analysis, and criteria to capture the most relevant data pertaining to the labor market(s) in which the City competes. Criteria would typically include the organization type, geographic location, staff size, and budget size. Comparisons will be made to other cities, other comparable not-for-profit organizations, and for-profit companies, if/as appropriate.

Step 2. Obtain background information including:

JER will obtain:

- a. organization charts;
- b. current job descriptions for all discrete titles in a word.doc or word.docx format;
- c. list of all staff by salary, job title, current salary range (if available), gender and race, time in position, hire date, birth date, hours worked, department, and location;
- d. any industry- or location-specific published data sources to round out JER's dataset (if applicable); and
- e. current financial data including operating budget, revenues, and balance sheet.

Step 3. Review and update current compensation philosophy, policies and practices.

- a. JER will discuss and facilitate updating of a competitive compensation philosophy. This process may include additional members of the City's leadership and HR Department. As a deliverable, JER will prepare a draft of a competitive compensation philosophy for review and approval.
- b. JER shall discuss the City's current compensation practices and policies and related issues including: the perceived competitiveness of pay levels; ability to recruit and retain staff; approaches to pay delivery (merit, general, incentive); job title structure; and salary administration practices. JER will also discuss the strategy to target salary levels in relation to the market. Policies will be updated as a result of discussions.

Project Initiation Deliverables

JER will complete the project initiation steps to include confirmation on project scope, deliverables, timeline, defined competitive labor market and data sources, request and receipt of background information, job descriptions, and review and update for compensation philosophy, policies and practices.

b. Classification Phase

JER shall leverage its own proprietary software, DBCOMPENSATION™, to complete the classification process. This software allows for management of an active database with the job title classification descriptions, including an efficient editing function, collaboration email feature and the ability to view and save classifications in various file formats inclusive of Microsoft Word. JER shall perform the following steps as part of this Classification Phase:

Step 4. Enter all 130 job descriptions into software

- a. JER shall transfer the City's current classification descriptions into the DBCOMPENSATION™ 10.0 software database. General heading information, purpose statements and duties/responsibilities will be transferred into the software's Position Analysis Questionnaire ("PAQ") format for each of the job title classification descriptions.
- b. If the job descriptions do not exist, the electronic software PAQs will be utilized to help employees, supervisors, managers and human resources professionals develop job descriptions for the City's jobs.
- c. Each classification description will be produced in an electronic file format that is comprehensive, consistent and compliant with employment laws.

Step 5. Assign scoring for the 15 factors, grouped into three major categories:

Skill Requirements: General Experience, Management Experience, Initiative and Ingenuity, Education, Mental Demand and Analytical Ability/Problem Solving.

Responsibilities: Responsibility for Work of Others (Supervision), Responsibility for Funds, Equipment and Property, Responsibility for Accuracy and Accountabilities (End Results).

Contacts/Human Relations/Efforts: Contacts with Public, Contacts with Employees, Machine Operations, Working Conditions, and Physical Demands.

- a. Once classifications have been transferred into the software database, JER will complete this process by selecting the appropriate scores for the fifteen (15) factors, the remaining computer skills, and physical demands and working conditions drop down selections that mirror the City's current job descriptions by job title.

- b. This process encourages objective classification descriptions and minimizes legal risk considerations when completed for the classification requirements and not for the employee in the classification.

Step 6. Conduct FLSA audit of jobs

- a. JER shall audit all exempt/non-exempt classification designations for classification specifications to comply with current Fair Labor Standards Act (FLSA) regulations. JER will use the job valuing system to discover those easily identified exempt and non-exempt positions based on job values and narrow the number of positions that need great review for FLSA exempt tests.
- b. As part of the classification review process, JER, with input from Department Heads and the Director will determine if similar job titles/positions can be grouped or eliminated, reducing the number of redundant job descriptions where applicable.

Step 7. Assign job values

- a. In collaboration with the City, JER will assign a job evaluation value to each job description provided during the Project's job classification process. The City will have access to the DBCOMPENSATION™ job valuing system and JER will demonstrate the use of this system which supports the classification and compensation system.
- b. JER, with input from the Director and Department Heads, will determine if any jobs have been understated or overstated in value based on the surrounding positions on the job valuing summary table.
- c. JER will present and explain the resulting job classification structure to the City's senior management team members.

Step 8. Presentation

JER will present and explain the resulting job classification structure to the City's chosen review team.

Classification Deliverables

With completion of the classification section steps, the City will receive and have access to updated job descriptions that are comprehensive, complete and compliant with employment regulations. In addition, all full-time positions inclusive of public safety uniform positions where applicable will be internally valued using the DBCOMPENSATION™, 15 factors job rating system. JER, with input from the Director and Department Heads will finalize the job ratings and present and explain the resulting job classification system.

c. Compensation Phase

JER shall perform the following steps as part of the Compensation Phase:

Step 9. Compare the City jobs and pay to external jobs and pay for 130 job titles

- a. JER will compare up to eight (8) government or private organizations, located within an appropriate recruitment area radius of the City that are deemed viable competitors. The comparison organizations will not be selected solely based on comparable city size, but also based on their likelihood to be recruitment competitors. (See Step 1 above, second bullet)
- b. JER will also compare the City's jobs to additional surveys for management and professional positions where salaries may not be competitive in the local market area. JER has access to national survey data sources that can index aggregated pay data to a particular market area. JER has found these sources to be beneficial when included with municipality data from targeted cities. In addition, JER would like to

- recommend use of the Economic Research Institute salary survey data as another source for public and private entities in the City's area.
- c. Determination of Benchmark Classifications to be utilized for the market pay study will be made with input from the City's leadership team.
- d. JER shall complete a salary study to include pay data comparisons to set up the City public safety department on a pay step and grade structure.
- e. JER shall make recommendations for a new pay plan system which considers employee retention, longevity, along with cost of living and merit.
- f. JER shall identify potential pay compression issues and provide suggestions for solutions.

Step 10. Review for internal pay equity based on position comparison and external competitiveness

- a. JER will recommend mechanisms to maintain both internal equity based on position comparison and external competitiveness for the City's employees.
- b. Using the newly developed salary grade and range structure, JER will analyze the salaries paid to staff by aggregate or multi-incumbent titles, where applicable.
- c. To the extent that there is not a clear and defensible rationale for significant differences in pay, JER will make recommendations for the City to consider regarding appropriate adjustments to rectify any disparities.
- d. In addition, as part of the final study report, JER will recommend the frequency of market surveys to assess the City's competitive position relative to the City's adopted total compensation philosophy.

Step 11. Recommend a pay increase plan

- a. JER will recommend a pay increase system, which will consider employee retention, longevity, cost of living and merit.
- b. The DBCOMPENSATION™ software (proposed grade and steps table for the merit pay plan employees) will be used to determine recommended employee pay placement on the new pay table and to determine future pay increases based upon the determined market values for job categories for the current fiscal or additional fiscal year budgets depending on budget constraints.

Step 12. Identify potential pay compression issues, suggest solutions

- a. JER shall perform an analysis and discussion factors that lead to pay compression issues.
- b. JER shall determine if such factors are present and have fostered pay compression issues.
- c. JER shall recommend solutions to reduce, mitigate or eliminate pay compression.

Compensation Deliverables

- a. JER will upload employee census data and complete an external market pay study survey with the City benchmark positions and pay comparisons from government, private and other like-type entities within the identified recruitment area along with published compensation data.
- b. JER shall develop, present and recommend a new pay plan structure and system that fosters internal pay and position equity and external pay competitiveness.
- c. JER shall complete an initial draft report with study findings, recommendations, associated costs and timeline for implementation.

- d. JER shall complete, present and discuss a final study report with an executive summary, exhibits, and other related documents for consideration and approval by City Management, Human Resources, Department Heads and others as appropriate.

d. Benefits Phase

Step 13. Administration of Benefits Survey

JER will work with the City to develop a survey form for employee benefits inclusive of the following:

- a. Retirement savings program (457/401k/401a) employer contributions in dollar value or percentage of pay;
- b. Health/dental/vision insurance, life insurance – employer-paid premium levels, employee premium, and plan design options; and
- c. Paid time off benefits (vacation, sick leave, compensatory, holiday, military, fit for duty, etc.) – rate of accrual, days per year, etc. as applicable.

This phase includes the preparation of the benefits survey form, distribution of the survey, appropriate follow-up to encourage participation in the survey; and the benefits survey analysis will take place concurrent with the compensation market survey.

e. Preparation of Required Significant Deliverables

Step 14. Create initial drafts of reports and submit for review

JER will prepare a complete summary and final written report that can be used to explain and justify any recommendations to modify existing jobs, impact on pay scale or benefit offerings. The Report will include a suggested timeline for implementation of recommendations by the City, including a prioritization of recommendations, support and training.

Step 15. Make changes and finalize reports, submit final to key stakeholders

- a. JER shall revise, edit or add information to draft report based on input from the City's leadership team.
- b. JER shall finalize executive summary, report tables, graphs, worksheets, recommendations and other related documents and content for final report and deliverables.

Step 16. Presentation to key stakeholders

JER shall make a formal presentation to City Management, Human Resources, Department Heads and others as appropriate at the completion of the study. JER will present the final report, recommendations, implementation options and associated cost estimates.

Step 17. Train HR staff on maintenance of plan/software

If a decision is made by the City to lease and use the software on completion of the Project, JER will train the City's Human Resources staff on internal compensation analysis and data utilization techniques. The City's Human Resources staff will be equipped to conduct internal compensation system maintenance efforts with the DBCOMPENSATION™ software. Training for the internal job valuation and salary administration process will take four hours. This virtual training session will be conducted by one of JER's principal consultants. If the City decides to forgo licensing or using the compensation system software after completion of the Project and wants to secure job valuing consulting services, a post-Project services agreement will be a viable option.

Step 18. Preparation of Required Significant Deliverables

JER shall:

- complete initial draft report with study findings, recommendations, associated costs and timeline for implementation; and
- complete, present and discuss final study report with an executive summary, exhibits, and other related documents for consideration and approval by City Management, Human Resources, Department Heads and others as appropriate.

Exhibit "B" Schedule

Unless extended in writing by the City pursuant to this Agreement, JER shall complete the services in accordance with the following schedule:

Step No.	Tasks/Deliverables for Project Initiation Phase	Week for Completion
1	Project Initiation Meeting – finalize timeline and expectations and agree on comparison organizations for market study	Week 1
2	Obtain background information	Week 1
3	Review and update current compensation philosophy, policies, and practices	Week 1
Tasks/Deliverables for Classification Phase		
4	Enter all 130 job descriptions into software	Week 3
5	Assign scoring for the 15 factors, grouped into three major categories	Week 5
6	Conduct FLSA audit of jobs	Week 5
7	Assign job values	Week 8
8	Presentation to client senior management for input/changes	Week 8
Tasks/Deliverables for Compensation Phase		
9	Compare the City's jobs and pay to external jobs and pay for 130 job titles	Week 12
10	Review for internal and external pay equity based on position comparison and external competitiveness	Week 12
11	Recommend a pay increase plan	Week 12
12	Identify potential pay compression issues, suggest solutions	Week 12
Tasks/Deliverables for Benefits Phase		
13	Administration of Benefits Survey	Week 14
Preparation of Significant Deliverables Phase		
14	Create initial drafts of reports and submit for review	Week 20
15	Make changes and finalize reports, submit final to key stakeholders	Week 20
16	Presentations to the key stakeholders	Week 21
17	Train HR staff on maintenance of plan/software	Week 22
18	Preparation of Required Significant Deliverables	Week 22

Exhibit "C" Compensation

The City shall pay JER for services performed an amount not to exceed SEVENTY-THREE THOUSAND AND NO/100 DOLLARS (\$73,000.00). Payment for each task shall not exceed the amounts specified hereinbelow:

DESCRIPTION	TOTAL NOT TO EXCEED
Project Initiation Phase (fixed price), includes:	\$ 3,000.00
Meetings	
Obtain background information	
Review and update current compensation philosophy, policies and practices	
Classification Phase (not-to-exceed), includes:	\$ 16,250.00 ¹
Entry of job descriptions into software	
Assign scoring for 15 factors	
Conduct FLSA audit of jobs	
Assign job values	
Presentation to key stakeholders	
Compensation Phase (not-to-exceed), includes:	\$ 42,250.00 ²
Compare the City jobs and pay to external jobs and pay for 130 titles	
Review for internal and external pay equity	
Recommend pay increase plan	
Review for Compression issues and recommend solutions	
Benefits Survey Phase (fixed price), includes:	\$ 6,000.00
Preparation of the survey form, distribution, reminders, and survey data analysis	
Required Significant Deliverables (fixed price), includes:	\$ 1,500.00
Create initial drafts of reports and submit for review	
Make changes and finalize reports	
Presentation to key stakeholders	
Train HR staff on maintenance of plan/software	
Preparation of Required Significant Deliverables	
Travel (not-to-exceed)	\$ 4,000.00 ³
Travel for two on-site visits	
TOTAL	\$ 73,000.00

¹ This shall be calculated based upon an hourly rate of \$125.00.

² This shall be calculated based upon an hourly rate of \$325.00.

³ Travel will be reimbursed at the actual cost. Milage will be at the IRS rate. Additionally, expenses associated with traveling away from the home office on business connected with the Project, including, but not limited to, meals, mileage and lodging, must be approved in writing by the City prior to JER's incurring any expense associated therewith; otherwise, the Parties hereto agree and understand that the City shall not be liable, and JER shall not make a claim against the City for any such expenses. Such additional travel and time spent, if approved in writing by the City, will not exceed \$2,000 per day.



REQUEST FOR PROPOSALS

Classification Study and Total Compensation Study

RFP 2024-01



TM

DUE DATE: February 15, 2024 - 2:00 p.m.

CITY OF FRIENDSWOOD
Attention: City Secretary
910 S. Friendswood Drive
Friendswood, TX 77546



TERMS AND CONDITIONS

1. The City of Friendswood will accept **SEALED PROPOSALS** Monday through Thursday, 7:30 a.m. – 12:00 p.m. and 1:00 p.m. – 5:30 p.m. and Fridays, 8:00 - 5:00 p.m. Proposals must be received by the City Secretary before the specified hour and date of the opening. At that time proposals shall be opened, and names publicly read.
2. All sealed offers should be submitted on the original forms provided. Each proposal must be sealed and should be placed in a properly identified envelope with RFP number, time, and date of RFP opening.
3. Late proposals will be UNOPENED. Late proposals will not be considered under any circumstances.
4. Proposals CANNOT be altered or amended after opening time. Any alterations made before opening time must be initialed by offeror or his authorized agent. No proposal may be withdrawn after opening without approval and based on a written acceptable reason.
5. The City of Friendswood reserves the right to revise or amend the specifications prior to date set for opening proposals. Such revisions or amendments, if any, will be announced by amendments or addendum to these specifications. Copies of such amendments or addendum so issued will be furnished to all prospective offerors. If offeror demonstrates just reason for a change, the City of Friendswood must have at least five working days' notice prior to bid/proposal opening date.
6. **Should offeror find discrepancies in or omissions from the specifications or other documents or be in doubt as to their meaning, offeror should at once notify the Purchasing Coordinator and obtain clarification prior to submitting a proposal.**
7. **QUOTE F.O.B. destination.** Price should include all costs including shipping, handling, and other related costs.
8. Proposals shall be valid for ninety (90) days from opening date.
9. The City of Friendswood is exempt from taxes. **DO NOT INCLUDE TAX IN PROPOSAL.**
10. The City of Friendswood reserves the right to terminate this contract for any reason by notifying the Contractor/Supplier in writing thirty (30) days prior to the termination of this agreement.
11. Offeror **MUST** give full firm name and address. Person signing bid/proposal should show **TITLE** or **AUTHORITY TO BIND HIS FIRM IN A CONTRACT**. Authorized signature should appear on each page of the proposal in the space provided.
12. Any catalog, brand name or manufacturer's reference used in proposal invitation is descriptive – NOT restrictive – it is to indicate type and quality desired. Proposals on brands of like nature and quality will be considered. If proposing on other than reference specifications, offeror must show manufacturer, brand or trade name, lot number, etc., of article offered. If other than brand(s) specified is offered, illustrations and complete description should be made part of the proposal. If offeror takes no exceptions to specifications or reference data, he will be required to furnish brand names, numbers, etc., as specified. All items proposed shall be new, in first class condition and manufacturer's latest model and design including containers suitable for shipment and storage, unless otherwise indicated in RFP. Verbal agreements to the contrary will not be recognized.
13. If the brochure or information included with your proposal **does not exactly** describe the item to be furnished, then notes in the attached form, "EXCEPTIONS TO PROPOSAL," must explain the difference. Comments in this form signify that your proposal takes exception to the stated specifications. Exceptions taken may be just cause to disqualify proposal.
14. NO substitutions or cancellations permitted without written approval of the City of Friendswood.
15. All offerors **must meet or exceed the minimum specifications** to be considered as a valid proposal. The City of Friendswood reserves the right to accept or reject all or any part of any proposal, waive minor technicalities and award the proposal to the offeror who provides goods or services at the best value for the City of Friendswood.
16. **DELIVERY:** Specifications indicate number of days required to place material in receiving department designated location under normal conditions. A difference in delivery promise may break a tie proposal. Unrealistically short or long delivery promises may cause proposal to be disregarded. Consistent failure to meet delivery promises without valid reason may cause removal from bid list. Delivery shall be made during normal working hours only, 8:00 a.m. to 5:00 p.m. unless prior approval for late delivery has been obtained.
17. Consistent and continued tie bidding/offering could cause rejection of bids/proposals by the City of Friendswood and/or investigation for Anti-Trust violations.
18. If a proposal contains proprietary information, the offerors must declare such information as proprietary if Offeror does not want information to become public.
19. The Contractor/Supplier agrees to protect the City of Friendswood from claims involving infringement of patents or copyrights.
20. Purchase order number should be on original invoice and invoice sent to the City of Friendswood, PO BOX 1288, Friendswood, TX 77549; Attn: Accounts Payable.
21. The City of Friendswood shall pay for the product/service within thirty (30) days of receipt and acceptance. Acceptance by the City of Friendswood shall constitute all items bid/proposed being received and in good working order to the City's satisfaction.

PRICE REVISION CLAUSE – ANNUAL CONTRACTS

The City of Friendswood desires firm prices for the full contract period. It is recognized by the City of Friendswood that qualified vendors may face unforeseen price changes from manufacturers. Unit price changes due to increases or decreases from the manufacturer will be considered "pass-on" costs. "Pass-on" increases must be verified in writing by manufacturer and will be considered during the term of the contract. **NOTE: THE CITY MUST HAVE THIRTY (30) DAYS WRITTEN NOTICE PRIOR TO ANY INCREASE OF EXISTING PRICES.**



INTRODUCTION

The City of Friendswood is soliciting proposals from firms who are interested and qualified to provide a Classification Study and Total Compensation Study and to provide recommendations to ensure the City's classification and compensation system supports the City's mission and strategic objectives as a service-based organization. It is the intent of the city to select a single firm to provide all the services outlined in this RFP.

The City will not reimburse the responding firms for any expenses incurred in preparing proposals, clarification of a response, and/or oral presentations which may be, at its discretion, required by the City.

Contact person for additional information is **Jeff Spears, 281-996-3274 or jspears@friendswood.com** .

PURPOSE

The purpose of this RFP is to provide minimum requirements, solicit proposals and gain adequate information from which the City may evaluate the Proposer's products and services as they compare to other providers and as they pertain to the needs of the City's organization as defined in this document.

PROPOSAL PROCESS

Proposals will consist of qualifications, specifications, and cost components. One original, one copy, and one electronic copy on flash drive, CD, or DVD should be submitted. The original proposal must be clearly marked and contain original signatures. Failure to mark the original and provide original signatures may result in a proposal being found non-responsive and given no consideration. Faxed, email, or late proposals will not be accepted.

Information contained in the proposals must be complete and in accordance with the terms and conditions of this RFP. The information requested herein and the format in which it is requested is essential to permit prompt evaluation of proposals on a fair and uniform basis. The City reserves the right to declare a proposal non-responsive and reject any proposal in which the material presented is not furnished or where indirect or incomplete answers are provided.

The City also reserves the right to reject any or all of the proposals received, to negotiate with the most qualified proposer based solely on proposal, or to cancel this RFP in part or wholly without explanation to proposers. The City may elect to interview only a select number of proposers at its own discretion.

PROJECT TIMELINE

Request for Proposals Issued	January 31, 2024
Deadline for Submitting Questions	February 7, 2024, 10:00 am
Proposal Submission Deadline	February 15, 2024, 2:00 pm
Anticipated Award of Contract	March 4, 2024

REQUIREMENTS

Any variance in any item must be specified clearly under the Exceptions to Proposal by Proposer to have a valid proposal. Any exceptions taken may be just cause for disqualification.

GENERAL CONDITIONS



Sections must be filled out completely. The contract shall be awarded in whole to the bidder/proposer whose proposal is determined to be the most advantageous to the City considering the relative importance of price and other evaluation factors detailed in "Evaluation Criteria."

AUDIT

Contractor shall provide the City of Friendswood a line-item report of quantities and expenditures at any time during the term of this contract for materials, commodities, or services rendered as requested by the Purchasing Department.

NON-FUNDING CLAUSE

The City of Friendswood City's budget is funded on an October 1st to September 30th fiscal year basis. Accordingly, the City of Friendswood reserves the right to terminate this contract by giving Offeror thirty (30) days written notice, without liability to the City, in the event that funding for this contract is discontinued or is no longer available.

INSURANCE REQUIREMENTS

OFFEROR SHALL INCLUDE RFP NUMBER AND DESCRIPTION OF RFP ON THE CERTIFICATE OF INSURANCE. THE COMPANIES AFFORDING COVERAGE AND THE PRODUCER OF THE CERTIFICATE OF INSURANCE SHALL BE LICENSED WITH THE STATE BOARD OF INSURANCE AND ADMITTED TO DO BUSINESS IN THE STATE OF TEXAS.

Offeror's insurance shall meet or exceed the following minimum limits:

Commercial General Liability:

- General aggregate: \$2,000,000
- Per occurrence: \$1,000,000
- Bodily Injury: \$500,000
- Coverage shall be broad form.
- No coverage shall be excluded from standard policy without notification of individual exclusions being attached for review and acceptance.
- Waiver of subrogation in favor of the City of Friendswood, its officers, agents, and employees.

Workers' Compensation:

- Statutory limits
- Employer's Liability Insurance: \$500,000
- Waiver of subrogation in favor of the City of Friendswood, its officers, agents, and employees.

Business Automobile Liability:

- Combined single limits of \$1,000,000.
- All automotive coverage is to include any auto.

Prior to the execution of an agreement, Offeror shall file with the City valid certificates of insurance and endorsements acceptable to the City. Such certificates shall contain a provision that coverage afforded under the policies will not be canceled, suspended, voided, or reduced until at least thirty (30) days' prior written notice has been given to the City via certified mail, return receipt requested. The Proposer shall also file with the City valid certificates of insurance covering all of its subcontractors.

The following are general requirements which are applicable to all policies:

- AM Best Rating of A-:VII or better for all liability policies.



- Liability policies will be on occurrence form.
- City, its officials, and employees are to be added as Additional Insured to liability policies.
- Upon request of and without cost to the City, certified copies of all insurance policies and/or certificates of insurance shall be furnished to the Director. Certificates of insurance showing evidence of insurance coverage shall be provided to the City's representative prior to the City's execution of this Agreement.

Should any insurance required herein lapse, (i) Offeror shall immediately notify the City, (ii) the Services shall be suspended as of the time and date of such lapse, and (iii) the Services shall not resume until coverages have resumed.

INDEMNITY AGREEMENT

THE CONTRACTOR HEREBY AGREES TO AND SHALL INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, DEMANDS, CAUSES OF ACTION, SUITS AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS AND ATTORNEYS' FEES, FOR INJURY TO OR DEATH OF ANY PERSON, FOR LOSS OF USE OR REVENUE, OR FOR DAMAGE TO ANY PROPERTY ARISING OUT OF OR IN CONNECTION WITH THE ACTUAL OR ALLEGED MALFUNCTION, DESIGN OR WORKMANSHIP IN THE MANUFACTURE OF EQUIPMENT, THE FULFILLMENT OF CONTRACT, OR THE BREACH OF ANY EXPRESS OR IMPLIED WARRANTIES UNDER THIS CONTRACT. SUCH INDEMNITY SHALL APPLY WHERE THE CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS OR LIABILITY ARISE IN PART FROM (I) THE JOINT NEGLIGENCE OF THE CITY AND THE CONTRACTOR, AND/OR THEIR RESPECTIVE OFFICERS, AGENTS AND/OR EMPLOYEES OR (II) THE SOLE NEGLIGENCE OF THE CONTRACTOR, ITS OFFICERS, AGENTS AND EMPLOYEES. IT IS THE EXPRESSED INTENTION OF THE PARTIES HERETO, BOTH CONTRACTOR AND THE CITY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS INDEMNITY BY CONTRACTOR TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCE OF (I) THE CITY'S OWN NEGLIGENCE WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE WITH THAT OF THE CONTRACTOR OF THE INJURY, DEATH OR DAMAGE AND/OR (II) THE CONTRACTOR'S OWN NEGLIGENCE WHERE THAT NEGLIGENCE IS THE SOLE CAUSE OF THE INJURY, DEATH, OR DAMAGE. FURTHERMORE, THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL HAVE NO APPLICATION TO ANY CLAIM, LOSS, DAMAGE, CAUSE OF ACTION, SUIT AND LIABILITY WHERE IN 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 ANY ACTION OR PROCEEDING IS BROUGHT AGAINST THE CITY BY REASON OF ANY OF THE ABOVE, THE CONTRACTOR AGREES AND COVENANTS TO DEFEND THE ACTION OR PROCEEDING BY COUNSEL ACCEPTABLE TO THE CITY. THE INDEMNITY PROVIDED FOR HEREIN SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.



COMPLIANCE WITH LAWS

Offeror shall comply with all Federal and State laws and City Ordinances and Codes applicable to the Offeror's operation under this contract. These Specifications and the contract resulting here from shall be fully governed by the laws of the State of Texas, and shall be fully performable in Galveston County, Texas, where venue for any proceeding arising hereunder will lie.

SILENCE OF SPECIFICATIONS

The apparent silence of specifications as to any detail, or the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail and that only material and workmanship of the finest quality shall be used. All interpretations of specifications shall be made on the basis of this statement.

SEVERABILITY

If any section, subsection, paragraph, sentence, clause, phrase or word of these requirements or specifications shall be held invalid, such holding shall not affect the remaining portions of these requirements and the specifications and it is hereby declared that such remaining portions would have been included in these requirements and the specifications as though the invalid portion had been omitted.

CONFLICT OF INTEREST

Chapter 176 of the Texas Local Government Code requires that any person, who enters or seeks to enter in to a contract for the sale or purchase of property, goods or services with a local government entity and who has an employment or other business relationship with a local government entity and who has an employment of other business relationship with a local government officer or family member of the officer, as described by Texas Local Government Code Section 176.006, shall file a completed conflict of interest questionnaire with the City within seven (7) business days after the later of:

1. The date the person begins discussions or negotiations to enter into a contract, including submission of a bid or proposal, or
2. The date the person becomes aware of facts that require the statement to be filed. Additional information and the form to be used to file this notice can be found at:

<https://www.ethics.state.tx.us/forms/CIQ.pdf>

CERTIFICATE OF INTERESTED PARTIES (Form 1295)

In 2015, the Texas Legislature adopted [House Bill 1295](#). The Texas Government Code §2252.908, and the rules issued by the Texas Ethics Commission found in Title 1, Sections 46.1, 46.3 and 46.5 of the Texas Administrative Code, require a business entity to submit a completed Form 1295 to the City before the City may enter into a contract with that business entity. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. **The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.**

Form 1295 must be completed online. In Box 3 of the form, provide the solicitation number shown on the cover page of this solicitation (RFP 2021-04). The form is available from the Texas Ethics Commission by accessing the following web address:

https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm



Print the completed Form 1295 showing the Certification Number and Date Filed in the Certification of Filing box at the upper right corner. Sign Form 1295 in front of a notary and submit it with a response to any City solicitation or contract.

The following definitions found in the statute and Texas Ethics Commission rules may be helpful in completing Form 1295.

“Business entity” includes an entity through which business is conducted with a governmental entity or state agency, regardless of whether the entity is a for-profit or nonprofit entity. The term does not include a governmental entity or state agency.

“Controlling interest” means: (1) an ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stock, or otherwise that exceeds 10 percent; (2) membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than 10 members; or (3) service as an officer of a business entity that has four or fewer officers, or service as one of the four officers most highly compensated by a business entity that has more than four officers.

“Interested party” means: (1) a person who has a controlling interest in a business entity with whom a governmental entity or state agency contracts; or (2) a person who actively participates in facilitating a contract or negotiating the terms of a contract with a governmental entity or state agency, including a broker, intermediary, adviser, or attorney for the business entity.

“Intermediary”, for purposes of this rule, means a person who actively participates in the facilitation of the contract or negotiating the contract, including a broker, adviser, attorney, or representative of or agent for the business entity who:

- (1) receives compensation from the business entity for the person’s participation;
- (2) communicates directly with the governmental entity or state agency on behalf of the business entity regarding the contract; and
- (3) is not an employee of the business entity.

CONTRACT TERMINATION

The City of Friendswood and the provider reserve the right to terminate this contract for any reason and at any time by, within 30-days, notifying the other party in writing and stating effective date of termination.

RIGHT OF ASSURANCE

Whenever one (1) party to this contract in good faith has reason to question the other party's intent to perform, he may demand that the other party give a written assurance of this intent to perform. In the event that demand is made, and no assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation of this contract.

RFP DELIVERY

Request for proposals (RFP) shall be submitted in sealed envelopes clearly marked with **RFP 2024-01, CLASSIFICATION STUDY AND TOTAL COMPENSATION STUDY**. The RFP shall be addressed to the City of Friendswood, Attention: City Secretary. The Requests for Proposals will be received at Friendswood City Hall, 910 S. Friendswood Drive, Friendswood, TX, 77546 until **2:00 pm, Thursday, February 15, 2024**, at which time the RFPs will be publicly opened and vendors’ names read aloud.

Submit to:

CITY OF FRIENDSWOOD
ATTN: CITY SECRETARY
910 S. FRIENDSWOOD DRIVE
FRIENDSWOOD, TX 77546



RFP 2024-01
CLASSIFICATION STUDY AND TOTAL COMPENSATION STUDY
SPECIFICATIONS

SCOPE OF WORK AND SPECIFICATIONS

Background Information

The City of Friendswood is a progressive suburban city conveniently located between downtown Houston and Galveston near three major airports and deep-water ports with easy thoroughfare and railway access. It has approximately 40,000 citizens and covers an area of roughly 21.2 square miles.

The city is governed by a Council/Manager form of government and municipal services are provided by approximately 258 employees. The City Council is an elected body consisting of the Mayor and six Council Members. The City Manager is responsible for all functions of city government.

I. General

This request is to solicit proposals from firms experienced with municipal employment, including significant experience in staffing and compensation analysis of public safety positions, who can develop a comprehensive classification and compensation pay plan for the City of Friendswood. The City anticipates including approximately 130 classifications in the study, inclusive of full-time, part-time, and seasonal positions. For convenience, the scope of work is grouped into “Classification”, “Total Compensation”, and “Additional” categories. The items listed under “Additional” should be itemized separately in all cost estimates. The award may or may not include the work listed under that heading. Consultant is free to provide more than one option for each of their recommendations provided each option meets the requirements of the RFP.

II. Job Market

The labor market that Friendswood recruits from to fill position vacancies is the Southern Houston Metropolitan Region. Specifically, Friendswood seeks comparison with local cities from the greater Houston region and cities of similar size outside of Houston (examples may include Tomball, Mont Belvieu, Beaumont, Baytown, La Porte, Deer Park, League City, Texas City, Galveston, Dickinson, Webster, Angleton, Pearland, Sugar Land, Missouri City). In addition, the City seeks comparison to local area industry.

III. Deliverables

Each proposal must include information that clearly indicates that Proposer meets each of the minimum requirements:

a. Study Objectives

1. Ensure positions performing similar work with essentially the same level of complexity, responsibility, job knowledge, skills, and abilities are classified together.
2. Develop an updated base compensation system, based on actual salary data through market surveys, local governmental agencies, benchmarked cities, and other appropriate data sources as deemed necessary.
3. Make recommendations for new hire rates, promotion rates, demotion rates, incentive pay, and certification pay.



3. Clearly outline job progression opportunities and provide recognizable compensation growth.
4. Provide justifiable pay differential between individual classifications. Maintain a competitive position with other comparable government entities and private employers within the same geographic areas.
5. Allow enough flexibility for managers to retain current employees, recruit new talent, and effectively manage turnover rates that is easily explainable to employees at all levels.
6. Make recommendations to address salary compression.
7. Provide for training for Human Resources and department leaders for implementation and maintenance of compensation strategy.
8. Provide a comprehensive report, including benchmarking and market analysis of direct compensation to determine the value of the City's current program, market comparisons, and recommendations for alternatives based on market and competitive positions reflecting cost/savings to the City. The report shall include recommendations, alternatives, and cost projections as well as narrative, graphs, and charts both at detail and high level.

IV. Scope of Work

The Scope of Work to be provided includes conducting a comprehensive evaluation of every job within the City to determine relative worth within the organization for internal equity and for the establishment of pay ranges and step progressions within the ranges. The Consultant will be required to review all current job classifications, confirm, and recommend changes to hierarchical order of jobs using an approved evaluation system. Additionally, the Consultant will be required to complete the following:

a. Classification Study

- i. Review relevant background materials, including but not limited to organizational charts, budgets, personnel rules, and job descriptions.
- ii. Conduct a comprehensive evaluation of existing job descriptions for City employees.
- iii. Establish appropriate benchmarking standards and conduct classification/salary surveys as needed for similar positions with comparable Texas municipalities and relevant private employers.
- iv. Review current classification grade methodology and proposed recommended strategies for the City.
- v. Meet with staff to discuss study and agree on methodology and Position Description Questionnaire (PDQ) to be used.
- vi. Develop and distribute a PDQ to each employee.
- vii. Review and analyze completed PDQs for all employees covered by the study.
- viii. Conduct interviews and/or job audits as appropriate. Interviews and/or job audits may be conducted individually or in groups based upon the classification.
- ix. Draft updated job descriptions to uniformly reflect the distinguishing characteristics, essential job functions, supervisory responsibility and level of authority, minimum qualifications (education/experience and knowledge/skills/abilities), working conditions (physical demands, working environment, and travel requirements), certification/licenses/registrations



requirements, and accurate ADA compliant language for classifications as needed.

- x. Recommend deletion of outdated or unnecessary duties or classes.
- xi. Develop new classes as appropriate.
- xii. Develop and identify viable career progressions within the classification plan.
- xiii. Review various job series in terms of appropriateness.
- xiv. Confirm and recommend changes to the hierarchal order of jobs according to the established methodology.
- xv. Identify EEO classes, including but not limited to Officials & Administrators, Professionals, Technicians, Paraprofessionals, Administrative Support, Skilled Craft Workers, and Service employees.
- xvi. Qualify the FLSA status (exempt/non-exempt) of each classification.
- xvii. Allocate all employees to an appropriate job class.
- xviii. Submit proposed recommendations to the City Manager and designated Human Resources staff for review prior to making any final classification determinations.
- xix. Provide straight forward, easily understood, maintenance system that the Human Resources Department will use to keep the classification system current and equitable. This should be provided in an electronic format. Maintenance should include annual activities, as well as the process to be used to review the classification of individual jobs, as needed; and

b. Total Compensation Study

- i. Review current compensation plan and understand current challenges in recruiting and retaining employees.
- ii. Recommend and identify a consistent and competitive market position that the City can strive to maintain.
- iii. Recommend comparable labor markets, including both private and public sector employers for total compensation (compensation and benefits) study. (For comparator Cities, recommendations should demonstrate similarities between Bellaire and cities of like size and area. This should include comparing factors such as population, staff and budget size, growth rate, Ad Valorem Taxable Value, tax rate, median household value, etc.).
- iv. Develop and conduct a comprehensive compensation and benefits survey.
- v. Analyze benefits data to provide a comparison of total compensation for Bellaire and comparators. Analysis should include:
 1. Medical, dental, life, short-term disability, long-term disability, long-term care, vision, and paid time off such as holidays, vacation, and sick leave.
 2. Employer matches to employee retirement and/or deferred compensation contributions.
 3. Availability of and employer matches to Health Savings Accounts.
- vi. Pay incentives such as longevity, tuition reimbursement, and any other innovative benefits/pay. Recommend an appropriate salary range for each position based on the classification plan, the compensation survey results, and the internal relationships and equality. Prepare a new salary structure based on the results of the survey and best practices.
- vii. Recommend and develop guidelines to assist City staff with determining starting pay for new employees based on knowledge and experience above the minimum



- requirements of the position, difficulty to fill and market competitiveness.
- viii. Recommend and develop salary administration procedures regarding promotions, demotions, and other position movements which may affect salary.
 - ix. Recommend implementation strategies, including calculating the cost of implementing the plan.
 - x. Identify any extreme current individual or group compensation inequities and provide a recommended corrective action plan and process to remedy.
 - xi. Make recommendations and provide implementation strategies related to other key compensation practices, based on market demands, including pay for performance, skill pay, special assignment pay, certification pay, bilingual pay, shift pay, on call pay, and acting assignment pay.
 - xii. Provide system documentation and computer formats/software to administer compensation plan.
 - xiii. Provide recommendations for the ongoing internal administration and maintenance of the proposed compensation plan. Maintenance should include annual activities such as market survey.
 - xiv. Conduct a compression analysis to include any recommendations for implementation; and
 - xv. Provide documentation of methodologies, techniques, and data used to make recommendations.

V. Additional

Review current staffing levels for both public safety and non-public safety departments regarding identified objective criteria. Provide recommendations for consolidation or division of current departments, staff level changes, justifications for resulting staffing levels in each department, and methodology for changing future staffing levels. Recommendations should be well-documented and include a financial analysis component.

VI. Information Meetings and Training

Proposal must include onsite and virtual meetings as appropriate with City Management, Human Resources and Department Heads to develop strategy, review progress, make presentations, and communicate implementation plans to City Staff, and with City staff, to include:

- i. Consultant will be required to meet with the project team at the initiation of each phase of the study and to make a presentation to City Management, Human Resources, and Department Heads at the conclusion of each phase.
- ii. An agreed-upon cadence must be established for regular progress meetings or conference calls between Consultant and City Management and Human Resources.
- iii. Meet with Department Heads and mid-management staff at the initiation of the project to explain philosophy and components of study.
- iv. Conduct orientation and briefing sessions for employees covered within the scope of the study.
- v. Meet with City Management and Human Resources to present



recommendations. Formal presentation the City Council may also be necessary.

- vi. Conduct training sessions with City Management, Human Resources, Department heads, and manager-level staff regarding the implementation and use of new classification and compensation plans and associated policies/procedures

All communications must be appropriately structured for the intended audience and shall be in the simplest, most direct format possible, clearly articulated and understood.

VII. Delivery

The deliverables must include:

- i. Delivery of the final report in the form of a flash drive and five (5) copies provided to the Director of Human Resources.
- ii. Delivery of the final report, tables, schedules, job descriptions, charts, spreadsheets, salary surveys, and other materials necessary for the implementation and maintenance of the compensation/classification system in the form of a flash drive to Human Resources staff.
- iii. Delivery of electronic copies of all presentations and training materials in the form of a flash drive to Human Resources staff.

VIII. Project Timeline

The proposal must include a timeline for deliverables. It is the goal of the City for the study to be completed within ten months from date of commencement.

IX. Proposal Evaluation Process

All proposals will be screened by an evaluation committee. The evaluation committee shall screen and rate all the responses that are submitted. Evaluation ratings will be on a 100- point scale and those proposers selected for a short list may be invited to attend an interview, at the proposer's own expense. Any invitation for an oral presentation will be solely for the purpose of clarifying proposals received from each qualifying proposer and will not represent any decision on the part of the evaluation committee as to the selection of a successful proposer.

Once proposals are scored, the evaluation team will select finalists and decide whether interviews should be conducted. After interviews are performed, if needed, the evaluation team may request the finalists to submit a Best and Final Offer (BAFO).

Should negotiations be unsuccessful, the City shall enter negotiations with the next, highest ranked Vendor. The process shall continue until an agreement is reached with a qualified Vendor.

This RFP does not commit the City to pay for any direct and/or indirect costs incurred in the preparation and presentation of a response. All finalist(s) shall pay their own costs incurred in preparing for, traveling to and attending interviews.



The City reserves the right to negotiate the final fee prior to recommending any Vendor for a contract.

The City reserves the right to use all pertinent information (also learned from sources other than disclosed in the RFP process) that might affect the City's judgement as to the appropriateness of an award to the best evaluated proposer. This information may be appended to the proposal evaluation process results.

INSTRUCTIONS TO PROPOSERS

This section outlines specific instructions for proposal submissions. Proposers not adhering to these instructions may be disqualified without further consideration.

- **TAB A – Qualifications and Experience**
 - Briefly introduce your firm, providing a summary of the administration, organization and staffing of your firm, including multiple offices, if applicable.
 - Provide an organizational chart indicating the positions and names of the core management team which will undertake this engagement.
 - Identify the project manager and everyone who will work as part of this engagement. Include resumes for each person to be assigned. Include any professional designations and affiliations, certifications and licenses, etc.
 - Describe the experience of the firm in the last 60 months in performing consulting services in similar size and scope.
- **TAB B – Project Methodology**
 - Provide an estimated timeline to complete the proposed work.
 - Include the total number and types of meetings anticipated by the consultant that will affect the various groups of the city (Human Resources, management team, directors and managers and employees) during the course of the work including time for questionnaire completion.
 - Include the number of firm personnel (their roles or desired skill set) and total number of hours anticipated of city staff.
 - Provide a work plan that must describe the firm's methodology, including a detailed project plan and time frames from the award date to implementation.
 - The strategies and methods by which the work is performed must be included in the proposal and detailed sufficiently to allow the City to determine compatibility of the approach to the City's overall goals. Factors to be considered include, but are not limited to, market definition and use of standard surveys versus customized surveys.
 - Work plan shall clearly distinguish the firm's duties and responsibilities and those of the City. Absence of this distinction shall mean the firm is assuming full responsibility for all tasks.
 - Please submit a brief description of how the non-Civil Service positions will be evaluated to determine current duties and responsibilities.
- **TAB C – Pricing and Fees**
 - The Proposer Pricing Form shall be completed and included.
 - The proposals shall provide a breakdown of fees for each phase of the project including an itemization of all costs (i.e., applicable hourly rates, training, travel and per diem, etc.).
 - The proposal shall include an hourly fee schedule for additional services required for



successful completion of this project but not specifically identified in this RFP or optional services that may enhance the City's benefit.

- TAB D – References
 - Provide references for similarly successful projects from five (5) governmental agencies, including the name of the agency, contact name, telephone, and email address.
 - Include names and telephone numbers of persons whom the City can contact for references regarding the firm's past performance on similar project.
- TAB E – Forms
 - Execution of Offer
 - Form CIQ (Conflict of Interest Questionnaire)
 - Certificate of Interested Parties (Form 1295)
 - Statement of Organization
 - Bidder's Certification

**EXECUTION OF OFFER**

The undersigned, in submitting this proposal and their OFFER of same, represents that they are authorized to obligate their firm, that they have read this entire bid/proposal package, is aware of the covenants contained herein and will abide by and adhere to the expressed requirements.

Submittals will be considered as being responsive only if entire RFP Package plus any/all attachments is returned with all blanks filled in.

SUBMITTED BY:

(OFFICIAL Firm Name)

By:

(Original Signature) **Must be signed to be considered responsive**

(Typed or Printed Name)

(Title)

(Date)

Remittance

Address: _____

(City, State and Zip Code)

Phone #: (____) _____

Fax #: (____) _____

E-Mail Address: _____

If an addendum is issued for this bid/RFP, please acknowledge receipt.

ADDENDUMS/AMENDMENTS:

- 1) _____ date acknowledged
- 2) _____ date acknowledged
- 3) _____ date acknowledged

**Form 1: Statement of Organization****1. Proposer**

Full Name of Business: _____

Principal Business Address: _____

Principal Phone Number: _____

Local Business Address: _____

Local Business Contact: _____

Local Business Phone: _____

Local Business Fax: _____

Local Business E-mail: _____

Type of Organization: _____

Tax ID #: _____

License #: _____

Provide names of authorized representative(s) of the Respondent who has/have legal authority to bind the Respondent into contractual obligations:

(a) _____

(b) _____

(c) _____

2. Subcontractor(s)

List of all firms participating in this proposal

Name	Address	Area of Responsibility
------	---------	------------------------

(a) _____

(b) _____

(c) _____

(d) _____



BIDDER'S CERTIFICATION

The 1985 Texas Legislature passed HB620 relating to bids by nonresident contractors. The pertinent portion of the Act has been extracted and is as follows:

Section 1. (a)

(2) "Nonresident bidder" means a bidder whose principal place of business is not in this state, but excludes a contractor whose ultimate parent company or majority owner has its principal place of business in this state.

(3) "Texas resident bidder" means a bidder whose principal place of business is in this state, and includes a contractor whose ultimate parent company or majority owner has its principal place of business in this state.

(b) The state or a governmental agency of the state may not award a contract for general construction, improvements, services, or public works projects or purchases of supplies, materials, or equipment to a nonresident bidder unless the nonresident's bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

I certify that _____ is a resident bidder of Texas as defined in
(Company Name)
Tex. Gov't Code §2252.002.

Signature _____

Print Name _____

I certify that _____ is a Nonresident bidder as defined in
(Company Name)
Tex. Gov't Code §2252.002, and our principal place of business is
_____.
(City and State)

Signature _____

Print Name _____



City of Friendswood

TEXAS GOVERNMENT CODE VERIFICATIONS

(for Companies with 10 or more full-time employees entering into a contract with a value of \$100,000 or more)

Pursuant to the Texas Government Code, I, _____, the undersigned representative of _____ (Company Name), do hereby verify the following for and on behalf of the above-referenced company (the "Company"):

- the Company does not boycott energy companies and will not boycott energy companies during the term of the contract to be entered into with the City of Friendswood; and
- the Company does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of the contract against a firearm entity or firearm trade association.

In making this verification, I understand that the following definitions apply:

- "Boycott energy company" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company:
 - engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or
 - does business with a company described by Paragraph (a).
- "Discriminate against a firearm entity or firearm trade association" means, with respect to the entity or association, to:
 - refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association;
 - refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or
 - terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association;
 but does not include:
 - the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and
 - a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship:
 - to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or
 - for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association.

EXECUTED this the _____ day of _____, 20_____.

Company Name

Signature

Printed Name/Title

STATE OF _____ §
COUNTY OF _____ §

Before me, _____, the undersigned notary public, on this day personally appeared _____, the _____ (Title) of _____ (Company Name), known to me to be the person whose name is subscribed to the foregoing instrument, who after by me being duly sworn, did swear and affirm that the above is true and correct.

Given under my hand and seal of office this _____ day of _____, 20_____.

Notary Public in and for the State of _____

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 1, 2024

Date submitted: 03/19/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider approving a nomination for 4th of July Parade Grand Marshal.

Originating Department: City Secretary

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to consider the nomination of Mr. Greg Dick for this year's 4th of July Parade Grand Marshal. Mr. Dick was nominated by Ms. Patty Steinke for his service as the Director of Bands for the Friendswood Independent School District (FISD) from 2000-2020. During Mr. Dick's twenty-years of service to the education of Friendswood children, he led the FISD band program to numerous state championships, numerous accolades and promoted a true love of the arts. The nomination form is attached for your review.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. 2024 Grand Marshal Nomination form - Greg Dick



CITY OF FRIENDSWOOD

Applications must be submitted to the
City Secretary's Office via email to:
citysecretary@friendswood.com

FOR OFFICE USE ONLY

Date Received: _____

Date of Meeting: 24 JAN-11 9:04AM

Date of Response: _____

4TH OF JULY GRAND MARSHAL APPLICATION

Applicant Information

Applicant's Name: Patty Steinke

Mailing Address: _____ Zip: 77546

Home Phone: _____ Mobile: _____ Email: _____

Nominee's Information

Nominee's Name: Greg Dick

Mailing Address: P.O. Box 912 Bayliff, TX Zip: 77518

Home Phone: _____ Mobile: _____ Email: _____

Basis of Application

Select the basis on which the Nominee qualifies:

☒ Civic and/or social services

☐ Humanitarianism

☒ Personal achievements in the areas of the arts, sports,
etc.

☒ Distinction brought to Friendswood resulting from
achievements elsewhere

Has the Nominee been a Grand Marshal for the City's parade in the past? ☐ Yes ☒ No

Description of the Nominee's act(s) or which have displayed outstanding service, support, and commitment to the
community, county, state, and/or country.

Mr. Dick served as the Director of Bands for FUSD from 2000-2020. During his tenure, the Friendswood Band program won numerous state championships and brought honor and distinction to our city through education and music.

Applicant's Signature

I have read and understand the City of Friendswood's Grand Marshal Selection Policy and affirm that I have visited with the Nominee, who is willing to undergo a background check and to serve if selected by the City Council.

Patty Steinke 12/18/23
Applicant's Signature (Date)

Additional sheets may be submitted for consideration.

References' Signatures

I have read the foregoing application and desire to support the nominee. I further affirm that I am a qualified voter of the City of Friendswood and have not signed as an applicant or a reference for another nominee for Grand Marshal this year. I am willing to provide additional information to the City upon request.

Reference's Signature: [Signature]

Reference's Printed Name: Jan Steirke

Reference's Mailing Address: [Redacted] Friendswood Zip: 77546

Home Phone: [Redacted] Mobile: [Redacted] Email: [Redacted]

Reference's Signature: [Signature]

Reference's Printed Name: Carrie Mendenhall

Reference's Mailing Address: [Redacted] Zip: 77546

Home Phone: [Redacted] Mobile: [Redacted] Email: [Redacted]

Reference's Signature: [Signature]

Reference's Printed Name: Toti Mendenhall

Reference's Mailing Address: [Redacted] Friendswood, TEXAS Zip: 77546

Home Phone: [Redacted] Mobile: [Redacted] Email: [Redacted]

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 1, 2024

Date submitted: 02/29/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider a resolution setting a public hearing on the creation of a tax increment reinvestment zone and its benefits to the City and to the property in the proposed zone, being approximately 326 acres of land generally located along FM 528/W. Parkwood Ave. at the intersection of Friendswood Parkway, extending northwest to the city limit of Friendswood and southwest of Baker Road and also including three of the four corner tracts at the intersection of FM 528/W. Parkwood Avenue and Friendswood Parkway, wholly located within Galveston County and the corporate limits of the City of Friendswood, Texas, and directing a preliminary reinvestment zone project and financing plan be prepared.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This proposed resolution:

1. sets a public hearing for May 6, 2024, at 5:30 p.m. in the Friendswood City Council Chamber concerning the creation of a tax increment reinvestment zone for approximately 326 acres of land within the corporate limits of the City of Friendswood; and
2. directs a preliminary reinvestment zone project and financing plan be prepared.

The proposed zone consists of approximately 326 acres of land generally located along FM 528/W. Parkwood Avenue at the intersection of Friendswood Parkway, extending northwest to the city limit of Friendswood and southwest of Baker Road. It includes three of the four corner tracts at the intersection of FM 528/W. Parkwood Avenue and Friendswood Parkway. The proposed reinvestment zone is wholly located within Galveston County and the corporate limits of the City of Friendswood, Texas, and more fully described below:

1. Falling Leaf Ranch consisting of three tracts – a 46.8933 acre Tract, a 61.8920 acre Tract, and a 10.0189 acre Tract situated in the BBB&C RR Co. Survey, A-46, and the Robert Hoppel Survey, A-83, Galveston County, Texas;
2. The Estates at Wilderness Trail – 39.39 acres of land situated in the Robert Hoppel Survey, Abstract No. 83 and the A.H. Jackson Survey, Abstract No. 128, Galveston County, Texas;
3. 23 Wilderness Trail – 2.130 acres of land situated in the A.H. Jackson Survey, Abstract 128, Galveston County, Texas;
4. GCCDD Regional Detention Ponds consisting of two tracts – 33.027 acres and 3 acres of land situated in the A.H. Jackson Survey, Abstract No. 128, Galveston County Texas; Castle Narnia Way – 23.233 acres of land situated in the A.H. Jackson Survey, Abstract 128, Galveston County, Texas;
5. Tidwell Property – 2.133 acres of land situated in the Abstract 128 A.H. Jackson Survey Tract 4-3, Galveston County, Texas;

6. Wischnewsky Property consisting of two tracts – 49.024 acres and 12.26 acres;
7. Friendswood Lakes Sec 1 Commercial Reserves – 2.324 acres as the remainder of Unrestricted Reserve A as recorded in Volume 18 Page 1176 G.C.D.R. Friendswood Lakes Section 1 Final Plat; and
8. Bofysil Property – 15.753 acres of land situated in the George Patterson Survey, Abstract 645 and part of Lot 4 (4-0) in the Burgess Subdivision.

At the public hearing, the City Council will receive public input concerning (i) the inclusion of property within the zone; (ii) the creation of the zone; (iii) the boundaries of the Zone; and/or (iv) the concept of tax increment financing on the creation of the zone and its benefits to the City and to the property in the proposed zone. Owners of property within the proposed zone shall be given a reasonable opportunity to protest the inclusion of the property in a proposed reinvestment zone.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Resolution - Setting Public Hearing for TIRZ
2. Map of Proposed TIRZ

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, SETTING A PUBLIC HEARING UNDER SECTION 311.003 OF THE TEXAS TAX CODE FOR THE CREATION OF A TAX INCREMENT REINVESTMENT ZONE, CITY OF FRIENDSWOOD, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS APPROXIMATELY 326 ACRES OF LAND GENERALLY LOCATED ALONG FM 528/W. PARKWOOD AVENUE. AT THE INTERSECTION OF FRIENDSWOOD PARKWAY, EXTENDING NORTHWEST TO THE CITY LIMIT OF FRIENDSWOOD AND SOUTHWEST OF BAKER ROAD AND ALSO INCLUDING THREE OF THE FOUR CORNER TRACTS AT THE INTERSECTION OF FM 528/W. PARKWOOD AVENUE AND FRIENDSWOOD PARKWAY, WHOLLY LOCATED WITHIN GALVESTON COUNTY AND THE CORPORATE LIMITS OF THE CITY OF FRIENDSWOOD, TEXAS; AND DIRECTING THE CITY MANAGER TO PREPARE OR CAUSE TO BE PREPARED A PRELIMINARY REINVESTMENT ZONE PROJECT AND FINANCE PLAN; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Friendswood, Texas (the "City"), is authorized under Chapter 311 of the Texas Tax Code, as amended (the "Act"), to create a tax increment reinvestment zone within its corporate limits; and

WHEREAS, the City Council wishes to hold a public hearing in accordance with Section 311.003 of the Act regarding the establishment of a tax increment reinvestment zone to include approximately 326 acres of land generally located along FM 528/W. Parkwood Avenue. at the intersection of Friendswood Parkway, extending northwest to the city limit of Friendswood and southwest of Baker Road and also including three of the four corner tracts at the intersection of FM 528/W. Parkwood Avenue and Friendswood Parkway, wholly located within Galveston County and the corporate limits of the City of Friendswood, Texas (the "Zone"); and

WHEREAS, the boundaries of the Zone are generally depicted in Exhibit "A," which exhibits are attached hereto and incorporated herein for all intents and purposes; and

WHEREAS, in order to hold a public hearing for the creation of the Zone, notice must be given in a newspaper of general circulation in the City no later than the 7th day before the date of the hearing in accordance with Section 311.003 of the Act; and

WHEREAS, the City Council desires to hold a public hearing on May 6, 2024, on the creation of the Zone; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, STATE OF TEXAS:

Section 1: That the findings set forth in the recitals of this resolution are found to be true and correct.

Section 2. That the City Council of the City of Friendswood hereby sets a public hearing on May 6, 2024, at 5:30 p.m., in the Council Chamber of the City Hall of the City of Friendswood, located at 910 S. Friendswood Drive, Friendswood, Texas, for the purpose of hearing any interested person speak for or against: (i) the inclusion of property within the Zone; (ii) the creation of the Zone and its benefits to the City and to the property in the Zone; (iii) the boundaries of the Zone; and/or (iv) the concept of tax increment financing.

Section 3. At the public hearing, the City Council shall hear testimony regarding and will provide a reasonable opportunity for the owner of any property within the Zone to protest the inclusion of their property within the Zone. After closing the public hearing, the City Council will consider the adoption of an ordinance creating the Zone and other related matters.

Section 4. That the City Secretary is hereby authorized and directed to cause notice of such public hearing to be published in a newspaper of general circulation in the City on or before April 29, 2024, which notice shall be in substantially the form that is attached hereto as Exhibit "B" and incorporated herein for all intents and purposes.

Section 5. That before the public hearing concerning the Zone, the City Manager, on behalf of the City Council, is authorized and directed to prepare or cause to have prepared a preliminary reinvestment zone project and finance plan concerning the Zone.

Section 6. That this resolution shall be effective immediately upon its passage and approval.

INTRODUCED, READ and PASSED by the affirmative vote of the City Council of the City of Friendswood on this the 1st day of April, 2024.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

EXHIBIT "A"

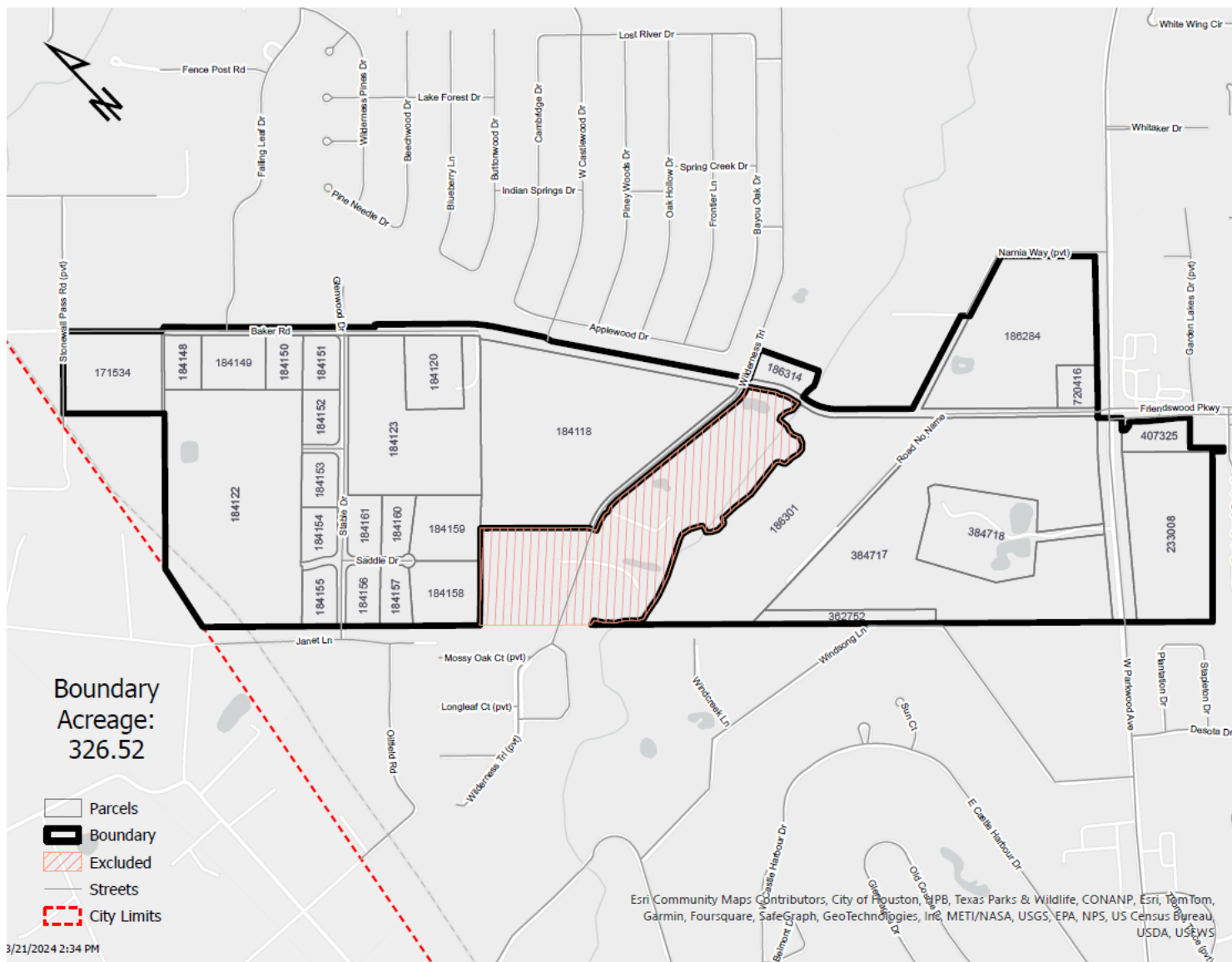


Exhibit "B"

CITY OF FRIENDSWOOD CITY COUNCIL
NOTICE OF PUBLIC HEARING
ON CREATION OF A REINVESTMENT ZONE

The City Council of the City of Friendswood will hold a public hearing on Monday May 6, 2024, at 5:30 p.m. in the Council Chamber of the City Hall of the City of Friendswood, located at 910 S. Friendswood Dr., Friendswood, Texas 77546, on the creation of a reinvestment zone and its benefits to the City of Friendswood and to property within the zone. The proposed zone consists of (i) approximately 300 acres, out of the Einar Hoidale and Mustang Meadows Subdivisions, and the R. Hoppel and A. Jackson Surveys, Friendswood, Galveston County, Texas, generally located within the area northwest of W. Parkwood Dr., southwest of Greenbriar Drive, south of Cowart Creek, and east of the Friendswood's city limit's most westerly line, and Pearland ETJ Boundary; and (ii) approximately 27 acres located in Abstract 645 G Patterson Survey generally located within the area northeast of the northern right-of-way line of W. Parkwood Avenue, southwest of Friendswood Parkway, northeast of Desota Drive and northwest of the drainage ditch behind the properties along Sterling Creek and Waterfall Drives. The proposed reinvestment zone is wholly located within the corporate limits of the City of Friendswood, Texas. A map depicting the boundaries of the proposed reinvestment zone is available in the office of the City Secretary at Friendswood City Hall, 910 S. Friendswood Dr., Friendswood, Texas 77546, and is available for public inspection.

At the public hearing, all interested persons may speak for or against the creation of the proposed reinvestment zone, its boundaries, and/or the concept of tax increment financing; and any owner of property within the proposed reinvestment zone shall be provided a reasonable opportunity to protest the inclusion of their property within the proposed reinvestment zone. After the public hearing, the City Council will consider adoption of an ordinance creating the reinvestment zone.

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. For assistance, please contact the City's ADA Coordinator Brian Rouane at 281-996-3285 via phone, 281-482-1634 via fax or contact 281-996-3285 via Relay Texas at 711 or 1-800-735-2988 for TYY services. For more information concerning Relay Texas, please visit <http://relaytexas.com>.

/S/Leticia Brysch, City Secretary
City of Friendswood



Boundary
Acreage:
326.52

- Parcels
- Boundary
- Excluded
- Streets
- City Limits

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 1, 2024

Date submitted: 03/04/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider an ordinance amending the City's General Budget for Fiscal Year 2023-2024 by approving "Budget Amendment V" and providing for supplemental appropriation and/or transfer of certain funds.

Originating Department: Administrative Services

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

The proposed ordinance amends the City's General Budget for FY2023-24 by approving budget amendment V and provides for supplemental appropriations and/or transfer of certain funds. Attached are two documents that offer an explanation of the adjustments included in Budget Amendment V and they are:

1. Exhibit A - narrative explanation of each budget amendment and
2. Exhibit B - details of each accounting transaction.

By its nature, the City's 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 fifth for fiscal year 2023-2024.

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

Staff recommends approval.

ATTACHMENTS

1. Ordinance - Budget Amendment No. V
2. FY24 BA V Exhibit A 04-01-2024
3. FY24 BA V Exhibit B 04-01-2024

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING ORDINANCE NO. 2023-20, PASSED AND APPROVED AUGUST 28, 2023, THE SAME BEING AN ORDINANCE APPROVING AND ADOPTING THE CITY'S GENERAL BUDGET FOR FISCAL YEAR 2023-24, 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.

WHEREAS, by Ordinance No. 2023-20, the City Council of the City of Friendswood, Texas, adopted its "Original General Budget for Fiscal Year 2023-24"; 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 2023-24; 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 2023-24" is hereby amended for municipal purposes as shown on "Budget Amendment V" to the "Original Budget of the City of Friendswood, Texas, for the Fiscal Year 2023-24" attached hereto. Said Budget Amendment V 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.

INTRODUCED, READ, and PASSED by the affirmative vote of the City Council of the City of Friendswood on this the 1st day of April, 2024.

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 FY2023-2024
Budget Amendment V
April 1, 2024**

1. **Lift Station Mitigation Pkg. 1 (LS #1 & LS #17), \$63,000.** Appropriate funds to cover additional engineering required for Lift Station Mitigation Package 1. The initial engineering contract was awarded to 5Engineering on July 6, 2020. The second amendment for additional engineering was executed on March 5, 2024. The funding source will be water and sewer fund working capital.
2. **2017 CDBG-DR (Galveston County), Deepwood Demolition, \$82,879.** Appropriate advance funding for the demolition of the acquired buildings on Deepwood Drive as part of the 2017 CDBG-DR (Galveston County) grant program. The contract for demolition was awarded to Arkitektura Development, Inc. at the September 11, 2023 City Council meeting. The funding source will be unassigned general fund balance and will be reimbursed once grant funding is received from the State agency.
3. **Fire Station # 2 Reconstruction, Furniture Fixtures & Equipment, \$117,506.** Appropriate additional FF&E funds for Fire Station # 2. Fire Station # 2 Reconstruction is nearing completion, additional funds are needed to equip the facility for use by the Friendswood Volunteer Fire Department. The funding source will be unassigned general fund balance.
4. **Parks and Recreation Donation – Bench at Stevenson Park, \$1,632.** Appropriate donation received from Kimberly and Rufino Ramirez for the purchase of a dedication bench at Stevenson Park. Funds will be appropriated to the Parks division operating equipment account.
5. **Law Enforcement Education Funds, \$5,714.** Appropriate additional Law Enforcement Education Funds received from the State of Texas. Each year, the State allocates training funds to qualified law enforcement agencies. This year the 88th Legislature approved additional funds for this program. These funds are to be used for continuing education and training costs. Funds will be appropriated to the Patrol division (\$4,638) and to the Fire Marshal's Office (\$1,076) training accounts.
6. **Friendswood Civic Center and Library Expansion, \$130,000.** Appropriate funds for the needs assessment and conceptual design of a Friendswood Civic Center and the Library Expansion Project. A contract for these services was awarded to PGAL, Inc. at the March 4, 2024 City Council meeting. The funding source will be unassigned general fund balance.
7. **Texas Municipal Clerks Association – City Secretary's Office, \$500.** Appropriate scholarship funds received from the Texas Municipal Clerks Association. Raquel Martinez was awarded a scholarship to cover a portion of her training and travel expenses to attend the TMCA Seminar. The funds will be appropriated to the City Secretary's Office travel expenses and reimbursements account.
8. **Interlibrary Loan Reimbursement Grant, \$4,017.** Appropriate grant funds received in September 2023 from the Texas State Library and Archives Commission for interlibrary loan lends. Funds will be used by the Library to purchase mobile shelving units. Funds will be appropriated from unassigned general fund balance to the Library's operating equipment account.
9. **2017 CDBG-DR (Harris County) Grant Reimbursement, \$170,389.** Appropriate funds received from the 2017 CDBG-DR (Harris County) grant program for engineering and construction costs related to the Blackhawk Shelter Project. The City received a reimbursement of \$8,000 for engineering expenses that occurred in prior years and \$162,389 for construction services on pay apps #1 and #2. Advanced funding for the engineering services was approved at the August 2, 2021, City Council meeting and the advanced funding for the construction costs were ratified at the January 8, 2024, City Council meeting. Funds will be appropriated back to unassigned general fund balance.

10. **Forest Bend Detention Pond – Construction Pay Application #14, \$51,356.** Appropriate advance funding for Jerdon Enterprise Pay Application #14 for the construction of the Forest Bend Detention Pond. The City applied for and was awarded a reimbursement grant through the 2017 Community Development Block Grant – Disaster Recovery with Harris County to engineer and construct offline detention in coordination with the Forest Bend Homeowner’s Association. The funding source will be unassigned general fund balance and will be reimbursed once grant funding has been received from the grantor.

City of Friendswood				
April 1, 2024				
2023-2024 Budget Amendment V - Exhibit B				
BA Number	Account Number	Project Number		Amount
1	401-0000-30600		Appropriate water and sewer working capital for additional engineering for Lift Stations#4, #1 & #17	(63,000)
1	401-7001-433.8552		Appropriate water and sewer working capital for additional engineering for Lift Stations#4, #1 & #17	63,000
2	124-10199		Appropriate unassigned general fund balance for advance funding related to 2017 CDBG-DR (Galveston County) grant for Deepwood Building Demolition	82,879
2	124-26010		Appropriate unassigned general fund balance for advance funding related to 2017 CDBG-DR (Galveston County) grant for Deepwood Building Demolition	(82,879)
2	001-14029		Appropriate unassigned general fund balance for advance funding related to 2017 CDBG-DR (Galveston County) grant for Deepwood Building Demolition	82,879
2	001-10199		Appropriate unassigned general fund balance for advance funding related to 2017 CDBG-DR (Galveston County) grant for Deepwood Building Demolition	(82,879)
3	001-0000-30500		Appropriate unassigned general fund balance for Furniture, Fixtures, and Equipment at Fire Station # 2	(117,506)
3	001-7001-419.8600		Appropriate unassigned general fund balance for Furniture, Fixtures, and Equipment at Fire Station # 2	117,506
4	001-0000-38600	PK0025	Appropriate donation received from K. & R. Ramirez family for the purchase of a park bench	(1,632)
4	001-6430-456.5800		Appropriate donation received from K. & R. Ramirez family for the purchase of a park bench	1,632
5	001-0000-33434		Appropriate Law Enforcement Education Fund proceeds for Police and Fire Marshal's Office training	(5,714)
5	001-2120-421.7510		Appropriate Law Enforcement Education Fund proceeds for Police Department training	4,638
5	001-2501-422.7510		Appropriate Law Enforcement Education Fund proceeds for Fire Marshal's Office training	1,076
6	001-0000-30500		Appropriate unassigned general fund balance for Civic Center and Library Expansion project preliminary assessment	(130,000)
6	001-7001-419.8581		Appropriate unassigned general fund balance for Civic Center and Library Expansion project preliminary assessment	130,000
7	001-0000-38000		Appropriate TMCA scholarship received for R. Martinez, CSO	(500)
7	001-0201-411.7520		Appropriate TMCA scholarship received for R. Martinez, CSO	500
8	001-0000-30500		Appropriate prior year grant proceeds received from the TX State Library & Archives Commission to Library operating budget	(4,017)
8	001-6310-459.5800		Appropriate prior year grant proceeds received from the TX State Library & Archives Commission to Library operating budget	4,017
9	123-0000-30100		Appropriate 2017 CDBG-DR (Harris County) grant proceeds and reimburse unassigned general fund balance for advance funding for Blackhawk Shelter Project	(162,389)
9	123-7001-419.8591		Appropriate 2017 CDBG-DR (Harris County) grant proceeds and reimburse unassigned general fund balance for advance funding for Blackhawk Shelter Project	162,389
9	001-10199		Reimburse unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Blackhawk Shelter Project	170,389
9	001-14028		Reimburse unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Blackhawk Shelter Project	(170,389)
9	123-26010		Reimburse unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Blackhawk Shelter Project	170,389
9	123-10199		Reimburse unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Blackhawk Shelter Project	(170,389)
10	123-10199		Appropriate unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Forest Bend Detention Project	51,356
10	123-26010		Appropriate unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Forest Bend Detention Project	(51,356)
10	001-14028		Appropriate unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Forest Bend Detention Project	51,356
10	001-10199		Appropriate unassigned general fund balance for advance funding related to 2017 CDBG-DR (Harris County) grant for Forest Bend Detention Project	(51,356)

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 1, 2024

Date submitted: 03/20/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider a resolution designating authorized signatories for the Community Development Block Grant – Mitigation Program (CDBG-MIT) for the Texas General Land Office State Contract No. 24-065-030-E485.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This proposed resolution designates the City Manager as the authorized signatory authority for the Community Development Block Grant – Mitigation Program (CDBG-MIT) for the Texas General Land Office State Contract No. 24-065-030-E485.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Resolution - Designating Signatory Authority CDBG Mitigation Program

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD,
TEXAS, DESIGNATING AUTHORIZED SIGNATORIES FOR CONTRACTUAL
DOCUMENTS AND DOCUMENTS FOR REQUESTING FUNDS PERTAINING TO
THE COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION PROGRAM
GENERAL LAND OFFICE (GLO) STATE CONTRACT NUMBER 24-065-030-E485;
AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, City of Friendswood has received a Community Development Block Grant – Mitigation Program ("CDGB-MIT") award to provide Street Improvements/Water Facilities; and

WHEREAS, it is necessary to appoint persons to execute contractual documents and documents requesting funds from the Texas General Land Office; and

WHEREAS, an original signed copy of the CDBG-MIT Depository/Authorized Signatories Designation Form is to be submitted with a copy of this resolution to the Texas General Land Office; and

WHEREAS, City of Friendswood acknowledges that in the event that the authorized signatory changes (elections, illness, resignations, etc.) the following will be required:

- a resolution stating the new authorized signatory (a new resolution is not required if this original resolution names only the title and not the name of the signatory); and
- a revised CDBG-MIT Depository/Authorized Signatories Designation Form;

NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, STATE OF TEXAS:

Section 1. That the Mayor and City Manager are hereby authorized to execute contractual documents between the Texas General Land Office and the City for the CDBG-MIT Program.

Section 2. That the Mayor, City Manager, Director of Engineering, and Director of Administrative Services are authorized to execute the State of Texas Purchase Voucher and Request for Payment Form documents required for requesting funds approved in the CDBG-MIT Program.

Section 3. That the Mayor and City Manager are authorized to execute environmental review and related documents as the responsible entity for the CDBG-MIT Program.

Section 4. This resolution shall be effective immediately upon its passage and approval.

INTRODUCED, READ AND PASSED by the affirmative vote of the City Council of the City of Friendswood on this the 1st day of April, 2024.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

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 1, 2024

Date submitted: 03/19/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider a resolution suspending the April 10, 2024, effective date of CenterPoint Energy Houston Electric, LLC's requested rate change; approving the continued participation in the Gulf Coast Coalition of Cities to evaluate the filing, to determine whether the filing complies with law, and to determine the appropriate course of action.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

CenterPoint Energy Houston Electric, LLC ("CenterPoint" or "Company") filed an application on March 6, 2024 with cities retaining original jurisdiction seeking to increase system-wide transmission and distribution rates by \$60 million per year. The Company asks the City to approve an increase of \$17 million in retail transmission and distribution rates (an increase of about 1%) and \$43 million in wholesale transmission rates (an increase of about 6.6%). According to CenterPoint, the impact on an average residential customer would be an increase of about \$1.25 per month.

Because it is incumbent upon the City, as a regulatory authority, to examine the proposed increases to determine its compliance with law, this resolution suspends the effective date of the Company's rate increase for 90 days (the maximum period permitted by law) to allow the City, working in conjunction with other members of Gulf Coast Coalition of Cities and its consultants, to evaluate the filing, determine whether the filing complies with law, and determine and any appropriate course of action to pursue.

If the City fails to take some action regarding the filing before April 10, 2024 (effective date of the rate increase), CenterPoint's rate request is deemed approved.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Resolution - Suspending CenterPoint Houston Electric Rate Increase

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, SUSPENDING THE APRIL 10, 2024, EFFECTIVE DATE OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING CONTINUED COOPERATION WITH THE GULF COAST COALITION OF CITIES; HIRING LLOYD GOSSELINK ROCHELLE & TOWNSEND, P.C., TO NEGOTIATE AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL FOR THE GULF COAST COALITION OF CITIES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on or about March 6, 2024, CenterPoint Energy Houston Electric, LLC ("CenterPoint" or "Company"), pursuant to the Public Utility Regulatory Act ("PURA") §§ 33.001 and 36.001, filed with the City of Friendswood, Texas ("City") a Statement of Intent to change electric delivery rates in all municipalities exercising original jurisdiction within its service area, effective April 10, 2024; and

WHEREAS, the City is a member of the Gulf Coast Coalition of Cities ("GCCC") and will cooperate with the other similarly situated city members and other city participants in conducting a review of the Company's application and to hire and direct legal counsel and consultants to prepare a common response and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, GCCC's member cities have previously authorized intervention in electric utility rate case proceedings before the Public Utility Commission of Texas (the "Commission"); and

WHEREAS, GCCC has previously authorized the hiring of the law firm of Lloyd Gosselink Rochelle & Townsend, P.C., to negotiate with the Company, to make recommendations regarding reasonable rates, and to direct any necessary administrative proceedings or court litigation associated with an appeal of a rate ordinance and the rate case filed with the City or the Commission; and

WHEREAS, PURA § 36.108 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days after the date the rate change would otherwise be effective; and

WHEREAS, PURA § 33.023 provides that costs incurred by cities in ratemaking activities are to be reimbursed by the regulated utility; NOW THEREFORE,

BE IT RESOLVED 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 resolution are hereby found to be true and correct.

Section 2. That the April 10, 2024, effective date of the rate request submitted by CenterPoint on or about March 6, 2024, shall be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

Section 3. That the City is authorized to cooperate with GCCC to coordinate efforts to protect the interests of the City and protect the interests of CenterPoint's end-user customers residing and conducting business within municipal limits.

Section 4. That the City's reasonable rate case expenses shall be reimbursed by CenterPoint on a timely basis.

Section 5. That the City Secretary is hereby directed to send a copy of this resolution to CenterPoint, care of Patrick Peters, CenterPoint Energy, Inc., 1005 Congress Avenue, Suite 650, Austin, Texas 78701 (patrick.peters@centerpointenergy.com), and to Roslyn Dubberstein at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (rdubberstein@lglawfirm.com).

Section 6. This resolution shall be effective immediately upon its passage and approval.

INTRODUCED, READ AND PASSED by the affirmative vote of the City Council of the City of Friendswood on this the 1st day of April, 2024.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

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 1, 2024

Date submitted: 03/26/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider a resolution adopting the City of Friendswood's updated Drought Contingency and Water Emergency Management Plan to promote the responsible use of water throughout the City.

Originating Department: Public Works

Degree of importance: Critical

SUMMARY / ORIGINATING CAUSE

This proposed resolution adopts the City of Friendswood's updated Drought Contingency and Water Emergency Management Plan to promote the responsible use of water throughout the city.

In July 1999, the City adopted a Drought Contingency Plan as required by Section 11.1272 of the Texas Water Code. The Texas Commission on Environmental Quality (TCEQ) was mandated to adopt rules requiring wholesale and retail water suppliers and irrigation districts to develop drought contingency plans that would be implemented during periods of water shortages or supply system emergencies.

In continuation, TCEQ notified water suppliers that a re-submittal is required for the year 2024. Title 30, Texas Administrative Code, Chapter 288 requires water systems to comply with these plans. Retail Public Water Suppliers providing water services to 3,300 or more connections must submit a drought contingency plan to TCEQ annually, and an amended Water Conservation Plan to the Texas Water Development Board (TWDB) every five years. The current Water Conservation Plan was adopted in 2019, as Ordinance 2019-43, and needs to be updated / readopted this year, 2024. The current proposed plan was amended in-house in coordination with Public Works staff and the City Attorney and did/does not require any additional expenditure.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Failures to approve, adopt, and submit an amended Water Conservation Plan may result in increased enforcement efforts by TCEQ and the levying of fines.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Resolution - Drought Contingency Plan and Water Emergency Management Plan and Utility Profile
2. Exhibit A - Drought Contingency and Water Emergency Management Plan

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, ADOPTING THE CITY OF FRIENDSWOOD'S DROUGHT CONTINGENCY PLAN AND WATER EMERGENCY MANAGEMENT PLAN AND THE UTILITY PROFILE IN ORDER TO PROMOTE THE RESPONSIBLE USE OF WATER THROUGHOUT THE CITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality requires the City of Friendswood to adopt a drought contingency plan along with a water conservation plan; and

WHEREAS, the City, as a retail public water supplier providing water services to 3,300 or more connections, must submit a drought contingency plan to the Texas Commission on Environmental Quality annually, and an amended water conservation plan to the Texas Water Development Board every five years; and

WHEREAS, the City's Water Conservation Plan was last adopted in 2019 and is due for an update this year; and

WHEREAS, the City has reviewed and updated its drought contingency plan along with its water conservation plan in order to further promote the responsible use of water throughout the City; and

WHEREAS, the City is committed to implementing the requirements and procedures set forth in the plan adopted herein; NOW THEREFORE,

BE IT RESOLVED 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 resolution are hereby found to be true and correct.

Section 2. That the City Council hereby adopts the City of Friendswood's Drought Contingency and Water Emergency Management Plan, which is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

Section 3. That the City Council hereby adopts the City of Friendswood's Utility Profile, which is attached to the Plan adopted in Section 2 as Appendix "A" and incorporated herein for all intents and purposes.

Section 4. This resolution shall be effective immediately upon its passage and approval.

INTRODUCED, READ AND PASSED by the affirmative vote of the City Council of the City of Friendswood on this the 1st day of April, 2024.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

CITY OF FRIENDSWOOD



DROUGHT CONTINGENCY AND WATER EMERGENCY MANAGEMENT PLAN

(ADOPTED APRIL 1, 2024)

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CITY OF FRIENDSWOOD
DROUGHT CONTINGENCY AND WATER EMERGENCY MANAGEMENT PLAN

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Regional Water Planning Group:	<u>Houston Region H</u>	
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Signature:	<u>Date: / /</u>	

1. Declaration of Policy, Purpose, and Intent

1.01 Policy

The City of Friendswood is committed to the conservation of water, especially in times of drought, water supply shortages and emergency conditions in compliance with all applicable laws and regulations.

1.02 Purpose

The purpose of this Drought Contingency and Water Emergency Plan (the "Plan") and the regulations and restrictions on the delivery and consumption of water contained herein is as follows:

- to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection;
- to protect and preserve the public health, safety, and welfare; and
- to minimize the adverse impacts of water supply shortage or other water supply emergency conditions.

Drought contingency planning has been developed as a part of the City's water conservation plan as a means of dealing with conditions which occur from drought and/or water emergencies. The drought contingency and water emergency management phase of the conservation plan has been developed using the guidelines of the TCEQ and the TWDB.

1.03 Intent of the drought contingency plan

It is the intent of the City of Friendswood under this Plan to regulate and/or prohibit water uses, which are considered to be non-essential water uses as defined herein. The continuation of non-essential water uses during times of water shortage or other emergency water supply conditions is hereby deemed to constitute waste, and subjects the offenders to the penalties outlined in this Plan and the Friendswood City Code.

1.04 Goals and objectives of the water conservation plan

(a) *Objectives*

In accordance with 30 Tex. Admin. Code § 288.2 (a)(1)(C), the following objectives and five (5) and ten (10) year targets have been established. The objectives of this water conservation plan are as follows:

- to promote water conservation;
- to determine and control unaccounted water usage;
- to reduce the loss and waste of water; and
- to maintain an accurate record of water usage.

(b) *Goals of the program (5-year target and goals)*

- (1) Beginning in the year 2024, the City's goals are to achieve a municipal use of 124 gallons per capita per day for the first five (5) years (2024 – 2029) and also to achieve a municipal use water loss goal of five (5) gallons per capita per day for the period 2024 – 2029.
- (2) Beginning in the year 2024, the City's goal is to control the water loss, not to exceed 11% for the period 2024 – 2029.

(c) *Goals of the program (10-year target and goals)*

- (1) Beginning in the year 2029, the City's goals are to achieve a municipal use of 121 gallons per capita per day for the next five (5) years (2024 – 2029) and also to achieve a municipal use water loss

goal of an additional three (3) gallons per capita per day for the period 2029 – 2034.

- (2) Beginning in the year 2029, the City's goal is to manage the water loss to 8% or less for the period 2024 – 2034.

(d) *Baseline*

The projected baseline to reduce the municipal per capita water use per day consumption is 124 gpcd.

1.05 Methods to accomplish goals

To accomplish the goals established in this Plan, the City will utilize the programs and policies in the plan such as accurate metering devices, universal metering, meter testing and repair, periodic meter replacement, control of unaccounted water, public education, non-promotional water rates, and leak detection and repair.

(a) *Metering*

- (1) The City meters 100% of the connections to the distribution system including municipal uses. Meters range in size from 3/4" to 6". All meters are designed to provide accurate flows to within +/- 1.5%.
- (2) The City practices a meter change-out program whereby meters are changed out every ten (10) to fifteen (15) years. Additionally, larger meters are field-tested and repaired for accuracy. Generally, the City does not use repaired meters in the system.
- (3) The water treatment plant has metering for treated water. The metering is accomplished through turbine meters. Certified calibration is performed bi-annually.

(b) *Determination and control of unaccounted-for water*

- (1) The City makes a bimonthly accounting of water delivery efficiencies. At the end of each period, the public works department calculates the difference between water pumped to the system and water sold through the meters. This calculation is reduced to a percentage of water losses. This is maintained and reviewed on an annual basis.
- (2) Leaks are reported by any municipal employee as well as the general public.

- (3) The water plants are monitored daily, and system pressure is checked carefully. Any unusual pressure level may be indicative of sizeable leaks and shall be reported to the maintenance section as soon as noted.
 - (4) All leaks are repaired the same day or as soon as practicable.
- (c) *Water rates*
In 2014, the City moved from a uniform block rate to the volumetric system. Water rates are in Appendix D of the Friendswood City Code.
- (d) *Other conservation measures*
The City recognizes that in order to accomplish the goals and objectives of this water conservation plan, other conservation measures may be required that are not outlined within this division. The City is aware of the Water Conservation Best Management Practices Guide published by the Water Conservation Implementation Task Force in November 2004. As deemed necessary, the City will implement other measures either from the BMP Guide or as otherwise seen fit to assure compliance with the plan.

1.06 Operations

- (a) *Water systems operations*
 - (1) The City purchases treated surface water from the City of Houston. The City owns and operates two surface water booster stations and six ground water plants. Water is received into the ground storage tanks via water supply lines. The water is then distributed through transmission lines to customers. The system capacity is 20 million gallons per day.
 - (2) The City uses approximately 1.9 billion gallons annually. The purchased water provides the majority of the demand and averages over 95% of the usage.
- (b) *Records management system*
 - (1) The public works department maintains records of:
 - a. Water received from the City of Houston;
 - b. Water received from the ground water plants;
 - c. Water pumped to the distribution system;

- d. Water used for flushing and sewer line cleaning; and
 - e. Estimates of water losses due to water leaks and firefighting/training.
- (2) The administrative services department maintains records of:
- a. Residential (single and multi-family) water sold,
 - b. Commercial water sold, and
 - c. Water rates.

The City annually prepares and submits a water audit in accordance with TWDB guidance as required by V.T.C.A., Water Code § 16.0121.

(c) *Wholesale contracts*

The City is not a wholesale public water supplier.

(d) *Plumbing code*

- (1) The City operates under the plumbing code adopted in section 14-252 and amended in section 14-253 of this Code. The City routinely inspects new construction, remodeling, add-ons, etc., through building permits. All new construction is required to meet state and federal rules regarding water-conserving plumbing fixtures.
- (2) The City does not offer a program for the replacement or retrofit of water conserving plumbing fixtures in existing structures other than what would be required through the permitting process for remodels and building upgrades.

(e) *Recycling and reuse*

The City has no program regarding the reuse of gray water.

1.07 Review and modification of plan

This drought contingency and water emergency management plan will be reviewed and updated, as appropriate, based on an assessment of previous five-year and ten-year targets and any other new or updated information. The City will review and update the next revision of its water conservation plan by no later than by the end of year 2029, and every five years after that date to coincide with the regional water planning group.

2. Public Education

2.01 Drought contingency

The City of Friendswood will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of letters, utility bill inserts, newsletters, website, press releases and/or media as methods to be used to provide information to the public about the Plan.

2.02 Water conservation

- (a) The City will support programs to educate the public regarding water conservation activities that support its goals. This includes educating the general public on the need for and practices of water conservation through public service announcements and other means. This information will be provided by means of public notice, web site, press releases, and mailings.
- (b) Through the Focus on Friendswood newsletter and the Annual Consumer Confidence Report, the City will provide water conservation tips to its customers. In addition, the City sponsors local schools by participating in the Harris-Galveston Subsidence District's Water Conservation Education program to increase water conservation awareness and activity through education and other water conservation program objectives and initiatives.

3. Coordination with Regional Water Planning Groups

The water service area of the City of Friendswood is located within the Houston Region H Planning area. The City of Friendswood has provided a copy of this Plan to the Houston Region H Planning Group.

4. Authorization

The City Manager is hereby authorized and directed to implement the Plan and is hereby given the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan if the City Manager determines that such implementation is necessary to protect the public health, safety, and welfare.

5. Application

The provisions of this Plan shall apply to all persons, customers, and property owners utilizing water provided by the City of Friendswood.

6. Definitions

The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

- 6.01 *Aesthetic or scenic purposes* means the use of water for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.
- 6.02 *City Manager* means the City Manager of the City of Friendswood and person(s) designated by the City Manager to act on his behalf in furtherance of this Plan.
- 6.03 *Conservation* means those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.
- 6.04 *Customer* means any person using water supplied by the City of Friendswood.
- 6.05 *Domestic water use* means water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.
- 6.06 *Even-numbered address* means a street address, box numbers, or rural postal route number ending in 0, 2, 4, 6, or 8 and any location without an address.
- 6.07 *Foundation watering* means an application of water to the soils directly abutting (within 2 feet) the foundation of a building or structure.
- 6.08 *Gpcd* means gallons per capita per day.
- 6.09 *Landscape irrigation* means water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.
- 6.10 MGD means million gallons per day.
- 6.11 *Non-essential water use* means water uses that are not essential nor required for the protection of public health, safety, and welfare, including:
- (a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
 - (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
 - (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - (d) use of water to wash down buildings or structures for purposes other than immediate fire protection;

- (e) use of water for flushing gutters or permitting water to run or accumulate in any gutter or street;
 - (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
 - (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
 - (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
 - (i) use of water from hydrants for construction purposes or any other purposes other than firefighting.
- 6.12 *Odd-numbered address* means a street address, box number, or rural postal route number ending in 1, 3, 5, 7, or 9.
- 6.13 *Person* means and includes any individual, corporation, partnership, company association, and any other legal entity.
- 6.14 *Reuse* means the authorized use for one or more beneficial purposes of use of water that remains unconsumed after the water is used for the original purpose of use and before that water is either disposed of or discharged or otherwise allowed to flow into a watercourse, lake, or other body of state-owned water.
- 6.15 *TCEQ* means the Texas Commission on Environmental Quality or successor entity.
- 6.16 *TWDB* means the Texas Water Development Board or successor entity.
- 6.17 *Wholesale public water supplier* means an individual or entity that for compensation supplies water to another for resale to the public for human consumption. The term does not include an individual or entity that supplies water to itself or its employees or tenants as an incident of that employee service or tenancy when that water is not resold to or used by others, or an individual or entity that conveys water to another individual or entity, but does not own the right to the water which is conveyed, whether or not for a delivery fee.

7. Criteria for Initiation and Termination of Drought Response Stages

- 7.01 Authority
The City Manager shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

7.02 Basis

The City of Friendswood's current available system operating capacity is 20MGD. The City has a purchased water contract of 12 MGD. The remaining 8 MGD is produced via groundwater wells operated by City staff. The 60% trigger is based on the 12MGD daily purchase water capacity relying on groundwater sources as alternative sources.

7.03 Alternative water sources/alternative delivery mechanisms

Alternative water source(s) for the City of Friendswood are other wells not normally used as a part of the City's daily water production.

7.04 Stages

(a) *Stage 1 – MILD Water Shortage Conditions*

(1) *Requirements for initiation*

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 1 of this Plan as provided in Section 8 hereinbelow when one or a combination of the following criteria occurs:

Condition 1: When total daily water demand equals or exceeds sixty percent (60%) of the current available system operating capacity for three (3) consecutive days.

Condition 2: When total daily water demand equals or exceeds sixty-five percent (65%) of the current available system operating capacity on a single day.

Condition 3: When the City Manager determines that the initiation of Stage 1 is appropriate based on weather conditions, distribution and water supply system deficiencies, and/or unforeseen circumstances.

Condition 4: When the City of Houston initiates Stage 1.

(2) *Requirements for termination*

Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days.

(b) *Stage 2 – MODERATE Water Shortage Conditions*

(1) Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 2 of this Plan as provided in Section 8 hereinbelow when one or a combination of the following criteria occurs:

Condition 1: When total daily water demand equals or exceeds seventy percent (70%) of the current available system operating capacity for three (3) consecutive days.

Condition 2: When total daily water demand equals or exceeds seventy-five percent (75%) of the current available system operating capacity for three (3) consecutive days.

Condition 3: When the City Manager determines that the initiation of Stage 2 is appropriate based on weather conditions, distribution and water supply system deficiencies, and/or unforeseen circumstances.

Condition 4: When the City of Houston initiates Stage 2.

(2) *Requirements for termination*

Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 2, Stage 1 or the applicable drought response stage based on the triggering criteria shall become operative.

(c) *Stage 3 – SEVERE Water Shortage Conditions*

(1) Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan as provided in Section 8 hereinbelow when one or a combination of the following criteria occurs:

Condition 1: When total daily water demand equals or exceeds eighty percent (80%) of the current available system operating capacity for three (3) consecutive days.

Condition 2: When total daily water demand equals or exceeds eighty-five percent (85%) of the current available

system operating capacity for three (3) consecutive days.

Condition 3: When the City Manager determines that the initiation of Stage 3 is appropriate based on weather conditions, distribution and water supply system deficiencies, and/or unforeseen circumstances.

Condition 4: When the City of Houston initiates Stage 3.

(2) *Requirements for termination*

Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 3, Stage 2 or the applicable drought response stage based on the triggering criteria shall become operative.

(d) *Stage 4– CRITICAL Water Shortage Conditions*

a. *Requirements for initiation*

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of this Plan as provided in Section 8 hereinbelow when one or a combination of the following criteria occurs:

Condition 1: When major water line breaks, or pump or system failures occur and cause unprecedented loss of capacity to provide water service.

Condition 2: When natural or manmade contamination of the water supply source(s) occurs.

Condition 3: When the City Manager determines that the initiation of Stage 4 is appropriate based on weather conditions, distribution, and water supply system deficiencies, and/or unforeseen circumstances.

Condition 4: When the City of Houston initiates Stage 4.

b. *Requirements for termination*

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 4, Stage 3 or the applicable drought response stage based on the triggering criteria shall become operative.

(e) Stage 5– EMERGENCY Water Shortage Conditions

a. *Requirements for initiation*

Customers shall be required to comply with the requirements and restrictions for Stage 5 of this Plan as provided in Section 8 hereinbelow when the City Manager determines that a water supply emergency exists based on:

Condition 1: When a major water line breaks or pump or system failures occur and cause unprecedented loss of capability to provide water service; or

Condition 2: Natural or man-made contamination of the water supply source(s) occurs.

Condition 3: When the City Manager determines that the initiation of Stage 5 is appropriate based on weather conditions, distribution, and water supply system deficiencies, and/or unforeseen circumstances.

Condition 4: When the City of Houston initiates Stage 5.

b. *Requirements for termination*

Stage 5 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days.

8. Drought Response Stages

The City Manager shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section 8 of this Plan, shall determine that a mild, moderate, severe, critical, emergency or water shortage condition exists and shall implement the following notification procedures:

8.01 Notification

The City Manager shall notify the public by means of:

- (a) Publication in a newspaper of general circulation,
- (b) Direct mail to each customer,
- (c) Public service announcements,
- (d) Signs posted in public places,
- (e) Auto-calling, and

- (f) City website.

8.02 Additional Notification

The City Manager shall notify directly, or cause to be notified directly, the following individuals and entities:

- (a) Mayor and members of the City Council;
- (b) Fire Chief(s);
- (c) City and/or County Emergency Management Coordinator(s);
- (d) County Judge & Commissioner(s);
- (e) State Disaster District / Department of Public Safety;
- (f) TCEQ (required when mandatory restrictions are imposed);
- (g) Major water users;
- (h) Critical water users, i.e. hospitals; and
- (i) Parks & public facilities managers.

8.03 Stages

(a) *Stage 1 Response – MILD Water Shortage Conditions*

(1) *Target*

The target for the City's Stage 1 Response is to achieve a voluntary twenty percent (20%) reduction in daily water use.

(2) *Best Management Practices for Supply Management*

Measures to be implemented directly by the City of Friendswood to manage limited water supplies and/or reduce water demand include the following:

- a. reducing or discontinuing flushing of water mains.

(3) *Voluntary Water Use Restrictions for Reducing Demand*

The following voluntary water use restrictions shall apply to all persons:

- a. Water customers are requested to voluntarily limit the landscape irrigation to Sundays and Thursdays for customers with an even-numbered address and Saturdays and Wednesdays for water customers with an odd-numbered

address. Landscape irrigation may only occur between the hours of midnight and 10:00 a.m. and between 8:00 p.m. to 12:00 midnight on designated watering days.

- b. All operations of the City of Friendswood shall adhere to water use restrictions prescribed for Stage 1 of the Plan.
- c. Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

(b) *Stage 2 Response – MODERATE Water Shortage Conditions*

(1) Target

The target for the City's Stage 2 Response is to achieve an eighteen percent (18%) reduction in daily water use.

(2) Best Management Practices for Supply Management

Measures to be implemented directly by the City of Friendswood to manage limited water supplies and/or reduce water demand include the following:

- a. reduce or discontinue flushing of water mains and
- b. reduce or discontinue irrigation of public landscaped areas.

(3) Water Use Restrictions for Reducing Demand

Under the threat of penalty, the following water use restrictions shall apply to all persons:

- a. Landscape irrigation with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with an even-numbered address and Saturdays and Wednesdays for customers with an odd-numbered address. Landscape irrigation is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, landscape irrigation is permitted at any time if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- b. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with

a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the public health, safety, and welfare are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

- c. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.
- d. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- e. Use of water from hydrants shall be limited to firefighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the City of Friendswood.
- f. Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the City of Friendswood the facility shall not be subject to these regulations.
- g. All restaurants are prohibited from serving water to patrons except upon request of the patron.
- h. The following uses of water are defined as non-essential and are prohibited:
 - i. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;

- ii. use of water to wash down buildings or structures for purposes other than immediate fire protection;
- iii. use of water for dust control;
- iv. flushing gutters or permitting water to run or accumulate in any gutter or street; and
- v. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

(c) *Stage 3 Response – SEVERE Water Shortage Conditions*

(1) *Target*

The target for the City's Stage 3 Response is to achieve a thirty-five percent (35%) reduction in daily water use.

(2) *Best Management Practices for Supply Management*

Measures to be implemented directly by the City of Friendswood to manage limited water supplies and/or reduce water demand include the following:

- a. reduce or discontinue flushing of water mains; and
- b. reduce or discontinue irrigation of public landscaped areas.

(3) *Water Use Restrictions for Demand Reduction*

Under the threat of penalty, all water use restrictions for Stage 2 shall apply for Stage 3 and shall apply to all persons, except:

- a. Landscape irrigation shall be limited to designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.
- b. The watering of golf course greens, tees, and fairways is prohibited unless the golf course utilizes a water source other than that provided by the City of Friendswood.
- c. The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

- d. Foundation watering (within 2 feet) and watering of trees may occur for two hours one day per week with a hand-held hose or with a dedicated zone using a drip irrigation system and/or soaker hose, provided no runoff occurs.

(d) *Stage 4 Response – CRITICAL Water Shortage Conditions*

(1) *Target*

The target for the City's Stage 4 Response is to achieve a forty percent (40%) reduction in daily water use.

(2) *Best Management Practices for Supply Management*

Measures to be implemented directly by the City of Friendswood to manage limited water supplies and/or reduce water demand include the following:

- a. all Best Management Practices in effect in Stage 3,
- b. system water loss control,
- c. reduced or discontinued irrigation of public landscaped areas,
- d. use of an alternative supply source, and
- e. use of reclaimed water for non-potable uses.

(3) *Water Use Restrictions for Reducing Demand*

Under the threat of penalty, all water use restrictions for Stages 2 and 3 shall apply for Stage 4 and shall apply to all persons, except:

- a. Landscape irrigation shall be limited to designated watering days between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times.
- b. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service

stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10:00 p.m.

- c. The filling, refilling, or adding of water to swimming pools, wading pools, and Jacuzzi-type pools is prohibited.
- d. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- e. No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.

(e) *Stage 5 Response – EMERGENCY Water Shortage Conditions*

(1) *Target*

The target for the City's Stage 5 Response is to achieve a forty percent (40%) reduction in daily water use.

(2) *Best Management Practices for Supply Management*

Measures to be implemented directly by the City of Friendswood to manage limited water supplies and/or reduce water demand include the following:

- a. all Best Management Practices in effect in stage 4,
- b. system water loss control,
- c. reduced or discontinued irrigation of public landscaped areas,
- d. use of an alternative supply source, and
- e. use of reclaimed water for non-potable uses.

(3) *Water Use Restrictions for Reducing Demand*

Under the threat of penalty, all water use restrictions for Stages 2, 3 and 4 shall apply for Stage 5 and shall apply to all persons, except:

- a. Irrigation of landscaped areas is absolutely prohibited, except soaker hoses, hand-held hoses or a dedicated zone using a drip irrigation system may be used to water trees up to two hours per week or foundations as necessary, provided no runoff occurs.
- b. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

9. Variances

9.01 Authority to Grant Temporary Variance

The City Manager may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

- (a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- (b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

9.02 Variance Petition

Persons requesting an exemption from the provisions of this Plan shall file a petition for variance with the City of Friendswood within five (5) days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the City Manager and shall include the following:

- (a) Name and address of the petitioner(s).
- (b) Purpose of water use.
- (c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- (d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Plan.
- (e) Description of the relief requested.
- (f) Period of time for which the variance is sought.

- (g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- (h) Other pertinent information.

10. Enforcement

10.01 Violation

No person shall knowingly or intentionally allow the use of water from the City of Friendswood for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by City Manager in accordance with provisions of this Plan.

10.02 Criminal Penalties

Any person who violates this Plan, upon conviction, is guilty of a misdemeanor and shall be punished by a fine of not more than TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00). Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense.

10.03 Civil Remedies

- (a) If a person is convicted of three or more distinct violations of this Plan, the City Manager shall, upon due notice and process to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a reconnection charge, hereby established in Appendix D of the Friendswood City Code. In addition, suitable assurance must be given to the City Manager that the same action shall not be repeated while the Plan is in effect.
- (b) Compliance with this Plan may also be sought through injunctive relief in the district court.

10.04 Presumption

Any person, including a person classified as a water customer of the City of Friendswood, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation; but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children, and proof that a violation committed by a child occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation; but any such parent may be excused if he/she proves that he/she had previously directed the

child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.

10.05 Process

Any police officer or employee designated by the City Manager may issue a citation or notice of violation, as applicable, to a person he/she reasonably believes to be in violation of this Plan. The citation shall be prepared in duplicate and shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the municipal court on the date shown on the citation for which the date shall not be less than three (3) days nor more than five (5) days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over 14 years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in municipal court to enter a plea of guilty or not guilty for the violation of this Plan. If the alleged violator fails to appear in municipal court, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in municipal court before all other cases.

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

CONTACT INFORMATION

Name of Utility:	CITY OF FRIENDSWOOD				
Public Water Supply Identification Number (PWS ID):	TX0840002				
Certificate of Convenience and Necessity (CCN) Number:	P0866				
Surface Water Right ID Number:					
Wastewater ID Number:					
Contact:	First Name:	Eric	Last Name:	Segura	
	Title:	Water & Wastewater Superintendent			
Address:	15355 Blackhawk		City:	Friendswood	State: TX
Zip Code:	77546	Zip+4:	Email: esegura@friendswood.com		
Telephone Number:	8324953524		Date:	3/13/2024	
Is this person the designated Conservation Coordinator?			☒ Yes	☐ No	

Regional Water Planning Group:	H
Groundwater Conservation District:	

Our records indicate that you:

- ☐ Received financial assistance of \$500,000 or more from TWDB
- ☒ Have 3,300 or more retail connections
- ☐ Have a surface water right with TCEQ

A. Population and Service Area Data

1. Current service area size in square miles:	21
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UTILITY PROFILE FOR RETAIL WATER SUPPLIER

2. Historical service area population for the previous five years, starting with the most current year.

Year	Historical Population Served By Retail Water Service	Historical Population Served By Wholesale Water Service	Historical Population Served By Wastewater Water Service
2023	42,815	0	0
2022	42,268	0	0
2021	41,951	0	0
2020	45,500	0	0
2019	45,801	0	0

3. Projected service area population for the following decades.

Year	Projected Population Served By Retail Water Service	Projected Population Served By Wholesale Water Service	Projected Population Served By Wastewater Water Service
2030	47,513	0	0
2040	51,306	0	0
2050	55,497	0	0
2060	59,697	0	0
2070	64,342	0	0

4. Described source(s)/method(s) for estimating current and projected populations.

Current population: Derived from Friendswood 2021 Water System Improvement Report. For this project, Garver developed a population projection that incorporates the recent 2020 Census data and approaches the buildout population by City staff. Garver assumed an initial growth rate of 1.4% based on recent growth trends and applied a sigmoidal population projection curve to reduce the growth rate as the population approaches the anticipated buildout population. City staff have estimated the buildout population for the system to be 50,000 people based on the City's 2021 future land use map update.

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

B. System Input

System input data for the previous five years.

Total System Input = Self-supplied + Imported– Exported

Year	Water Produced in Gallons	Purchased/Imported Water in Gallons	Exported Water in Gallons	Total System Input	Total GPCD
2023	366,974	2,059,524,873	0	2,059,891,847	132
2022	23,606,091	2,144,752,284	0	2,168,358,375	141
2021	30,177,665	1,826,136,041	0	1,856,313,706	121
2020	20,518,782	1,961,881,218	0	1,982,400,000	119
2019	22,099,497	1,807,032,161	0	1,829,131,658	109
Historic Average	19,353,802	1,959,865,315	0	1,979,219,117	124

C. Water Supply System

1. Designed daily capacity of system in gallons	20,000,000
2. Storage Capacity	
2a. Elevated storage in gallons:	2,000,000
2b. Ground storage in gallons:	5,850,000

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

D. Projected Demands

1. The estimated water supply requirements for the next ten years using population trends, historical water use, economic growth, etc.

Year	Population	Water Demand (gallons)
2025	44,022	6,163,080
2026	44,638	6,249,320
2027	45,262	6,336,680
2028	45,895	6,425,300
2029	46,537	6,515,180
2030	47,188	6,060,320
2031	47,848	6,698,720
2032	48,517	6,792,380
2033	49,196	6,887,440
2034	59,884	8,383,760

2. Description of source data and how projected water demands were determined.

Projected population increased of 1.4% per year 2025-2034. Water demand use average of GPCD for the period 2020 -2030 Example for 2034: 59,884 x 140 GPCD = 8,383,760
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UTILITY PROFILE FOR RETAIL WATER SUPPLIER

E. High Volume Customers

1. The annual water use for the five highest volume

RETAIL customers.

Customer	Water Use Category	Annual Water Use	Treated or Raw
The Reserve Autumn Creek	Residential	15,707,000	Treated
Bellevue At Clear Creek	Residential	12,701,000	Treated
Bay Meadows Apartments	Residential	12,371,000	Treated
Baywood Apartments	Residential	7,818,000	Treated
Hut-Mobil Park	Residential	6,479,000	Treated

2. The annual water use for the five highest volume

WHOLESALE customers.

Customer	Water Use Category	Annual Water Use	Treated or Raw
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F. Utility Data Comment Section

Additional comments about utility data.

Section II: System Data

A. Retail Water Supplier Connections

1. List of active retail connections by major water use category.

Water Use Category Type	Total Retail Connections (Active + Inactive)	Percent of Total Connections
Residential - Single Family	12,783	75.94 %
Residential - Multi-Family	2,236	13.28 %
Industrial	0	0.00 %
Commercial	723	4.30 %
Institutional	107	0.64 %
Agricultural	984	5.85 %
Total	16,833	100.00 %

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

2. Net number of new retail connections by water use category for the previous five years.

	Net Number of New Retail Connections						
Year	Residential - Single Family	Residential - Multi-Family	Industrial	Commercial	Institutional	Agricultural	Total
2023	12,783	2,236	0	723	107	984	16,833
2022	12,708	2,236	0	716	105	985	16,750
2021	12,590	2,236	0	713	103	969	16,611
2020	13,507	2,119	0	673	102	0	16,401
2019	12,399	2,118	0	656	94	0	15,267

B. Accounting Data

The previous five years gallons of RETAIL water provided in each major water use category.

Year	Residential - Single Family	Residential - Multi-Family	Industrial	Commercial	Institutional	Agricultural	Total
2023	1,439,490,000	109,343,000	0	115,303,000	28,376,000	218,057,000	1,910,569,000
2022	1,291,644,000	99,165,000	0	105,679,000	58,721,000	186,468,000	1,741,677,000
2021	1,072,432,000	98,451,000	0	104,001,000	17,348,000	118,137,000	1,410,369,000
2020	1,408,823,000	92,262,000	0	98,912,000	18,816,000	0	1,618,813,000
2019	1,248,586,000	86,082,000	0	102,355,000	29,011,000	0	1,466,034,000

C. Residential Water Use

The previous five years residential GPCD for single family and multi-family units.

Year	Total Residential GPCD
2023	99
2022	90
2021	76
2020	90
2019	80
Historic Average	87

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

D. Annual and Seasonal Water Use

1. The previous five years' gallons of treated water provided to RETAIL customers.

Month	Total Gallons of Treated Water				
	2023	2022	2021	2020	2019
January	124,800,000	128,360,000	114,940,000	113,809,000	114,986,000
February	118,186,000	120,867,000	127,058,000	107,420,000	100,297,000
March	157,036,000	139,434,000	132,678,000	148,241,000	134,299,000
April	148,954,000	171,153,000	157,454,000	158,321,000	156,008,000
May	163,040,000	199,888,000	144,531,000	175,495,000	163,410,000
June	204,216,000	239,587,000	159,107,000	197,394,000	173,130,000
July	206,674,000	243,757,000	168,261,000	204,856,000	200,184,000
August	293,514,000	192,498,000	190,621,000	198,777,000	189,568,000
September	217,962,000	176,349,000	166,027,000	184,194,000	176,647,000
October	164,828,000	200,115,000	153,257,000	173,309,000	157,267,000
November	132,448,000	149,622,000	142,366,000	155,243,000	106,881,000
December	96,974,000	150,951,000	142,444,000	115,394,000	125,320,000
Total	2,028,632,000	2,112,581,000	1,798,744,000	1,932,453,000	1,797,997,000

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

2. The previous five years' gallons of raw water provided to RETAIL customers.

Month	Total Gallons of Raw Water				
	2023	2022	2021	2020	2019
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total					

3. Summary of seasonal and annual water use.

	Summer RETAIL (Treated + Raw)	Total RETAIL (Treated + Raw)
2023	704,404,000	2,028,632,000
2022	675,842,000	2,112,581,000
2021	517,989,000	1,798,744,000
2020	601,027,000	1,932,453,000
2019	562,882,000	1,797,997,000
Average in Gallons	612,428,800.00	1,934,081,400.00

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

E. Water Loss

Water Loss data for the previous five years.

Year	Total Water Loss in Gallons	Water Loss in GPCD	Water Loss as a Percentage
2023	136,988,424	9	6.65 %
2022	419,327,182	27	19.33 %
2021	439,418,783	29	23.67 %
2020	228,587,000	14	11.53 %
2019	204,097,658	12	11.10 %
Average	285,683,809	18	14.46 %

F. Peak Day Use

Average Daily Water Use and Peak Day Water Use for the previous five years.

Year	Average Daily Use (gal)	Peak Day Use (gal)	Ratio (peak/avg)
2023	5,557,895	7656565	1.3776
2022	5,787,893	7346108	1.2692
2021	4,928,065	5630315	1.1425
2020	5,294,391	6532902	1.2339
2019	4,926,019	6118282	1.2420

G. Summary of Historic Water Use

Water Use Category	Historic Average	Percent of Connections	Percent of Water Use
Residential - Single Family	1,292,195,000	75.94 %	79.30 %
Residential - Multi-Family	97,060,600	13.28 %	5.96 %
Industrial	0	0.00 %	0.00 %
Commercial	105,250,000	4.30 %	6.46 %
Institutional	30,454,400	0.64 %	1.87 %
Agricultural	104,532,400	5.85 %	6.42 %

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

H. System Data Comment Section

Section III: Wastewater System Data

A. Wastewater System Data

1. Design capacity of wastewater treatment plant(s) in gallons per day:

2. List of active wastewater connections by major water use category.

Water Use Category	Metered	Unmetered	Total Connections	Percent of Total Connections
Municipal			0	0.00 %
Industrial			0	0.00 %
Commercial			0	0.00 %
Institutional			0	0.00 %
Agricultural			0	0.00 %
Total			0	100.00 %

3. Percentage of water serviced by the wastewater system:

%

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

4. Number of gallons of wastewater that was treated by the utility for the previous five years.

Month	Total Gallons of Treated Water				
	2023	2022	2021	2020	2019
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total					

5. Could treated wastewater be substituted for potable water?

☐ Yes
 ☐ No

B. Reuse Data

1. Data by type of recycling and reuse activities implemented during the current reporting period.

Type of Reuse	Total Annual Volume (in gallons)
On-site Irrigation	
Plant wash down	
Chlorination/de-chlorination	
Industrial	
Landscape irrigation (park,golf courses)	0
Agricultural	
Discharge to surface water	
Evaporation Pond	
Other	
Total	0

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

C. Wastewater System Data Comment

Additional comments and files to support or explain wastewater system data listed below.

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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 1, 2024

Date submitted: 03/14/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider an ordinance repealing Chapter 86 "Utilities," Article II "Water," Division 1 "Generally" of the Friendswood City Code and amending Chapter 86 "Utilities," Article II "Water" of the Friendswood City Code by adding a new division to be numbered and entitled Division 1 "Generally" to conform to the updated Drought Contingency and Water Emergency Plan and to promote the responsible use of water throughout the City.

Originating Department: Public Works

Degree of importance: Critical

SUMMARY / ORIGINATING CAUSE

This proposed ordinance

- repeals Chapter 86 "Utilities," Article II "Water," Division 1 "Generally" of the Friendswood City Code; and
- amends Chapter 86 "Utilities," Article II "Water" of the Friendswood City Code by adding a new division to be numbered and entitled Division 1 "Generally" to conform to the updated Drought Contingency and Water Emergency Plan and to promote the responsible use of water throughout the City.

This proposed ordinance implements the adopted newly Drought Contingency Plan and Water Emergency Management Plan by providing a mechanism for enforcement of the same. Specifically, this ordinance specifies the criteria for the initiation and termination of each drought response stage, establishes how notice the City's implementation of its plan will be provided to its citizens, and details the water restrictions applicable to each stage. Failure to comply with the water restrictions may, upon conviction, result in a fine not to exceed \$2,000 per day per each violation.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Failures to approve, adopt, and submit an amended Water Conservation Plan may result in increased enforcement efforts by TCEQ and the levying of fines.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Ordinance - Drought Contingency

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, REPEALING CHAPTER 86 "UTILITIES," ARTICLE II "WATER," DIVISION 1 "GENERALLY" OF THE FRIENDSWOOD CITY CODE; AMENDING CHAPTER 86 "UTILITIES," ARTICLE II "WATER" OF THE FRIENDSWOOD CITY CODE BY ADDING A NEW DIVISION TO BE NUMBERED AND ENTITLED DIVISION 1 "GENERALLY" TO CONFORM TO THE UPDATED DROUGHT CONTINGENCY AND WATER EMERGENCY MANAGEMENT PLANS AND TO PROMOTE THE RESPONSIBLE USE OF WATER; PROVIDING A MAXIMUM PENALTY OF TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00); REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HERewith; PROVIDING FOR SEVERABILITY, PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, the City of Friendswood recognizes that the amount of water available to its water customers is limited; and

WHEREAS, the City of Friendswood recognizes that due to natural limitations, drought conditions, system failures and other acts of God which may occur, it cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality require that the City of Friendswood adopt a water conservation plan; and

WHEREAS, the City of Friendswood has adopted an amended drought contingency and water emergency management plan; and

WHEREAS, pursuant to Chapter 54 of the Local Government Code, the City of Friendswood is authorized to adopt this ordinance necessary to preserve and conserve its water resources and further such plans; and

WHEREAS, the City is committed to implementing the requirements and procedures set forth in the plan adopted herein; 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. That Chapter 86 "Utilities," Article II "Water," Division 1 "Generally" of the Friendswood City Code is hereby repealed in its entirety.

Section 3. That Chapter 86 "Utilities," Article II "Water" of the Friendswood City Code is hereby amended by adding a new Division 1 "Generally," which division shall read as follows:

CHAPTER 86. UTILITIES

ARTICLE II. WATER

DIVISION 1. GENERALLY

Sec. 86-30. Definitions.

The following words, terms, and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning.

Aesthetic or scenic purposes means the use of water for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Conservation means those practices, techniques, and technologies that reduce the consumption of water, reduce the loss and/or waste of water, improve the efficiency of the use of water, and increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer means any person using water supplied by the city.

Domestic water use means water use for personal needs or for household or sanitary purposes such as drinking, cooking, bathing, heating, cooling, sanitation, or for cleaning a residence, business, industry, or institution.

Drought contingency plan means the strategy or combination of strategies adopted by the city for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies.

Foundation watering means an application of water to the soils directly abutting (within 2 feet) the foundation of a building or structure.

Landscape irrigation means water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use means water uses that are not essential nor required for the protection of public health, safety, and welfare, including:

- (a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this division;

- (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (e) use of water for flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- (i) use of water from hydrants for construction purposes or any other purposes other than firefighting.

Plan means the drought contingency plan and the water emergency management plan as defined in this subsection.

Pollution means the alteration of the physical, thermal, chemical, or biological quality of, or the contamination of, any water in the state that renders the water harmful, detrimental, or injurious to humans, animal life, vegetation, or property, or to the public health, safety, or welfare, or that impairs the usefulness or the public enjoyment of the water for any lawful or reasonable purpose.

Public water supplier means an individual or entity that supplies water to the public for human consumption.

Regional water planning group means a group established by the TWDB to prepare a regional water plan under Texas Water Code, § 16. 053.

Reuse means the authorized use for one or more beneficial purposes of use of water that remains unconsumed after the water is used for the original purpose of use and before that water is either disposed of or discharged or otherwise allowed to flow into a watercourse, lake, or other body of state-owned water.

TCEQ means the Texas Commission on Environmental Quality or successor entity.

TWDB means the Texas *water development board* or successor entity.

Water emergency management plan means the strategy or combination of strategies adopted by the city for reducing the volume of water withdrawn from a water supply source, for reducing the loss or waste of water, for maintaining or improving the efficiency in the use of water, for increasing the recycling and reuse of water, and for preventing the pollution of water.

86-31. Criteria for initiation and termination of drought response stages.

(a) *Authority.* The city manager or his/her designee shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each drought response stage.

(b) *Stages.* The initiation of termination of the drought response stages and the duties of the customers during each such stage are as follows:

(1) *Stage 1 – Mild water shortage conditions.*

a. *Requirements for initiation.* Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 1 of the plan as provided in section 86-33 when one or a combination of the following criteria occurs:

Condition 1: When total daily water demand equals or exceeds sixty percent (60%) of the current available system operating capacity for three (3) consecutive days.

Condition 2: When total daily water demand equals or exceeds sixty-five percent (65%) of the current available system operating capacity on a single day.

Condition 3: When the city manager determines that the initiation of Stage 1 is appropriate based on weather conditions, distribution and water supply system deficiencies, and/or unforeseen circumstances.

Condition 4: When the City of Houston initiates Stage 1.

b. *Requirements for termination.* Stage 1 of the plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days.

(2) *Stage 2 – Moderate water shortage conditions.*

a. *Requirements for initiation.* Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for

Stage 2 of the plan as provided in Section 86-32 hereinbelow when one or a combination of the following criteria occurs:

Condition 1: When total daily water demand equals or exceeds seventy percent (70%) of the current available system operating capacity for three (3) consecutive days.

Condition 2: When total daily water demand equals or exceeds seventy-five percent (75%) of the current available system operating capacity for three (3) consecutive days.

Condition 3: When the city manager determines that the initiation of Stage 2 is appropriate based on weather conditions, distribution and water supply system deficiencies, and/or unforeseen circumstances.

Condition 4: When the City of Houston initiates Stage 2.

- b. *Requirements for termination.* Stage 2 of the plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 2, Stage 1 or the applicable drought response stage based on the triggering criteria shall become operative.

(3) *Stage 3 – Severe water shortage conditions.*

- a. *Requirements for initiation.* Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of the plan as provided in section 86-33 hereinbelow when one or a combination of the following criteria occurs:

Condition 1: When total daily water demand equals or exceeds eighty percent (80%) of the current available system operating capacity for three (3) consecutive days.

Condition 2: When total daily water demand equals or exceeds eighty-five percent (85%) of the current available system operating capacity for three (3) consecutive days.

Condition 3: When the city manager determines that the initiation of Stage 3 is appropriate based on weather conditions, distribution and water supply system deficiencies, and/or unforeseen circumstances.

Condition 4: When the City of Houston initiates Stage 3.

- b. *Requirements for termination.* Stage 3 of the plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of seven (7) consecutive days. Upon termination of Stage 3, Stage 2 or the applicable drought response stage based on the triggering criteria shall become operative.

(4) *Stage 4– Critical water shortage conditions.*

- a. *Requirements for initiation.* Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 of the plan as provided in section 86-33 when one or a combination of the following criteria occurs:

Condition 1: When major water line breaks or pump or system failures occur and cause unprecedented loss of capacity to provide water service.

Condition 2: When natural or manmade contamination of the water supply source(s) occurs.

Condition 3: When the city manager determines that the initiation of Stage 4 is appropriate based on weather conditions, distribution, and water supply system deficiencies, and/or unforeseen circumstances.

Condition 4: When the City of Houston initiates Stage 4.

- b. *Requirements for termination.* Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 4, Stage 3 or the applicable drought response stage based on the triggering criteria shall become operative.

(5) *Stage 5– Emergency water shortage conditions.*

- a. *Requirements for initiation.* Customers shall be required to comply with the requirements and restrictions for Stage 5 of the plan as provided in section 86-33 hereinbelow when the city manager determines that a water supply emergency exists based on:

Condition 1: When a major water line breaks or pump or system failures occur and cause unprecedented loss of capability to provide water service.

Condition 2: Natural or man-made contamination of the water supply source(s) occurs.

Condition 3: When the city manager determines that the initiation of Stage 5 is appropriate based on weather conditions, distribution, and water supply system deficiencies, and/or unforeseen circumstances.

Condition 4: When the City of Houston initiates Stage 5.

- b. *Requirements for termination.* Stage 5 of the plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days.

86-32. Notification.

When the city manager determines that a mild, moderate, severe, critical, emergency or water shortage condition exists based upon the criteria specified in Section 86-31, the city manager shall implement the following notification procedures:

- (a) *Notification to the public.* The public shall be notified by one or more of the following means:
- (1) Publication in a newspaper of general circulation,
 - (2) Direct mail to each customer,
 - (3) Public service announcements,
 - (4) Signs posted in public places,
 - (5) Auto-calling, and
 - (6) City website.
- (b) *Additional notification.* Additionally, the following persons shall be notified directly:
- (1) Mayor and members of the city council;
 - (2) Fire chief(s);
 - (3) City and/or county emergency management coordinator(s);

- (4) County judge & commissioner(s);
- (5) State disaster district/department of public safety;
- (6) TCEQ (required when mandatory restrictions are imposed);
- (7) Major water users;
- (8) Critical water users, i.e. hospitals; and
- (9) Parks & public facilities managers.

Sec. 86-33. Required water use restrictions.

- (a) *Stage 1 response – Mild water shortage conditions.* The following voluntary water use restrictions shall apply to all persons when a Stage 1 response for mild water shortage conditions has been activated by the city:
 - (1) Customers are requested to voluntarily limit the landscape irrigation to Sundays and Thursdays for customers with an even-numbered address and Saturdays and Wednesdays for water customers with an odd-numbered address. Landscape irrigation may only occur between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. to 12:00 midnight on designated watering days.
 - (2) All operations of the city shall adhere to water use restrictions prescribed for Stage 1 of the plan.
 - (3) Customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.
- (b) *Stage 2 response – Moderate water shortage conditions.* The following water use restrictions shall apply to all persons when a Stage 2 response for moderate water shortage conditions has been activated by the city:
 - (1) Landscape irrigation with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with an even-numbered address and Saturdays and Wednesdays for customers with an odd-numbered address. Landscape irrigation is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, landscape irrigation is permitted at any time if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

- (2) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the public health, safety, and welfare are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
- (3) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.
- (4) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (5) Use of water from hydrants shall be limited to firefighting-related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the city.
- (6) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the city, the facility shall not be subject to these regulations.
- (7) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (8) The following uses of water are defined as non-essential and are prohibited:
 - a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - c. use of water for dust control;
 - d. flushing gutters or permitting water to run or accumulate in any gutter or street; and

- e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).
- (c) *Stage 3 response – Severe water shortage conditions.* All water use restrictions of Stage 2 as well as the following water use restrictions shall apply to all persons when a Stage 3 response for severe water shortage conditions has been activated by the city:
 - (1) Landscape irrigation shall be limited to designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only;
 - (2) The use of hose-end sprinklers is prohibited at all times;
 - (3) The watering of golf course greens, tees and fairways is prohibited unless the golf course utilizes a water source other than that provided by the city;
 - (4) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued; and
 - (5) Foundation watering (within 2 feet) and watering of trees may occur for two hours one day per week with a hand-held hose or within a dedicated zone using a drip irrigation system and/or soaker hose, provided no runoff occurs.
- (d) *Stage 4 response – Critical water shortage conditions.* All water use restrictions of Stages 2 and 3 as well as the following water use restrictions shall apply to all persons when a Stage 4 response for critical water shortage conditions has been activated by the city:
 - (1) Landscape irrigation shall be limited to designated watering days between the hours of 6:00 a.m. and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only;
 - (2) The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times;
 - (3) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited;
 - (4) Vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10 p.m.;

- (5) The filling, refilling, or adding of water to swimming pools, wading pools, and Jacuzzi-type pools is prohibited;
 - (6) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system; and
 - (7) No application for new, additional, expanded, or increased-in-size water service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this drought response stage or a higher-numbered stage shall be in effect.
- (e) *Stage 5 response – Emergency water shortage conditions.* All water use restrictions of Stages 2, 3 and 4 as well as the following water use restrictions shall apply to all persons when a Stage 5 response for emergency water shortage conditions has been activated by the city:
- (1) Irrigation of landscaped areas is absolutely prohibited, except soaker hoses, hand-held hoses or a dedicated zone using a drip irrigation system may be used to water trees up to two hours per week or foundations as necessary, provided no runoff occurs.
 - (2) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

Sec. 86-34. Variances.

- (a) *Authority to grant temporary variance.* The city manager may, in writing, grant a temporary variance for existing water uses otherwise prohibited under the plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:
 - (1) Compliance with the plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the plan is in effect.
 - (2) Alternative methods can be implemented which will achieve the same level of reduction in water use.
- (b) *Variance petition.* Persons requesting an exemption from the provisions of the plan shall file a petition for variance with the city within five (5) days after the plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the city manager and shall include the following:
 - (1) Name and address of the petitioner(s);

- (2) Purpose of water use;
- (3) Specific provision(s) of this division or the plan from which the petitioner is requesting relief;
- (4) Detailed statement as to how the specific provision of the plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this division;
- (5) Description of the relief requested;
- (6) Period of time for which the variance is sought;
- (7) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of the plan and the compliance date; and
- (8) Other pertinent information.

Sec. 86-35. Enforcement.

- (a) *Violation.* No person shall knowingly or intentionally allow the use of water from the city for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this division, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the city manager in accordance with provisions of this division and the plan.
- (b) *Criminal penalties.* Any person who violates any provision of this division shall, upon conviction, be punished as provided in section 1-14 of this code.
- (c) *Civil remedies*
 - (1) If a person is convicted of three (3) or more distinct violations of this division, the city manager, after due notice and process to the customer, may discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a reconnection charge, hereby established in Appendix D of this code. In addition, suitable assurance must be given to the city manager that the same action shall not be repeated while a water use restriction is in effect.
 - (2) Compliance with this division and/or the plan may also be sought through injunctive relief in the district court.
- (d) *Presumption.* Any person, including a person classified as a water customer of the city, in apparent control of the property where a violation occurs or originates shall be presumed

to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation; but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children, and proof that a violation committed by a child occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation; but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of the plan and that the parent could not have reasonably known of the violation.

- (e) *Process.* Any police officer or employee designated by the city manager may issue a citation or notice of violation, as applicable, to a person he/she reasonably believes to be in violation of this division. The citation or notice of violation shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the municipal court on the date shown on the citation for which the date shall not be less than three (3) days nor more than five (5) days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over sixteen (16) years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in municipal court to enter a plea of guilty or not guilty for the violation of this division. If the alleged violator fails to appear in municipal court, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in municipal court before all other cases.

Section 9. A violation of this ordinance is subject to the penalty provisions contained in Section 1-14 of the Friendswood City Code and as otherwise provided by law. Any person who shall intentionally, knowingly, recklessly, or with criminal negligence fail to comply with any provision of this ordinance shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined in an amount not to exceed TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00). Each act of violation and each day upon which any such violation shall occur shall constitute a separate offense.

Section 10. That all ordinances or parts of ordinances in conflict or inconsistent with this ordinance, including, but not limited to, Ordinance No. 2006-07, are hereby expressly repealed.

Section 11. In the event any section, paragraph, subdivision, 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 and every part of the same, notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

Section 12. The City Secretary shall give notice of the enactment of this ordinance by promptly publishing the caption of this ordinance after final passage in the official newspaper of the City.

Section 13. This ordinance shall take effect five (5) days from and after its passage on second reading by the City Council of the City of Friendswood, Texas, and its publication in the official newspaper of the City.

INTRODUCED, READ, AND PASSED on first reading by the affirmative vote of the City Council of the City of Friendswood this 1st day of April, 2024.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

INTRODUCED, READ, AND PASSED by the affirmative vote of the City Council of the City of Friendswood on second and final reading this 6th day of May, 2024.

MIKE FOREMAN, Mayor

ATTEST:

LETICIA BRYSCH, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

H:\City Council\Ordinances\2024\04-01-2024\Ordinance - Drought Contingency.docx

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 1, 2024

Date submitted: 03/19/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider approving a banner permit application and license agreement 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 15, 2024 through April 21, 2024.

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

Staff recommends approval.

ATTACHMENTS

1. Street Banner License Agreement
2. Application
3. TxDOT Application
4. Certificate of Insurance
5. TMP Release
6. COF COI
7. Form 1295

STREET BANNER LICENSE AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This Street Banner License Agreement (this "Agreement") is made and entered into this 1st day of April, 2024, 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 15, 2024, to April 21, 2024.
- 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 15, 2024, and shall remove the same on or after April 21, 2024, 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) and a permit fee of ONE HUNDRED AND NO/100 DOLLARS (\$100.00). 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, 2024.

CITY OF FRIENDSWOOD, TEXAS

MORAD KABIRI, City Manager (Date)

ATTEST:

LETTIE BRYSCH, City Secretary

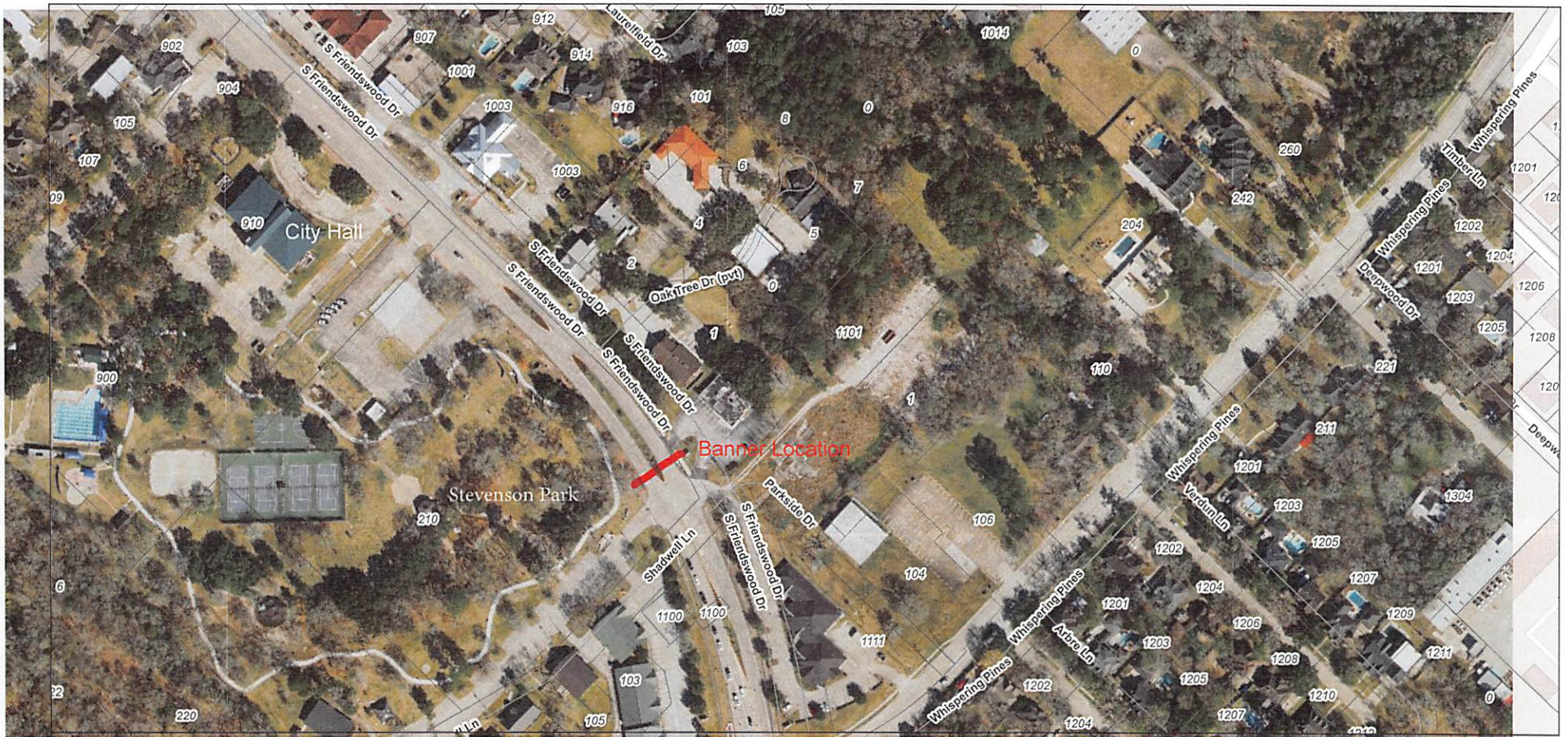
THE LICENSEE:

(Signature) 3-19-2024 (Date)

ROSEMARY BAEZ
(Printed Name)

Coordinator of Ministries/Functions
(Title)

Friendswood, Texas



9/22/2022, 2:33:49 PM

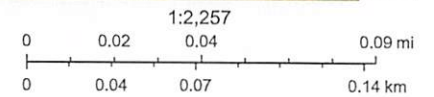
City Limits

— Streets

— Galveston County - Lot Lines

Parcels

Parcels Owner Information



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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: MARCH 11, 2024
Charitable, Non-Profit Organization Name: MARY QUEEN CATHOLIC Church
Address: 606 CEDARWOOD DRIVE
Mailing Address: FRIENDSWOOD, TEXAS 77546
Contact Name: ROSE MARY BAEZ
Phone: 281-482-1391
Effective Dates: APRIL 15, 2024 THROUGH APRIL 27, 2024
Banner Title: MARY QUEEN PARISH FESTIVAL

Banner Meets City of Friendswood Banner Requirement

Sign: Mary Queen Catholic Church
Rose Mary Baez
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: MARCH 11, 2024

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 CATHOLIC 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 N/A feet from the roadway and will have
the following characteristics:

Mounting Height 25 ft Thickness N/A
Sign Dimensions (Height, Width, Length) 4' x 24'
Sign Material VIRAL 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 ANNUAL FESTIVAL - MAY 5, 2024 - 11:00AM - 4:00PM

Background Color GRAY MESH Legend Color RED WHITE BLUE

The right of way will be used FROM DATE APRIL 15, 2024 TO DATE APRIL 22, 2024
(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.

Applicant MARY QUEEN CATHOLIC CHURCH 606 Cedarswood Drive
By ROSE MARY BAEZ Mailing Address
Title COORDINATOR OF MINISTRIES City Friendswood State TX Zip 77546
Signature Rose Mary Baez Area Code 281 Telephone Number 482-1391

Approval

Name of Applicant	
Control Number	Section
Highway Number	County
Start Date of Agreement	Termination Date of Agreement

Signs must be constructed of heavy cardboard, plastic, fabric mesh or plywood, no thicker than ¼ inch.

An approved sign must not:

- exceed 16 square feet in placed on the roadside to inform the traveling public;
- exceed four square feet if used to guide participants in a bicycle or pedestrian event;
- extend more than three feet beyond the pavement edge if the sign is a banner; or
- imitate or resemble any official traffic sign, signal, or device.

An approved sign may not be placed:

- in a location where it may prevent the driver of a vehicle from having a clear and unobstructed view of official signs and approaching or merging traffic;
- on any highway appurtenances, including, but not limited to bridges, traffic control devices, official signs, sign supports, and light standards, poles, and delineators;
- on a tree or other natural feature;
- less than 18 ½ feet (clear) above the pavement if the sign is a banner placed over the pavement; or
- closer to the pavement edge than official highway signs, except for those signs used to guide participants in a bicycle or and pedestrian event.

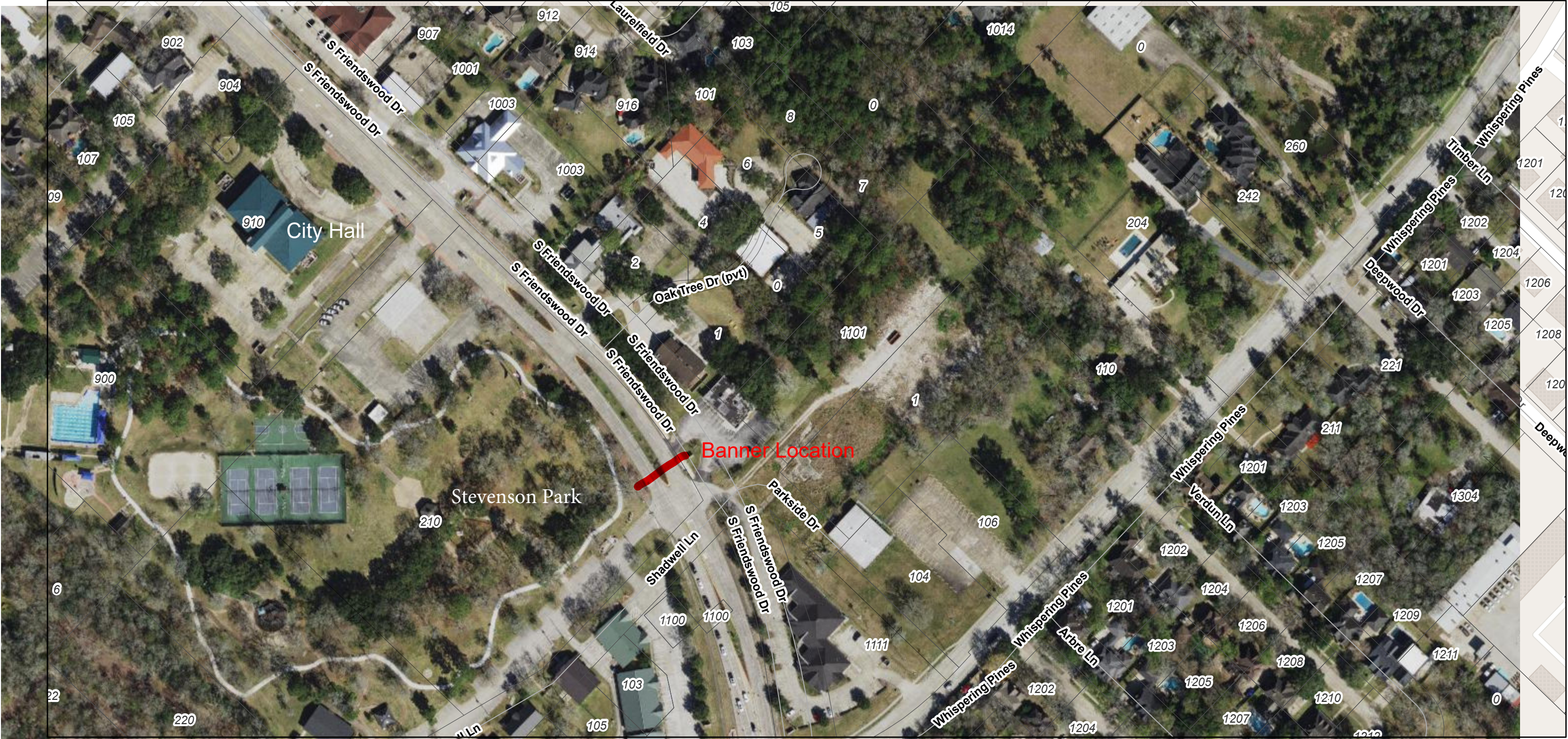
TxDOT reserves the right to remove a sign if it becomes a hazard due to inclement weather, inadequate maintenance, accidental damage, or other hazardous cause. A sign approved for temporary use may not be erected more than 24 hours prior to the event. However, if the sign is a banner it may be installed no more than 30 days prior to the event.

It is understood that a sign must be removed within 24 hours of the completion of the event; except banners shall be removed within seven days of the completion of the event. A special event sign not removed within the allotted time is subject to removal by TxDOT and the applicant is liable for removal and disposal costs.

It is expressly understood that TxDOT does not purport, hereby, to grant any right, claim, title, or easement in or upon this highway. In the event the party fails to comply with any or all of the requirements as set forth herein, the approval may be revoked and TxDOT may take appropriate action.

Name of TxDOT Representative	Address		
Title			
Signature, TxDOT Representative	City,	State	Zip
Date of Final Approval	Area Code	Telephone Number	

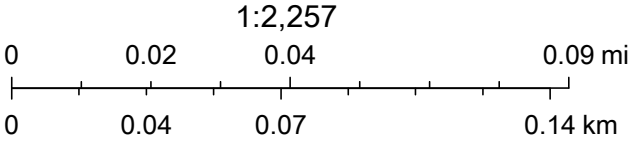
Friendswood, Texas



9/22/2022, 2:33:49 PM

- City Limits
- Streets
- Galveston_County-_Lot_Lines
- Parcels

Parcels Owner Information



Houston- Galvesotn 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

RELEASE OF LIABILITY

This Release of Liability ("Release") is provided to the Texas Department of Transportation ("TXDOT") in connection with Texas-New Mexico Power Company ("TNMP") installing and removing overhead street banners in the 300 block of South Friendswood Drive (FM 518) in Friendswood, Texas.

TNMP agrees to hold TXDOT harmless from and against all liability, damages, suits, actions, costs, expenses, losses and claims (including attorney's fees) for any and all damage, loss, or injury incurred by TNMP, its employees, officers, directors, or agents which arises out of, directly or indirectly, in whole or in part, TNMP's installation of overhead street banners. TNMP shall not be required to indemnify TXDOT for its own negligence, but any liability attributable to TXDOT shall be pro-rated on the same basis as any negligence attributable to TXDOT by a court of competent jurisdiction.

This Release remains in effect unless and until revoked in writing by TNMP.

EXECUTED this 30 day of AUGUST, 1999.

TEXAS-NEW MEXICO POWER COMPANY
1207 PARKWOOD DRIVE
FRIENDSWOOD, TEXAS 77546

By: Wayne Blyskal

Its: planner/scheduler
281-996-0453 - OFFICE
281-482-8369 - FAX

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 1, 2024

Date submitted: 03/20/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider authorizing an Agreement for Financial Advisory Services with BOK Financial Securities, Inc.

Originating Department: City Attorney

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

The City has utilized the services of BOK Financial Securities, Inc., for many years. The proposed agreement merely adds financial advisory services for special assessment obligations (PID bonds) to the existing agreement. The services and fee schedule for the City's debt obligations have not changed from the current agreement between the parties. This agreement supersedes the prior agreement and adds services and a separate fee schedule for the PID bonds.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

The City and BOK Financial Securities, Incorporated have a long-standing business relationship. BOK knows the City, its financial history, and bond issuance history. This will be beneficial with future debt issuances.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. BOK Financial Securities - Financial Advisory Services - City of Friendswood

AGREEMENT FOR FINANCIAL ADVISORY SERVICES

This Agreement for Financial Advisory Services (the “Agreement”) by and between the CITY OF FRIENDSWOOD, a political subdivision of the State of Texas (“Issuer”), and BOK FINANCIAL SECURITIES, INC. (“BOKFS”), is entered into and effective as of the date executed by the Issuer, as set forth on the signature page hereof.

1. Background. The Issuer expects to have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, the Issuer desires to retain a financial advisor.

- (a) The Issuer desires to obtain the professional services of BOKFS to advise the Issuer regarding the execution, issuance and sale of certain evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereinafter referred to collectively as the “Issuer Obligations”) from time to time during the period in which this Agreement shall be effective.
- (b) BOKFS represents and warrants to Issuer that BOKFS has the professional licenses, certificates, knowledge, expertise and experience to provide the services set forth in this Agreement. BOKFS is willing to provide its professional services and facilities as financial advisor in connection with all programs of financing as may be considered and authorized by Issuer during the period in which this Agreement shall be effective.

2. Scope of Services. BOKFS will work with the Issuer, bond counsel, legal counsel, and such others as are retained by the Issuer to provide the services (“Services”) with respect to Issuer Obligations on the following terms and conditions:

- (a) The Services shall be limited to the services described in **Appendix A** (the “Scope of Services”).
- (b) In addition to the Services described in Appendix A, BOKFS agrees to perform and make available to the Issuer the services identified in **Appendix B**, when so requested by the Issuer. The terms of the services identified in Appendix B shall be set forth as an amendment to this Agreement or in a separate document.
- (c) Except as otherwise provided in the Scope of Services, BOKFS shall not be responsible for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about BOKFS provided by BOKFS for inclusion in such documents.
- (d) The Scope of Services does not (A) include tax, legal, accounting or engineering advice with respect to any Issuer Obligation or opinion or certificate rendered by counsel or other person at closing or (B) review or advice respecting any feasibility

study, except, in either case, as may prepared by BOKFS as provided for in the Scope of Services.

- (e) The Issuer agrees not to represent, publicly or to any specific person, that BOKFS is its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”) without BOKFS’s prior written consent.
- (f) When BOKFS is designated by the Issuer as its IRMA, BOKFS shall be the Issuer’s IRMA solely with respect to the Scope of Services. BOKFS shall not be responsible for verifying that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC) from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption. Any reference to BOKFS, its personnel and its role as IRMA in the Issuer’s written representation contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B), shall be subject to prior approval by BOKFS.

3. BOKFS’s Regulatory Obligations When Providing Services to the Issuer.

- (a) MSRB Rule G-42 requires that BOKFS (i) make a reasonable inquiry as to the facts that are relevant to the Issuer’s determination whether to proceed with a course of action or that form the basis for and advice provided by BOKFS to the Issuer, (ii) undertake a reasonable investigation to determine that BOKFS is not basing any recommendation on materially inaccurate or incomplete information, and (iii) to use reasonable diligence to know the essential facts about the Issuer and the authority of each person acting on the Issuer’s behalf.
- (b) The Issuer agrees to cooperate, and to cause its agents to cooperate, with BOKFS in carrying out the foregoing requirements, including providing to BOKFS accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such requirements. In addition, the Issuer agrees that, to the extent it requests BOKFS to provide advice with regard to any recommendation made by a third party, the Issuer will provide to BOKFS written direction to do so and all information it has received from such third party relating to its recommendation.

4. Term of this Engagement. This Agreement shall become effective as of the date executed by the Issuer as set forth on the signature page hereof and, unless terminated by either party as described below, shall remain in effect thereafter for a period of five (5) years from such date. Unless BOKFS or Issuer shall notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will be automatically renewed on each anniversary date for successive one (1) year periods.

This Agreement may be terminated with or without cause by the Issuer or BOKFS upon the giving of at least thirty (30) days’ prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. BOKFS may not terminate for the

express purpose of taking an underwriting position in any bonds to be issued by the Issuer. In the event of such termination, it is understood and agreed that only the amounts due BOKFS for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

5. **Compensation.** For the above services, you agree to pay BOKFS the following:

FEE SCHEDULE FOR FINANCIAL ADVISORY SERVICES

Sale of Issuer Obligations

<u>Obligation Proceeds</u>		
<u>More Than</u>	<u>And Not More Than</u>	<u>The Fee Is</u>
\$ 0	\$ 500,000	\$ 5,000 minimum fee
500,000	1,000,000	\$ 5,000 plus \$5.00 per \$1,000 for all over \$500,000
1,000,000	5,000,000	\$7,500 plus \$2.50 per \$1,000 for all over \$1,000,000
5,000,000	10,000,000	\$17,500 plus \$1.25 per \$1,000 for all over \$5,000,000
10,000,000	20,000,000	\$23,500 plus \$1.00 per \$1,000 for all over \$10,000,000
20,000,000	No Limit	\$33,500 plus \$0.40 per \$1,000 for all over \$20,000,000

The above charges shall be multiplied by up to 1.25 times for the completion of a negotiated sale, the issuance of revenue or refunding bonds, or the issuance of obligations associated with a federal or state program. The charges for Issuer Obligations issued with a floating interest rate, including services provided for the substitution of liquidity facilities or remarketing agreements, will be negotiated with the Issuer.

Sale of Special Assessment Obligations by the Issuer

For any issuance of debt obligations, the fee shall be two percent (2.0%) of such principal amount.

The payment of charges for financial advisory services described in Appendix A of the Agreement shall be contingent upon the delivery of Issuer Obligations or the delivery of Special Assessment Obligations by the Issuer and shall be due at the time that Issuer Obligations or Special Assessment Obligations by the Issuer are delivered. The payment of charges for services described in Appendix B of the Agreement shall be due and payable in accordance with the mutual agreement therefor between BOKFS and Issuer.

The Issuer shall be responsible for the following expenses, if and when applicable, whether they are charged to the Issuer directly as expenses or charged to the Issuer by BOKFS as reimbursable expenses: fees and expenses of the Issuer's legal counsel, including bond counsel; administrative and regulatory review and approval fees; bond printing expenses; credit rating fees; credit enhancement fees; fees of other professionals, including accountants; official statement printing and distribution expenses; fees of paying agents, registrars, trustees or escrow agents; travel expenses outside of the State of Texas; fees and expenses of underwriter(s) and underwriter's counsel; and, any other miscellaneous expenses incurred on behalf of the Issuer.

The payment of reimbursable pass-through expenses that BOKFS has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of Issuer Obligations and shall be due at the time that services are rendered and payable within thirty days receipt of an invoice therefor submitted by BOKFS.

6. Limitation on Liability. In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of the obligations of BOKFS arising under this Agreement:

- (a) The liability of BOKFS and its associated persons to the Issuer for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, shall be limited to the fees paid or otherwise due and payable under this Agreement; and,
- (b) BOKFS and its associated persons shall have no liability to the Issuer for any other loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from the Issuer's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by BOKFS to the Issuer.

No recourse shall be had against BOKFS for loss, damage, liability, cost or expense (whether direct, indirect or consequential) arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Issuer Obligation or otherwise relating to the tax treatment of any Issuer Obligation, or in connection with any opinion or certificate rendered by counsel or any other party.

7. Required Disclosures. MSRB Rule G-42 requires that BOKFS provide the Issuer with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in BOKFS's Disclosure Statement attached hereto as **Appendix C.**

8. Information. While this Agreement is in effect, the Issuer will provide or cause to be provided to BOKFS information concerning the Issuer, including information relating to the Issuer's financial condition and results of operations, the sources of security and payment for any Issuer Obligations, and such other information (excluding confidential information unless such confidential information is reasonably required to provide disclosure to investors) as BOKFS

reasonably considers necessary or appropriate to perform its duties under this Agreement. Such information will be taken or derived from the Issuer's official records or from other sources that the Issuer determines and reasonably believes to be accurate and reliable, based on due inquiry and investigation by the Issuer of such other sources; and, the Issuer expressly authorizes BOKFS to rely on the accuracy and completeness of all information provided to BOKFS by or on behalf of the Issuer.

9. Compliance with Applicable Law. As an inducement to BOKFS to enter into this Agreement and to perform the duties assigned to it hereunder, the Issuer agrees to comply with all applicable requirements and procedures imposed by law relating to, and all covenants and agreements entered into in connection with or supporting, the validity, enforceability and terms (including terms relating to security and tax-exemption) of any Issuer Obligations. As an inducement to Issuer to enter into this Agreement and to perform the duties assigned to it hereunder, BOKFS agrees to comply with all applicable requirements and procedures imposed by law relating to, and all covenants and agreements entered into in connection with or supporting, the validity, enforceability and terms (including terms relating to security and tax-exemption) of any services by BOKFS. Further BOKFS represents and warrants to Issuer that BOKFS is familiar with the applicable law, rules, regulations, and requirements in order for BOKFS to perform BOKFS's professional services as a highly qualified and competent provider of said financial services.

10. Professional Judgment. All actions and recommendations of BOKFS pursuant to this Agreement will be based on BOKFS's professional judgment and information that the Issuer provides to BOKFS. BOKFS's recommendations represent its professional judgment based upon BOKFS's review of information provided by the Issuer, to the extent that BOKFS deems such information relevant to any such recommendation, and BOKFS's own knowledge and experience. BOKFS's recommendations will be offered in reliance upon the representations and covenants contained in the agreements, certificates and other instruments prepared, executed and delivered in connection with Issuer Obligations. The Issuer understands and agrees that this Agreement shall constitute an agreement for professional services, and neither the performance by BOKFS of its duties hereunder nor the implementation of any of BOKFS's recommendations shall be construed by the Issuer as a guarantee of any result or outcome.

11. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas. Venue for any dispute regarding this Agreement shall be in the courts of Galveston County, Texas.

12. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Issuer and BOKFS, their respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

13. Entire Agreement. This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties. This Agreement and all of the provisions of this Agreement shall be deemed drafted by all of the parties hereto.

14. **Course of Dealing.** No course of prior dealing involving any of the parties hereto and no usage of trade shall be relevant or advisable to interpret, supplement, explain or vary any of the terms of this Agreement, except as expressly provided herein.

15. **Interpretation.** This Agreement shall not be interpreted strictly for or against any party, but solely in accordance with the fair meaning of the provisions hereof to effectuate the purposes and intent of this Agreement.

16. **No-Third Party Beneficiaries.** This is not a third-party beneficiary contract. No person or entity other than a party hereto shall have any rights under this Agreement.

17. **No Reliance.** Each party hereto has entered into this Agreement based solely upon the agreements, representations and warranties expressly set forth herein and upon its own knowledge and investigation. No party has relied on any representation or warranty of any other party hereto except any such representations and warranties as are expressly set forth herein.

18. **Authority.** Each of the persons signing below on behalf of a party hereto represents and warrants that he or she has full requisite power and authority to execute and deliver this Agreement on behalf of the party for whom he or she is signing and to bind such party to the terms and conditions of this Agreement.

19. **Severability.** If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

20. **Communication.** Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing to the City of Friendswood, Texas, 910 S. Friendswood Drive, Friendswood, Texas 77546, Attention: City Manager and, any notice or other communication to be given to BOKFS under this Agreement may be given by delivering the same in writing to BOKFS, Inc., 1401 McKinney Street, Suite 1000 Houston, Texas 77010, Attention: Public Finance Department.

21. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument. This Agreement shall become effective only when all of the parties hereto shall have executed the original or counterpart hereof. This Agreement may be executed and delivered by digitized transmission of a counterpart signature page hereof.

This Agreement shall supersede all previous agreements or engagement letters or contracts by and between parties and shall become effective upon acceptance by the Issuer as evidence by the execution hereof by the Issuer's Signatory as set forth below.

[Signature Page Follows]

BOK FINANCIAL SECURITIES, INC.

By _____
Name: John H. Robuck
Title: Managing Director

CITY OF FRIENDSWOOD

By: _____
Name: _____
Title: _____

Date: _____

APPENDIX A – SCOPE OF SERVICES – DESCRIPTION OF BASIC SERVICES

Upon the request of an authorized representative of the Issuer, BOKFS will perform the following financial advisory services pursuant to the terms of the Agreement for Financial Advisory Services.

Financial Planning.

- Perform a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue and service any Issuer Obligations contemplated, including an analysis of any existing debt structure as compared with the existing and projected sources of revenue that may be pledged to secure payment of debt service. BOKFS will also survey any trends of the assessed valuation, taxing power and present and future taxing requirements of the Issuer, as appropriate. If the revenues of a system or facility are to be pledged to repayment of the proposed Issuer Obligations, the survey will take into account (i) any outstanding obligations which are payable from the revenues thereof, (ii) additional revenues expected from any proposed rate increase, and (iii) the additional revenues as projected by your consulting engineers as the result of the improvements to be financed by the proposed Issuer Obligations. BOKFS will also take into account any policy considerations, future financing needs and operational considerations, as provided or projected by Issuer's staff and/or consulting engineers or other experts engaged by the Issuer.
- Assist in the formulation of a 5-10 Year Capital Improvement Plan to review the Issuer's anticipated financing needs in light of future available revenues to support the Issuer's financing needs and applicable State laws restricting debt capacity and assist in periodically updated such plan.
- Submit to the Issuer recommendations regarding Issuer Obligations under consideration, including such terms as the type of debt to be issued (e.g., current interest obligation, capital appreciation obligation, or other obligation), principal amount, interest rate mode (e.g., fixed, floating, or other interest rate mode), type of debt instrument (e.g. tax-exempt, taxable, tax-credit, etc.), form of debt instrument (e.g. Permanent Improvement Bonds, Certificates of Obligation, Water and Sewer System Revenue Bonds, Sales Tax Revenue Bonds, Tax and Revenue Anticipation Note, Contractual Obligation, etc.), date of issue, interest payment dates, schedule of principal maturities, options of prior payment, security provisions, and such other provisions as we believe are appropriate in order to achieve the objectives of the Issuer and make the issue attractive to investors. Such recommendations will be based on information developed by the survey described above and other information available to us. All recommendations will be consistent with the goal of structuring the Issuer Obligations to be sold on terms that are advantageous to the Issuer, including the lowest interest cost consistent with all other considerations.
- Advise the Issuer of current debt market conditions, forthcoming debt issues and general information, including economic data, which might be expected to influence interest rates or bidding conditions, as deemed necessary.

- In the event that an election is required to authorize the Issuer Obligations then under consideration, BOKFS will assist in gathering such information and data as may be required for any petitions, orders, resolutions, ordinances, notices and certificates in connection with the election, including assistance in the transmission of such data to the Issuer's legal counsel.
- Consult with the Issuer regarding available revenues pursuant to existing or proposed rules, as requested.

Debt Management.

- Assist in the preparation of a debt management policy for the Issuer.
- Evaluate financing transactions contemplated by the Issuer, giving consideration to the complexity, market acceptance, rating, size and structure of such transactions in order to make a recommendation as to an appropriate method of sale.
- For qualified projects or financings, upon request, coordinate and assist in the preparation of applications for financial assistance from state or federal governmental agencies.
- In connection with the marketing, offer, sale and delivery of any Issuer Obligations, whether such Issuer Obligations are publicly offered (through negotiated sale or competitive bidding) or privately placed:
 - * Assist with the preparation of any offering materials for use in connection with the marketing, offer and sale of the Issuer Obligations, including the notice of sale and bidding instructions, preliminary official statement, official statement, official bid form and such other documents and information as may be required for the marketing, offer and sale of Issuer Obligations (collectively, "Offering Documents"); however, Offering Documents shall be prepared based on information provided by the Issuer and the Issuer shall be solely responsible for the accuracy of the information contained therein, except to the extent that any such information is expressly attributed by the Offering Document to another source. Offering Documents will be prepared in accordance with customary industry standards and submitted to the Issuer and its legal counsel for examination and approval by the Issuer. Offering Documents shall be certified by the Issuer, as directed by the Issuer's legal counsel. (See "Legal, Regulatory and Administrative Matters", below.)
 - * After Issuer's examination and approval of an Offering Document, BOKFS will assist the Issuer with any arrangements for the printing of the Offering Document and provide the Issuer with Offering Documents in sufficient quantity to meet its needs and distribute such documents by mail or, where appropriate, by electronic delivery, to prospective purchasers or the underwriters, as applicable, of the Issuer Obligations.

- * Provide copies of the final official statement to the purchaser or underwriters, as applicable, of the Issuer Obligations in accordance with the notice of sale and bidding instructions or the Issuer's agreement with the underwriters, as appropriate.
- * Advise the Issuer as to the utility of credit ratings and bond insurance or other forms of credit or liquidity enhancement for Issuer Obligations.
- * Coordinate the preparation of information as may be requested by, or appropriate for submission to, a rating agency, bond insurer, or credit or liquidity enhancement provider; and, consult with and advise the Issuer regarding the form of any oral or written presentations to a rating agency, bond insurer, or credit or liquidity enhancement provider. Any oral or written presentation shall be based on information provided by the Issuer and the Issuer shall be solely responsible for the accuracy of the information provided to any rating agency, bond insurer, or credit or liquidity enhancement provider.
- * To the extent that the Issuer elects to make a personal presentation of information to one or more rating agencies, bond insurers, or credit or liquidity enhancement providers, BOKFS will arrange for such personal presentations, utilizing such composition of representatives from the Issuer as may be approved or directed by the Issuer. Any costs and expenses incurred by representatives of the Issuer as a result of their participation in any personal presentation shall be paid and/or reimbursed pursuant to and in accordance with the Issuer's internal policies governing travel on official business of the Issuer.
- * Coordinate and assist the Issuer's staff in the safekeeping of good faith checks, if any.
- * When appropriate, advise financial publications of the forthcoming sale of the Issuer Obligations and provide them with all pertinent information.
- * After consulting with and receiving directions from the Issuer, arrange for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the Issuer Obligations.
- If Issuer Obligations are to be sold by an advertised competitive sale, BOKFS will:
 - * Supervise the sale of the Issuer Obligations,
 - * Disseminate Offering Documents to prospective bidders and organize such informational meetings as may be necessary.
 - * Assist the Issuer's staff in coordinating the receipt of bids and the tabulation and comparison of submitted bids.
 - * Advise the Issuer regarding the best bid and provide advice regarding acceptance or rejection of bids.

- If Issuer Obligations are to be sold by negotiated sale, BOKFS will:
 - * In connection with the Issuer's selection of one or more investment banking firms to serve as managers of an underwriting syndicate for the purpose of negotiating the purchase of Issuer Obligations, provide any advice and assistance requested by the Issuer; however, the selection of members of an underwriting syndicate shall be controlled by the Issuer and be approved by the Issuer.
 - * Cooperate in the preparation of a bond purchase contract, an underwriters agreement and other related documents; and, consult with the Issuer in connection with the Issuer's policy concerning certain terms of the syndicate's agreement among underwriters (e.g., order priority and designation policy) to achieve the most efficient and lowest interest cost for the Issuer Obligations, consistent with other considerations of the Issuer.
 - * Advise the Issuer as to the fairness of the price offered by the underwriters for the Issuer Obligations.
- Upon request, advise the Issuer in the selection of professional consultants and fiscal agents required in connection with Issuer Obligations, including trustees, paying agents, registrars, escrow agents, verification agents, and assist in the negotiation of agreements related to these services and the fees incident thereto, upon request.
- Attend meetings of the governing body of the Issuer, its staff, representatives or committees, as requested by the Issuer.
- Provide the Issuer's legal counsel with financial information requested by such counsel in connection with such counsel's preparation of legal documents pertaining to the authorization, sale and issuance of the Issuer Obligations.
- Upon request, consult with the Issuer regarding proposed or enacted changes in federal and state laws, rules and regulations that have (or are expected to have) a material effect on the municipal bond market, it being understood that BOKFS does not and may not act as an attorney for, or provide legal advice or services to, the Issuer.
- Coordinate the efforts of all interested parties to effect the delivery of the Issuer Obligations, and assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Issuer Obligations.
- After the closing of the sale and delivery of the Issuer Obligations, deliver to the Issuer a schedule of annual debt service requirements for the Issuer Obligations and, in coordination with the Issuer's legal counsel, assure that the paying agent/registrar and/or trustee has been provided with a copy of the authorizing ordinance, order or resolution.

Legal, Regulatory and Administrative Matters

- BOKFS will coordinate the issuance of the Issuer Obligations; however, Issuer shall retain a firm of recognized municipal bond attorneys to prepare proceedings and advise the Issuer regarding procedures required to issue the Issuer Obligations and issue an unqualified opinion (in an acceptable form) approving the legality of the Issuer Obligations. BOKFS will coordinate with such firm of bond attorneys and assist in all financial advisory aspects involved in the preparation of appropriate legal proceedings and documentation.
- The Issuer shall also be responsible for the retention and engagement of competent legal counsel to advise the Issuer concerning all other legal matters related to the marketing, offer, sale and delivery of any Issuer Obligations, including applicable federal and state securities laws and regulations; and, the Issuer shall be responsible for the engagement of competent legal counsel to render an opinion covering the Issuer's exercise of appropriate discretion and diligence in the preparation and dissemination of any Offering Documents (e.g., a 10b-5 opinion addressing the accuracy and completeness of each Offering Document).
- To the extent that the issuance and sale of the securities, and construction of the project in question, requires the approval of any state or governmental agency, BOKFS will assist the Issuer in the preparation of all financial information required for inclusion in applications for such approval. When requested by the Issuer, BOKFS will appear on Issuer's behalf to provide appropriate testimony at public hearings before state and other governmental commissions and boards. BOKFS will also participate in any preliminary conferences with the staff of any state or governmental agencies, as necessary.
- BOKFS will annually coordinate the preparation and filing of the Issuer's ongoing disclosure obligations required pursuant to SEC Rule 15(c)2-12 for Issuer's debt obligations and provide guidance on the submission thereof.
- Issuer will coordinate the use of other consultants, as necessary, to perform ongoing activities to ensure the Issuer remains in compliance with applicable Federal and State laws.

APPENDIX B – DESCRIPTION OF ADDITIONAL SERVICES

Upon the request of an authorized representative of the Issuer, BOKFS (or one or more affiliates of BOKFS) will perform the following financial advisory services pursuant to the terms of the Agreement, subject to the mutual agreement of the Issuer and BOKFS regarding the terms and conditions thereof.

- Advise and assist the Issuer in connection with the administration of any of the Issuer's outstanding obligations, including extensions or substitutions of credit or liquidity facilities to support Issuer Obligations and mode conversions for variable rate obligations.
- Advise and assist the Issuer with regard to the exercise of any redemptions of outstanding Issuer Obligations.
- Purchase such investments as may be directed and authorized by Issuer to be purchased. To the extent that BOKFS is entitled to receive fees or other compensation in any form from a third party with respect to investment activities on behalf of the Issuer, BOKFS will disclose to the Issuer the nature and amount of any such compensation so that the Issuer may consider the information in making its investment decision.
- Provide other services (either directly or through an affiliate of BOKFS) with respect to matters which do not involve or affect the financial advisory services covered within the Agreement, including:
 - * Trust Services,
 - * Cash/Investment Management Services,
 - * Financial Products Advisory Services (relating to the use and execution of financial products and certain hedging transactions),
 - * Other Fiscal, Consulting or Advisory Services.

**APPENDIX C –
DISCLOSURE STATEMENT OF BOK FINANCIAL SECURITIES, INC.**

This Disclosure Statement is provided by BOKFS to the Issuer in connection with the Agreement and is dated as of the same date as the Agreement.

Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Accordingly, BOKFS makes the following disclosures with respect to material conflicts of interest in connection with the Scope of Services, together with explanations of how BOKFS addresses or intends to manage or mitigate each conflict. To that end, with respect to each of the conflicts disclosed below, BOKFS mitigates such conflicts through its adherence to its fiduciary duty to the Issuer, which includes a duty of loyalty. This duty of loyalty obligates BOKFS to deal honestly and with the utmost good faith with the Issuer and to act in its best interests without regard to BOKFS's financial or other interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. ***Other Municipal Advisor or Underwriting Relationships.*** BOKFS serves a wide variety of other clients that may have interests that could have an impact on the Issuer's interests. For example, BOKFS serves as municipal advisor to other municipal issuers and, in such cases, owes a regulatory duty to such other clients just as it does to the Issuer under the Agreement. These other clients may have competing interests and BOKFS could face a conflict of interest arising from these competing client interests. Additionally, as a full-service broker-dealer, BOKFS is also engaged as a bond underwriter/placement agent for other municipal issuers in either the competitive, negotiated or private placement sale market. In this regard, BOKFS may be serving as a bond underwriter at the same time it is providing advisory services to the Issuer and a competing interest could arise given our role as a bond underwriter to another municipal issuer. None of these other engagements or relationships would impair BOKFS's ability to fulfill its regulatory duties to the Issuer.

II. ***Broker-Dealer and Investment Advisory Business.*** BOKFS is a broker-dealer and investment advisory firm that engages in a broad range of securities-related activities, in addition to serving as a municipal advisor or underwriter. Such securities-related activities may be undertaken on behalf of, or as counterparty to, the Issuer, its personnel, and current or potential investors in its securities. These other clients may have interests in conflict with the Issuer's interests and the interests of such other clients could create the incentive for BOKFS to make recommendations to the Issuer that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from BOKFS effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of BOKFS that operate independently from BOKFS's

municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by BOKFS to the Issuer.

III. *Municipal Activities with Other Issuer Financing Team Members.* In the normal course of business, BOKFS may engage in municipal trading and underwriting activities with other members of the Issuer's financing team, including but not limited to, bond counsel, underwriter's counsel and bond underwriters. This may include BOKFS serving as a bond underwriter for a municipal issuer in which the Issuer's bond counsel is serving as BOKFS's counsel, an Issuer's underwriter is serving as a municipal advisor and/or an Issuer's underwriter is serving as an underwriting syndicate member with BOKFS. Such a situation could present a conflict as BOKFS and members of its financing team jointly participate, from time to time, in other municipal security transactions for compensation. None of these other engagements or relationships would impair BOKFS's ability to fulfill its regulatory duties to the Issuer and the potential conflicts of interest are mitigated as BOKFS relies upon the Issuer to select its other financing team members, including bond counsel and bond underwriters.

IV. *Compensation-Based Conflicts.* The fees due under the Agreement will be based on the dollar amount of bond proceeds and the payment of such fees shall be contingent upon the delivery of a bond issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for BOKFS to recommend unnecessary financings. Additionally, the fees due under the Agreement vary based upon the type of sale and the financing structure implemented. As such, this may present a conflict because it could create an incentive for BOKFS to recommend disadvantageous financings to generate a higher fee. These conflicts of interest are mitigated by our adherence to our responsibilities described above.

V. *Secondary Market Transactions in the Issuer's Securities.* As part of its municipal trading activities in the secondary market, BOKFS may take a principal position in securities, including the Issuer's securities, and therefore BOKFS could have interests in conflict with the Issuer with respect to the value of its securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, BOKFS or its affiliates may submit orders for and acquire your securities issued under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with the Issuer in that it could create the incentive for BOKFS to make recommendations to the Issuer that could result in more advantageous pricing of its bond in the marketplace. Any such conflict is mitigated by the applicable MSRB rules that prohibit BOKFS (as the municipal advisor) to act as an underwriter for an Issuer's bond sale in the primary market and BOKFS secondary market activities operate independently from BOKFS's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by BOKFS to the Issuer.

VI. *Disclosures of Information Regarding Legal Events and Disciplinary History.* MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, BOKFS sets out below required disclosures and related information in connection with such disclosures.

(a) **Material Legal or Disciplinary Event.** Other than the disclosures summarized below, which may be material to the Issuer's evaluation of BOKFS or the integrity of BOKFS's management or advisory personnel, there are no legal or disciplinary events that should be disclosed on any Form MA or Form MA-I filed with the SEC.

- June 18, 2015 – An order was issued against BOKFS by the U.S. Securities and Exchange Commission. The allegations were related to the due diligence conducted by the firm to establish a reasonable basis that certain material representations made by issuers in official statements connected with the offerings were accurate. The violations were self-reported by BOKFS pursuant to the SEC's Municipalities Continuing Disclosure Cooperation ("MCDC") Initiative.
- October 21, 2015 - A regulatory action against BOKFS by FINRA was resolved via an Acceptance, Waiver & Consent. The allegations were related to "fair and reasonable" pricing of corporate bond transactions.
- March 11, 2019 – An order was issued against BOKFS by the U.S. Securities and Exchange Commission. The allegations were related to inadequate disclosure language in the firm's ADV brochures regarding the selection of mutual fund share classes that contain 12b-1 fees when share classes that did not contain 12b-1 fees were potentially available. The violations were self-reported by BOKFS pursuant to the SEC's Share Class Selection Disclosure ("SCSD") Initiative.

Details of the events disclosed above can be found in the firm's Form MA available through the SEC's EDGAR Filing System (<https://www.sec.gov/edgar/searchedgar/companysearch.html>). Search for "BOK Financial Securities, Inc." to view the firm's most recent Form MA filing.

(b) **Future Supplemental Disclosures.** As required by MSRB Rule G-42, this Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest, or to provide updated information with regard to any legal or disciplinary events of BOKFS. BOKFS will provide the Issuer with any such supplement or amendment as it becomes available throughout the term of the Agreement.

VII. **Related Disclosures Relevant to You.** From time to time, BOKFS will make contributions to various charities, non-profits or associations within the Issuer. While we do not believe these contributions create any conflicts related to the Issuer, the Issuer may wish to consider any future impact such circumstances may have on how BOKFS conducts its activities with the Issuer.

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 1, 2024

Date submitted: 03/22/2024

Prepared by: Karen Horner, City Attorney

Subject: Consider authorizing an Agreement for Tax Increment Reinvestment Zone Administration Services with P3Works LLC, for the proposed Reinvestment Zone Number Two, City of Friendswood.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The proposed agreement authorizes P3Works LLC ("P3") to provide creation and administration services for a new tax increment reinvestment zone pursuant to Chapter 311 of the Texas Tax Code. Specifically, P3 will perform the following services:

Tax Increment Reinvestment Zone	
TIRZ Formation, preliminary and Final Project and Finance Plan Preparation Services	
Preparation of TIRZ Project and Finance Plan	P3's Prevailing Hourly Rate
Prepare Preliminary and Final Project Plan	
Provide Support for Bond Issuance	
Make Presentations to City Council and Other Public Forums	
Basic District Administration Services	
Provide Consulting Services Relating to Future Improvement Areas and Related Bond Issuance	P3's Prevailing Hourly Rate (to be paid from Developer Funds advanced to the City)
Prepare Annual Report	

The agreement is for a term of three (3) years and will automatically renew but may be terminated at anytime after providing sixty (60) days' written notice.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Agreement - TIRZ Administration Services
2. P3 - Government Code Verifications Form
3. P3 - Certificate of Insurance
4. Form 1295

AGREEMENT FOR TAX INCREMENT REINVESTMENT ZONE ADMINISTRATION SERVICES

This Agreement for Tax Increment Reinvestment Zone Administration Services (the "Agreement") is entered into this _____ day of April, 2024, by and between P3Works, LLC ("P3Works"), and the City of Friendswood, Texas (the "City").

RECITALS

WHEREAS, the City Council is considering the creation of Tax Increment Reinvestment Zone No. 2 ("Zone") to finance the costs of certain public improvements for the benefit of property within the Zone; and

WHEREAS the City may consider entering into an agreement or issuing bonds to fund or reimburse for certain improvements in the TIRZ as authorized by the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended; and

WHEREAS the City requires specialized services related to the creation, revision and updating the Project and Finance Plan (the "Project and Finance Plan"), and the administration of the Zone, as more fully set forth in this Agreement; and

WHEREAS, P3Works has the expertise to properly establish and administer the Zone and ensure compliance with Texas Tax Code Chapter 311; and

WHEREAS the City desires to retain P3Works to provide Zone creation and administration services;

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for good and valuable consideration, P3Works and the City agree as follows:

ARTICLE I TERM OF AGREEMENT

1.0 The Agreement shall be effective as of its approval by all parties and shall be for a period of three (3) years and shall automatically continue on a year-to-year basis until terminated pursuant to Article IV of this Agreement.

ARTICLE II SERVICES TO BE PROVIDED BY P3WORKS

2.0 The scope and timing of services to be performed by P3Works are set forth in Exhibit "A," which is attached hereto and incorporated into this Agreement by this reference.

2.1 P3Works agrees that its services pursuant to this Agreement shall at all times be subject to the control and supervision of the City and that nothing in this Agreement shall constitute an assignment of any right or obligation of the City under any applicable contract, agreement, or law. P3Works shall not represent

to any property owner or any other person that it or any of its employees are acting as the City or employees of the City.

2.2 No substantial changes in the scope of services shall be made without the prior written approval of P3Works and the City.

2.3 P3Works shall supply all tools and means necessary to perform the services and production of the work product described in Exhibit "A."

ARTICLE III

PAYMENT TERMS AND CONDITIONS

3.0 In consideration for the services to be performed by P3Works, the City agrees to pay P3Works the fees for all services and related costs and expenses set forth in Exhibit "A."

3.1 Monthly invoices shall be submitted to the City for work completed, under the rates provided in Exhibit "A." The City agrees to pay the amount due to P3Works within thirty (30) days after the City's receipt of each invoice.

3.2 Copies of all invoices to P3Works for expenses, materials, or services provided to P3Works will accompany the invoice to the City. P3Works will pass any third-party cost through to the City without markup and will not incur any expense in excess of \$200 without written consent of the City.

3.3 Prior to the creation of the TIRZ, the City should pay P3Works' fees and services, as set forth in Exhibit "A," from lawfully available funds of the City.

ARTICLE IV

TERMINATION OF THIS AGREEMENT

4.0 Notwithstanding any other provisions of this Agreement, either party may terminate this Agreement at any time by giving sixty (60) days written notice to the other party without penalty and without limitation of its right to seek damages. The City shall pay P3Works, within 30 days of such termination, all of P3Works' fees and expenses actually accrued or incurred to and including the date of termination, including any amount incurred or accrued in connection with work in progress.

ARTICLE V

INSURANCE

5.0 P3Works agrees to meet all insurance requirements, and to require all consultants who perform work for P3Works to meet all insurance requirements, as set forth in Exhibit "C," which is attached hereto and thereby made a part of this Agreement.

ARTICLE VI

GENERAL PROVISIONS

6.0 This Agreement supersedes any and all agreements pertaining to the Zone, either oral or written, between the parties hereto with respect to rendering of services by P3Works for the City and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party of this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party which are not embodied herein and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

6.1 This Agreement shall be administered and interpreted under the laws of the State of Texas. Venue for all purposes hereunder shall be in Galveston County, Texas. This Agreement shall not be construed for or against any party by reason of who drafted the provisions set forth herein. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall remain in full force and effect.

6.2 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by P3Works without the prior written consent of the City.

6.3 P3Works is a TIRZ Administration firm, does not provide financial advice, and is not an Independent Registered Municipal Advisor under the SEC and MSRB Rules, therefore, P3Works will request an IRMA Exemption Letter if not already provided on the City's website, and then will provide to the City an IRMA Exemption Acceptance Letter in the general form attached as Exhibit "B" upon execution of the Agreement.

6.4 The waiver by either party of a breach or violation of any provision of this Agreement will not operate as or be construed to be a waiver of any subsequent breach thereof.

6.5 Upon acceptance or approval by City, all deliverables prepared or assembled by P3Works under this Agreement, and any other related documents or items shall be delivered to City, in hard copy and digital format for City use only. All digital data which contains algorithms, formulas, methodologies and related content provided to the City by P3Works shall remain the property of P3Works, and is provided as backup documentation to the deliverables, but shall not be released in digital format to any third-parties due to the proprietary nature of the intellectual data.

6.6 The City acknowledges P3Works' ownership of its software, programs, inventions, know-how, trade secrets, confidential knowledge, source code, or other proprietary information relating to products, processes, services, software, formulas, developmental or experimental work, business plans, financial information, or other subject matter ("Confidential Information") pertaining to the business of P3Works. This Agreement shall not in any way give rise to any requirement or obligation for P3Works to disclose or release any Confidential Information. All records, reports, and other documents prepared by P3Works for the purpose of providing the services described in this Agreement shall be property of the City. All such documents shall be made available to the City during the course of performance of this Agreement. Any reports, studies, photographs, negatives, or other documents or drawings prepared by P3Works in the performance of its obligations under this Agreement shall be the exclusive property of the City and all such materials shall be remitted to the City by P3Works upon completion, termination, or cancellation of this Agreement.

6.7 The headings and article titles of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part hereof.

6.8 All notices, requests, demands, and other communications which are required to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon the delivery by registered or certified mail, return receipt requested, postage prepaid thereon, as follows:

To P3Works:

Mary V. Petty
Managing Partner
P3Works, LLC
9284 Huntington Square, Ste. 100
North Richland Hills, Texas 76182

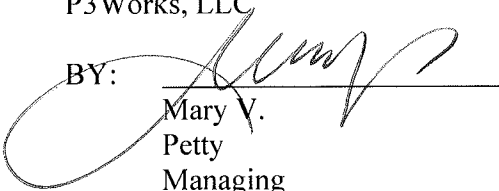
To City:

City Manager
City of Friendswood,
910 S. Friendswood Dr.
Friendswood, TX 77546

6.9 The parties hereby warrant that the persons executing this Agreement are authorized to execute this Agreement and are authorized to obligate the respective parties to perform this Agreement. A facsimile signature on this Agreement shall be treated for all purposes as an original signature.

Executed on this _____ day of _____, 2024.

P3Works, LLC

BY: 

Mary V.
Petty
Managing
Partner

City of Friendswood

BY: _____

Morad Kabiri
City Manager

EXHIBIT "A"
TAX INCREMENT REINVESTMENT ZONE SERVICES TO BE PROVIDED

TIRZ FORMATION, PRELIMINARY AND FINAL PROJECT, AND FINANCE PLAN PREPARATION SERVICES

Billed at P3Works' prevailing hourly rates, which are currently as follows:

<i>Title</i>	<i>Hourly Rate</i>
<i>Partner</i>	<i>\$250</i>
<i>Project Manager</i>	<i>\$210</i>
<i>Senior Analyst</i>	<i>\$185</i>
<i>Analyst II</i>	<i>\$160</i>
<i>Analyst</i>	<i>\$135</i>
<i>Administrative</i>	<i>\$100</i>

**Not more than once a year, P3Works' hourly rates may be adjusted from time to time to reflect increased costs of labor and/or adding/reclassifying titles. P3Works shall give notice of such adjustment at least (60) days in advance of the effective date of adjustment. Travel times will be billed at hourly rates.*

District Due Diligence and Preparation of TIRZ Project and Finance Plan

1. P3Works will review project information and prepare a Preliminary Plan for the proposed creation, including:
 - a) Assessed value schedules and overall structuring to achieve City goals and objectives.
 - b) Drafting the TIRZ Agreement.
 - c) At the direction of Staff, facilitate presentations to the Council and the TIRZ Board.
2. Estimated annual TIRZ Credit by lot type for each improvement area.

Preparation of Preliminary and Final Project Plan

1. P3Works will prepare a Preliminary Project and Finance Plan ("PPFP") and a Final Project and Finance Plan ("FPFP") to be adopted by the TIRZ Board and the City Council and included in the Official Statement for the PID Bonds based on the Plan of Finance.
2. P3Works will prepare a draft TIRZ Agreement to be adopted by the TIRZ Board
3. P3Works will present the PPFP to the Council at the creation of the TIRZ and request approval of TIRZ Creation Ordinance.
4. P3Works will present the FPFP to the Council after conducting all necessary steps for public hearings and notifications and request approval of TIRZ FPFP.
5. P3Works will file the necessary creation forms with the Secretary of the State of Texas after the creation of the TIRZ.

Participation in Presentations to City Council or other Public Forums

1. P3Works will prepare and present information as requested to the City Council or any other public forum.

2. If requested by the City, P3Works will respond to any calls and or emails relating to the TIRZ.
3. P3Works will only provide technical answers relating to the annual TIRZ Reimbursement or the TIRZ generally.

BASIC DISTRICT ADMINISTRATION SERVICES

Billed at P3Works' prevailing hourly rates, which are currently as follows:

Title	Hourly Rate
<i>Partner</i>	<i>\$250</i>
<i>Project Manager</i>	<i>\$210</i>
<i>Senior Analyst</i>	<i>\$185</i>
<i>Analyst II</i>	<i>\$160</i>
<i>Analyst</i>	<i>\$135</i>
<i>Administrative</i>	<i>\$100</i>

**Not more than once a year, P3Works' hourly rates may be adjusted from time to time to reflect increased costs of labor and/or adding/reclassifying titles. P3Works shall give notice of such adjustment at least (60) days in advance of the effective date of adjustment. Travel times will be billed at hourly rates.*

Preparation of the Annual Report to be filed with the Secretary of State and then presented to the TIRZ Board and City Council for approval.

Prepare Annual Report

1. If possible, obtain updated construction cost estimates (or actual costs for completed facilities) for TIRZ improvements.
2. Update Annual Report as necessary to account for any changes in development plan or land uses.
3. Present preliminary Annual Report to TIRZ Board. Upon approval by TIRZ Board, and City, submit final Annual Report to the Texas Secretary of State.

EXHIBIT "B"
IRMA EXEMPTION LETTER



P3Works, LLC.
9284 Huntington Sq.
Suite 100
North Richland Hills, Texas 76182

Mary V. Petty Managing Partner
+1.817.393-0353 Phone
Admin@P3-Works.com

Date

_____, City Manager

Address

City, State, ZIP

RE: IRMA Exemption/Acceptance Letter To Whom It May Concern:

We have received your written representation, dated _____, 20____, that the City of _____ (the "City") has engaged and is represented by _____, an independent registered Municipal Advisor ("IRMA"). In accordance with Section 15Ba1-1(d)(3)(vi) of the Securities Exchange Act of 1934 ("Securities Exchange Act"), we understand and intend for the City to rely on IRMA's advice in evaluating recommendations brought forward by P3Works, LLC that constitute "advice" as defined in the Securities Exchange Act ("IRMA Exemption").

Furthermore, P3Works, LLC has conducted reasonable due diligence and is confirming that to the best of our knowledge, the IRMA is independent from P3Works, LLC, that P3Works, LLC is not a municipal advisor and is not subject to the fiduciary duty to municipal entities that the Security and Exchange Act imposes on municipal advisors, and that P3Works, LLC has a reasonable basis for relying on the IRMA Exemption. We will advise you, in writing, if we become aware of any changes.

P3Works, LLC provides TIRZ Administration as consult services to Cities and Counties.

As required by the relevant sections of the Securities Exchange Act regarding Municipal Advisors, we are informing your identified IRMA of these facts.

Mary V. Petty
Managing Partner P3Works, LLC

Jon Snyder
Managing Partner P3Works, LLC

EXHIBIT "C"
Insurance Requirements

P3Works shall, at its own expense, purchase, maintain, and keep in force insurance, which shall protect against injury and/or damages which may arise out of or result from operations under this Agreement of the following types and limits:

- a. Workers' Compensation Insurance
 - Statutory Limits
 - Employer's Liability \$500,000
 - Waiver of Subrogation required.
- b. 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.
- c. Commercial Automobile Liability Insurance
 - Combined Single Limits: \$1,000,000
 - Coverage for "Any Auto"
 - Waiver of Subrogation required
- d. Professional Liability (Errors and Omissions)
 - Limit: \$1,000,000 for this Project
 - Coverage shall continue for a minimum of two (2) years after P3Works' assignment under this Agreement is completed.

P3Works'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 P3Works' insurance and shall not contribute to it. Further, P3Works 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 shall be applicable to all policies of insurance required herein.

- Insurance carrier for all liability policies must have an A.M. Best Rating of A:VIII or better.
- Only insurance carriers licensed and admitted to do business in the State of Texas will be accepted.
- Liability policies must be on occurrence form. P3Works Liability Insurance can be on claims-made form.

- 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 certified mail, return receipt requested, has been given to the City.
- 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 Professional Liability Policies required herein.
- Upon request and without cost to the City, certificates of insurance shall be furnished to the City.
- 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 P3Works.
- P3Works shall provide copies of insurance certificates required hereunder to the City on or before the effective date of this Agreement.

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 1, 2024

Date submitted: 02/20/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider ratifying the signatures by the Chief of Police and City Manager on a renewal agreement with the Defense Logistics Agency (DLA) Disposition Services allowing the Police Department's participation in the excess Department of Defense (DOD) property transfer program (formerly known as the 1033 Program).

Originating Department: Police Department

Degree of importance: Elective

SUMMARY / ORIGINATING CAUSE

Participation in this program provides the Police Department with access to surplus government property, much of which is tailored for military and law enforcement use. The Police Department has acquired property from this program for policing operations in the past. When the property was no longer serviceable or in use, it was transferred to another participating agency or returned to the DLA.

Law enforcement agencies rely on this program to supplement their law enforcement equipment needs. The program provides access to armored vehicles, riot protective gear, firearms, kitchen equipment, etc. There are many items that become available for our policing needs. In this case, we are seeking the transfer of an MRAP(Armored Vehicle) from the Pearland Police Department.

This agreement must be updated annually, along with an inventory of property.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

The LESO Program allows LEAs to receive excess DoD property that can be utilized for criminal justice purposes. Examples of excess property the Friendswood Police Department may *potentially* screen, possess, or acquire from the Department of Defense within the next 12 months include: Armored Vehicles (MRAPs, Peacekeepers, Armored HMMWVs & NTAVS), Vehicle parts, Weapon-mounted optics & lasers, Handheld Optics & lasers, Night Vision Devices (including thermal equipment), Optical & sighting equipment (range finders, boresights, etc.), Purpose-built Handheld Breaching Equipment, and Decontamination Equipment.

RECOMMENDATIONS

Council approval of PD participation in the Texas LESO Program

ATTACHMENTS

1. FRIENDSWOOD DLA APPLICATION0001
2. FRIENDSWOOD LE CERT NOTIFICATION0001

3. FRIENDSWOOD MOU0001
4. FRIENDSWOOD SPO0001



DEFENSE LOGISTICS AGENCY
DISPOSITION SERVICES
74 WASHINGTON AVENUE NORTH
BATTLE CREEK, MICHIGAN 49037-3092

CLEAR FORM

Law Enforcement Support Office (LESO)
Application for Participation / Authorized Screeners Letter

(This form is for State/Local Law Enforcement Agencies (LEA) only)

*Indicates Required Fields

SECTION 1:

*Agency Name:	Friendswood Police Department	Originating Agency Identifier (ORI) #:(if applicable)	TX0840300
*Agency Physical Address:	1600 Whitaker Drive	*City:	Friendswood
*State:	TX	*Zip Code:	77546
		*NCIC P.O. Box or Address (if different than above i.e., terminal location)	
*Phone #:	(281) 996-3300	*Email:	LPrice@friendswood.com
Note: Email is needed for automated system notifications.			

Agency MUST have at least 1 full-time officer to participate in the program. Indicate the number of compensated officers with arrest and apprehension authority. Part-time field MUST be filled in: N/A, 0 or - is acceptable.

*Full-time: 66 *Part-time: 0

RTD Screener - RTD Screeners MUST be employed by the aforementioned LEA. Individuals identified below may request access to act as an authorized "RTD Screener" on behalf of this Law Enforcement Agency. **Agency MUST have at least 1 RTD Screener.** Enter "XXXXX" or "N/A" into all screener fields not used.

#1	Chief of Police	Christopher Josh	Rogers	
	*Official Title / Rank	*First Name	*Last Name	
	jrogers@friendswood.com	(281) 996-3320	Vehicle/Small Arms	
	*Email	*Phone Number	POC (Aircraft/Small Arms/Vehicle)	
#2	Deputy Chief	Erik	Reyna	
	*Official Title / Rank	*First Name	*Last Name	
	ereyna@friendswood.com	(281) 996-3340	N/A	
	*Email	*Phone Number	POC (Aircraft/Small Arms/Vehicle)	
#3	Sergeant	Scott	Muir	
	*Official Title / Rank	*First Name	*Last Name	
	smuir@friendswood.com	(281) 996-3323	N/A	
	*Email	*Phone Number	POC (Aircraft/Small Arms/Vehicle)	
#4	Sergeant	Mitchell	Jeffcoat	
	*Official Title / Rank	*First Name	*Last Name	
	mjeffcoat@friendswood.com	(281) 993-3444	N/A	
	*Email	*Phone Number	POC (Aircraft/Small Arms/Vehicle)	
#5	N/A	N/A	N/A	
	*Official Title / Rank	*First Name	*Last Name	
	N/A		N/A	
	*Email	*Phone Number	POC (Aircraft/Small Arms/Vehicle)	
#6	N/A	N/A	N/A	
	*Official Title / Rank	*First Name	*Last Name	
	N/A		N/A	
	*Email	*Phone Number	POC (Aircraft/Small Arms/Vehicle)	
#7	N/A	N/A	N/A	
	*Official Title / Rank	*First Name	*Last Name	
	N/A		N/A	
	*Email	*Phone Number	POC (Aircraft/Small Arms/Vehicle)	

SECTION 2:**RESERVED FOR LAW ENFORCEMENT AGENCY USE ONLY**

Law Enforcement Agency/Activity - The LESO Program defines this as a Governmental agency/activity whose primary function is the enforcement of applicable Federal, State and Local laws and whose compensated Law Enforcement officers have the powers of arrest and apprehension.

I certify that my agency meets the definition of a "Law Enforcement Agency/Activity" as described above. I certify that all information contained in this application is valid and accurate. I understand that I must provide my State Coordinator an application to update my agency participant information if the following information changes: a) Chief Law Enforcement Official (CLEO) changes, b) Agency physical address changes, c) RTD Screener additions/deletions, d) that my agency is abiding by the current version of the LESO approved State Plan of Operation (SPO) and any SPO Addendum(s) and e) that my agency has a signed copy of the SPO and any SPO Addendum(s) on file.

☒ I am signing this document as the CLEO of this law enforcement agency.

*(Check only one): ☐ In my official position or as Acting/Interim, I am authorized to sign documents on behalf of the CLEO for this agency. If checked, please provide appropriate documentation (i.e., current department policy, agency memorandum or other suitable documentation that provides such signature authority to the individual holding that official position).

By signing this application, I certify that my Agency will comply with U.S. Code 2576a for all controlled property, which states; With the authorization of the relevant local governing body or authority, that my agency has adopted publically available protocols for the appropriate use of controlled property, the supervision of such use, and the evaluation of the effectiveness of such use, including auditing and accountability policies; and that it provides annual training to relevant personnel on the maintenance, sustainment, and appropriate use of controlled property. I certify under penalty of perjury that the foregoing is true and correct. Making a false statement may result in judicial actions or prosecution under 18 USC § 1001.

Chief of Police	Christopher Josh	Rogers
*TITLE	*PRINTED FIRST NAME:	*PRINTED LAST NAME:
jrogers@friendswood.com		02/20/2024
*EMAIL	*SIGNATURE	*DATE

SECTION 3:**RESERVED FOR STATE COORDINATORS OFFICE USE ONLY**

By signing this application, I certify that as the State Coordinator/State Point of Contact, I have determined that: a) the agency meets the definition of a "Law Enforcement Agency/Activity" as described in Section 2, b) that all information contained in this application is valid and accurate, c) that the LEA is abiding by the current version of the LESO approved State Plan of Operation (SPO) and any SPO Addendum(s) and d) that the LEA has a signed copy of the SPO and any SPO Addendum(s) on file.

Michelle Farris		
*PRINTED NAME FIRST & LAST	*SIGNATURE	*DATE

SECTION 4:**RESERVED FOR LESO USE ONLY**

NOTICE FOR DLA DISPOSITION SERVICES PERSONNEL: Regulatory guidance outlining Screener Identification and Authorization must be accomplished in accordance with DOD 4160.21-M, Volume 3, Enclosure 5, Section 3 (k). In accordance with the aforementioned reference, the LESO Program authorizes the individuals identified in Section 1 of this form to screen excess property at your facilities as authorized participants in the LESO Program. This authorized screener letter supersedes all previously issued screener letters for this Law Enforcement Agency/Activity and is valid only on or after the date signed by authorized LESO signatory. Only two individuals authorized to screen per visit; however, additional personnel may assist receiving material previously screened and approved for transfer.

*This agency is authorized to screen items via the LESO Program under authorized Agency DODAAC:

LESO Notes:

*Screener letter is valid one year from this date. Note: After one year from the LESO signatory date, the screener letter is no longer valid. LEAs may request a new screener letter through their SC/SPOC.

*SIGNATURE



Certification of Notification for Law Enforcement Agency to Potentially Acquire Controlled Property

To: Texas LESO Program Manager
Texas Department of Public Safety
5805 N. Lamar Blvd MSC 0218
Austin, Texas 78752

I do, hereby certify that the Friendswood Police Department
has notified the public and the Civilian Governing Body (CGB) that it may potentially request and acquire any controlled property deemed necessary contained on the comprehensive list outlined below, from the Law Enforcement Support Office (LESO) Program within the following fiscal year.

Hereafter, the law enforcement agency named above, will notify the public and the Civilian Governing Body (CGB) no later than July 1 of each consecutive year, by providing an updated comprehensive list of controlled property that it may potentially request and acquire in the following fiscal year.

Weapons (pistols, shotguns, long rifles), Weapon modification kits, Weapon parts, Training Weapons, Aircraft (Fixed & Rotary), Aircraft parts, Armored Vehicles (MRAPs, Peacekeepers, Armored HMMWVs & NTAVs), Vehicle parts, Weapon-mounted optics & lasers, Handheld Optics & lasers, Night Vision Devices (including thermal equipment), Optical & sighting equipment (range finders, boresights etc), Tactical cargo vehicles (HMMWV, Cargo trucks), Watercraft, Unmanned Ground Vehicles (all robots), Wheel assemblies, Tools (hand, pneumatic & power), Purpose-built Handheld Breaching Equipment, Decontamination Equipment, Computers & peripherals, Camouflage & deception equipment, Radio & Telephone Equipment, Generators, Lighting & observation towers, Riot gear (helmets, face shields, fixed batons over 2 ft., wearable gear & shields), Capability Sets, and Camera Sets.

Signed and certified, this 20th day of February 2024.

Chief Law Enforcement Official (CLEO)

Christopher Josh Rogers

(Print Name & Official Title)

Christopher Josh Rogers
(Signature)



**DEFENSE LOGISTICS AGENCY
DISPOSITION SERVICES
74 WASHINGTON AVENUE NORTH
BATTLE CREEK, MICHIGAN 49037-3092**

GPL

August 15, 2022

**MEMORANDUM FOR LAW ENFORCEMENT SUPPORT OFFICE (LESO) PROGRAM
PARTICIPATING LAW ENFORCEMENT AGENCY (LEA)**

SUBJECT: Addendum to LESO Program State Plan of Operation (SPO)

This addendum amends the existing State Plan of Operation (dated February 2021) between the State and Law Enforcement Agency (LEA) and is herein referred to as the SPO Addendum. The SPO Addendum implements requirements found within Presidential Executive Order (EO) 14074 (Section 12), signed on May 25, 2022. In accordance with current SPO-Paragraph 17, notice is being provided of a unilateral change to the SPO. Unless an LEA takes immediate action to terminate the current SPO, the modifications or amendments will become binding.

1) ROLES AND RESPONSIBILITIES The State Shall:

- a) Ensure each LESO Program participating Law Enforcement Agency (LEA) has signed the LESO-approved SPO Addendum no later than January 1, 2023. The SPO Addendum will be signed by the Chief Law Enforcement Official (CLEO) (or assigned designee), the Civilian Governing Body (CGB), and the current State Coordinator (SC) (or authorized State Point of Contact [SPOC]).
- b) Provide LESO with a comprehensive list of LEAs who do not sign the SPO Addendum by January 1, 2023. LESO will restrict the LEA to ensure LEA may not request or receive "controlled" property as defined within this addendum.

2) MODIFICATION TO DEFINITION OF "CONTROLLED" PROPERTY This SPO Addendum adds the below items to the "controlled" property definitions currently found in the 2021 SPO. These items are added pursuant to EO 14074 which reestablishes EO 13688. In 2017, the Law Enforcement Equipment Working Group (established by EO 13688), further added, deleted and refined the definitions of "controlled" items in their annual equipment list review. Provisions within the 2021 MOA applicable to "controlled" property apply to the items listed below (regardless of DEMIL and/or DEMIL Integrity Code). Title and ownership of the "controlled" property listed below remains with the DoD in perpetuity and will not be relinquished to the LEA (regardless of DEMIL and/or Integrity Code). The LESO retains final authority to determine what items qualify as "controlled" property. The below items listed in Section 1.2 of Law Enforcement Equipment Working Group (LEEWG) Recommendations (as modified in 2017), will be managed and issued as controlled property unless other restrictions or conditions are noted:

- a) *Manned Aircraft, Fixed Wing:* Powered aircraft with a crew aboard, such as airplanes, that use a fixed wing for lift. (Note: These items were previously listed as controlled in LESO Program. Any aircraft without commercial application are prohibited).
- b) *Manned Aircraft Rotary Wing:* Powered aircraft with a crew aboard, such as helicopters, that use a rotary wing for lift. (Note: These items were previously listed as controlled in LESO Program. Any aircraft without commercial application are prohibited).

c) *Unmanned Aerial Vehicles*: A remotely piloted powered aircraft without a crew onboard. (Note: These items are not currently issued in the LESO Program).

d) *Armored Vehicles, Wheeled*: Any wheeled vehicle either purpose-built or modified to provide ballistic protection to its occupants, such as a Mine-Resistant Ambush Protected (MRAP) vehicle or an Armored Personnel Carrier (APC). These vehicles are sometimes used by law enforcement personnel involved in dangerous operating conditions, including active shooter or similar high-threat situations. These vehicles often have weapon-firing ports. (Note: These vehicles were previously considered controlled due to DEMIL code and are now prohibited unless certification requirements in Section 3 are met).

e) *Tactical Vehicles, Wheeled*: A vehicle purpose-built to operate on- and off- road in support of military operations, such as a High Mobility Multi-purpose Wheeled Vehicle (HMMWV), 2.5-ton truck, 5-ton truck, or a vehicle with a breaching or entry apparatus attached. These vehicles are sometimes used by law enforcement in rough terrain or inclement weather for search and rescue operations, as well as other law enforcement functions. This excludes commercially available vehicles not tactical in nature, such as pick-up trucks or SUVs. (Note 1: This is LEEWG modified definition from 2017. Note 2: All tactical vehicles will now be considered controlled, and title will not pass. Note 3: Armored vehicles in this category will be considered prohibited unless certification requirements in Section 3 are met).

f) *Command and Control Vehicles*: Any wheeled vehicle either purpose-built or modified to facilitate the operational control and direction of public safety units responding to an incident. Command and control vehicles provide a variety of capabilities to incident Commander, including, but not limited to, the provision for enhanced communications and other situational awareness capabilities. Command and Control Vehicles are similar to a recreational vehicle and can accommodate multiple people at multiple workstations in the command center. This category does not include SUVs and is not intended for other types of vehicles that could serve as a command-and-control center. (Note 1: This is the LEEWG modified definition from 2017. Note 2: Armored vehicles in this category will be considered prohibited unless certification requirements in Section 3 are met).

g) *Specialized Firearms and Ammunition Under .50-Caliber (excludes firearms and ammunition designed for regularly assigned duties) and less lethal launchers*: Weapons and corresponding ammunition for specialized operations or assignment. This includes launchers specifically designed and built to launch less lethal projectiles. This excludes weapons such as service issued handguns, rifles or shotguns that are issued or approved by the agency to be used by all sworn officers/deputies during the course of regularly assigned duties. (Note 1: This is the LEEWG modified definition from 2017. Note 2: The LESO Program only issues weapons under .50 caliber that are designed for regularly assigned duties).

h) *Explosives and Pyrotechnics*: Includes “flash bangs” as well as explosive breaching tools often used by special operations units. (Note: These items were previously prohibited in the LESO Program and are now specifically prohibited in EO 14074).

i) *Breaching Apparatus*: Tools designed to provide rapid entry into a building or through a secured doorway. These tools may be mechanical in nature (a battering ram connected to a vehicle or a propellant), ballistic (slugs), or explosive. This category does not include dual purpose tools such as a sledgehammer or bolt cutter. (Note: This is the LEEWG modified definition from 2017).

j) *Riot/Crowd Control Batons*: Non-expandable of greater length (more than 24 inches) than service-issued types and are intended to protect its wielder during crowd control situations by providing distance from assailants. This category includes all batons with advanced features such as tear gas discharge, electronic or “stun” capabilities. (Note: This is the LEEWG modified definition from 2017).

k) *Riot Helmets*: Helmets designed to protect the wearer's face and head from injury during melees from projectiles including rocks, bricks, liquids, etc. Riot helmets include a visor which protects the face. (Note 1: The LEEWG removed these items from the controlled list in 2017. Note 2: LESO does not issue Kevlar helmets based on DoD policy).

l) *Riot/Crowd Control Shields*: Shields intended to protect wielders from their head to their knees in crowd control situations. Most are designed for the protection of the user from projectiles including rocks, bricks, and liquids. Some afford limited ballistic protection as well. (Note: This is the LEEWG modified definition from 2017).

3) PROHIBITED ITEMS THAT MAY BE ISSUED FOR LIMITED PURPOSES EO 14074 lists the below items as "prohibited" for issue under the LESO Program; however identifies specific authorized uses for these "prohibited" items if requested, utilized and annually certified as being used only in authorized manners. When utilized in an authorized manner (as indicated in the below example descriptions), the items are categorized as "controlled" property.

a) *Long Range Acoustic Devices (LRAD) that do not have commercial application*- Participating LEAs in the State of Texas, are not authorized to acquire LRAD devices. All requests for these devices, will be denied.

b) *Vehicles that do not have commercial application*- This includes all tracked and armored vehicles, such as a Mine-Resistant Ambush Protected (MRAP), Armored Personnel Carrier (APC), or Armored HMMWV. (Note: This category excludes vehicles with commercial application, such as pick-up trucks, non-armored HMMWVs, 2.5-ton trucks, 5-ton trucks, or SUVs. The LESO Program identifies/defines vehicles with "commercial application" as items with a DEMIL Code of "A" or DEMIL "Q" (with an Integrity Code of 6) that may be sold to the general public under DoD sales programs).

i) *Authorized uses*- EO 14074 allows limited transfer of vehicles that do not have commercial application if the LEA certifies that the vehicle will be used exclusively for disaster-related emergencies; active shooter scenarios; hostage or other search and rescue operations; or anti-terrorism preparedness, protection, prevention, response, recovery, or relief. Any other use of these vehicles is not authorized.

ii) *Annual Certification Requirements*- During the LESO Program annual inventory, LEAs with these vehicles must certify that the vehicle(s) is utilized exclusively for disaster-related emergencies; active shooter scenarios; hostage or other search and rescue operations; or anti-terrorism preparedness, protection, prevention, response, recovery, or relief. An LEAs signature on the SPO Addendum agreeing to these new terms will serve as initial certification.

iii) LEAs that do not have a current SPO Addendum on file by January 1, 2023 or who fail to annually certify that the vehicle(s) use is exclusively for disaster-related emergencies; active shooter scenarios; hostage or other search and rescue operations; or anti-terrorism preparedness, protection, prevention, response, recovery, or relief must return vehicle(s) to DLA Disposition Services.

4) ACQUIRING (OR RETAINING) CONTROLLED PROPERTY The State shall:

a) Review, verify and only submit to LESO for approval, requests for controlled property by LEAs who have current SPO and SPO Addendum on file with the state.

b) Ensure LEAs return controlled property to DLA Disposition Services if the Department of Justice (DOJ) determines or a Federal, State, Tribal, local, or territorial court enters a final judgment finding that the LEA has engaged in a pattern or practice of civil rights violations.

c) Ensure that prior to requesting/acquiring any controlled property, the LEAs:

i) Provide written or electronic notification to the local community of its intent to request controlled property. The notification must be translated into appropriate languages to inform individuals with limited English proficiency. The LESO Program would *recommend* that LEAs provide a notice of intent to request controlled property to the local community on or before January 1, 2023 and at the beginning of each fiscal year (October 1st) thereafter. This notification should include a comprehensive list of any controlled property that may be requested throughout the year. If this notice of intent does not include a specific controlled property item, such item may not be requested in the LESO Program until 30-days after an updated notice is published.

ii) Provide written or electronic notification to the city council or appropriate local Civilian Governing Body (CGB) of its intent to request controlled property and allow “reasonable opportunity to review” (normally 30-days). The LESO Program would *recommend* that LEAs provide a notice of intent to the CGB on or before January 1, 2023 and at the beginning of each fiscal year (October 1st) thereafter. This notification should include a comprehensive list of any controlled property that may be requested throughout the year. If this notice of intent does not include a specific controlled property item, such item may not be requested in the LESO Program until 30-days after an updated notice is published. Requests for controlled property must comport with all applicable approval requirements of the CGB.

(1) The above requirement includes elected Sheriff’s who also shall notify their CGB or city or county government within their jurisdiction.

(2) In cases of disagreement between requesting LEAs and CGB, the Governor appointed LESO Program State Coordinator (SC) will obtain an advisory opinion from the States Attorney General’s Office on whether CGBs are authorized by state law to deny the request.

iii) *Campus LEAs operating in Institutions of Higher Education (IHE)*- LEAs operating in IHEs otherwise referred to as “Campus Police” or “Campus LEAs” must also adhere to the requirements identified below:

(1) Obtain the IHE Board of Governors (or an equivalent body) *explicit approval* for the acquisition of controlled property. Such approval must be evidenced in the Campus LEAs request submitted to the LESO Program. Silence or inaction by the Campus LEAs Board of Governors does not constitute evidence of approval, and the “reasonable opportunity to review” (normally 30-days) standard does not apply to Campus LEA applications.

(2) Certify that their policies and training include specific provisions on using controlled property in a way that does not chill speech, is not disruptive to the educational environment, and does not foster a hostile climate among students.

(3) Campus LEAs who receive controlled vehicles are required to remove the militaristic appearance (i.e., painting the vehicle a different color).

5) REGIONAL SHARING AGREEMENTS LESO Program participants who are part of a regional sharing agreement must also adhere to the following requirements.

a) Participating LEAs in the State of Texas, are not authorized to share or loan any assigned LESO program property to any other LEA, regardless of if they are part of an internal regional sharing agreement with the participating LEA.

6) POLICIES/PROCEDURES LEAs must establish policies/procedures that are consistent with the standards listed below, in order to request or maintain controlled property. LEAs must:

a) Adopt and comply with general policing standards.

i) *Community Policing*- LEA policies/procedures should reflect the concept that trust and mutual respect between police and the communities they serve are critical to public safety. Community policing fosters relationships between law enforcement and the local community which promotes public confidence in LEAs therefore increasing LEA ability to investigate crimes and keep the peace.

ii) *Constitutional Policing*- LEA policies/procedures must emphasize that all police work should be carried out in a manner consistent with the requirements of the U.S. Constitution and federal law. Policies/procedures must include First, Fourth, and Fourteenth Amendment principles in law enforcement activity, as well as compliance with Federal and State civil rights laws. LEA certified law enforcement officers receive training on the rights embodied by such Constitutional Amendments and how these amendments inform policing policies/procedures.

iii) *Community Input and Impact*- LEA policies/procedures must identify mechanisms that LEAs will use to engage the communities they serve to inform them and seek their input about LEAs actions, role in, and relationships with the community. LEAs should make particular efforts to seek the input of communities where controlled property is likely to be used so as to mitigate the effect that such use may have on public confidence in the police. This could be achieved through the LEAs regular interactions with the public through community forums, town halls, or meetings with the Chief, or community outreach divisions.

b) Adopt and comply with controlled property standards.

i) *Appropriate Use of Controlled Property*- LEA policies/procedures must define appropriate use of controlled property; officers who are authorized to use controlled property must be trained on these policies/procedures. LEAs should examine scenarios in which controlled property will likely be deployed, the decision-making processes that will determine whether controlled property is used, and the potential that both use and misuse of controlled property could create fear and distrust in the community. Policies/procedures should consider whether measures can be taken to mitigate that effect (i.e., keep armored vehicles at a staging area until needed) and any alternatives to the use of such property and tactics to minimize negative effects on the community, while preserving officer safety.

ii) *Supervision of Use*- LEA policies/procedures must specify appropriate supervision of personnel operating or utilizing controlled property. Supervision must be tailored to the type of controlled property being used and the nature of the engagement or operation during which the property will be used. Policies/procedures must describe when a supervisor of appropriate authority is required to be present and actively overseeing the property being used.

iii) *Effectiveness Evaluation*- LEA policies/procedures must articulate that the LEA will regularly monitor and evaluate the effectiveness and value of controlled property to determine whether continued deployment and use is warranted on operational, tactical, and technical grounds. LEAs should routinely review after-action reports and analyze any data on, for example, how often controlled property is used or whether controlled property is used more frequently in certain law enforcement operations or in particular locations or neighborhoods.

iv) *Auditing and Accountability*- LEA must establish policies/procedures that are designed to prevent misuse, unauthorized use and/or loss of controlled property. LEA will hold personnel accountable to agree and comply with State, local, Tribal and Federal controlled property use policies/procedures.

v) *Transparency and Notice*- LEA policies/procedures must articulate that LEA will engage the community regarding controlled property, policies/procedures governing its use, and review of “significant incidents” (as defined in Section 8), with the understanding that there are reasonable limitations on disclosures of certain information and law enforcement sensitive operations and procedures.

c) Must adopt and comply with record-keeping requirements for controlled property.

i) Upon LESO request, LEAs must provide a copy of the general policing standards and specific controlled property standards that were adopted, to include any related policies/procedures.

ii) *Record-Keeping Requirement*- LEAs must retain comprehensive training records, either in the personnel file of the officer who was trained or by the LEAs training division or equivalent entity, for a period of at least three (3) years, and must provide a copy of these records, upon LESO request.

7) TRAINING LEAs that request or have acquired controlled property via the LESO Program must establish written policies/procedures for controlled property use, and all personnel who are authorized to use the controlled property will be trained on these policies/procedures. LEAs must:

a) Provide annual training on general policing standards to personnel who may use the controlled property.

b) Provide annual training on property standards to personnel who may use the controlled property.

c) Provide controlled property operational and technical training to personnel and ensure personnel are proficient prior to using controlled property.

d) Provide scenario-based training to personnel that combines constitutional and community policing principles with controlled property specific training. LEA personnel authorizing or directing the use of controlled property should have enhanced scenario-based training to examine, deliberate, and review the circumstances in which controlled property should or should not be used.

8) DOCUMENTATION REQUIRED FOR “SIGNIFICANT INCIDENTS” LEAs must collect and retain the information (described below) when any law enforcement activity involves a “Significant Incident” which requires (or results in) the use of controlled property on the LEAs inventory. A “Significant Incident” is defined as any law enforcement operation or action that involves: 1) a violent encounter among civilians or between civilians and the police, 2) a use-of-force that causes death or serious bodily injury, 3) a demonstration or other public exercise of First Amendment rights, or 4) an event that draws, or could be reasonably expected to draw, a large number of attendees or participants, such as those where advanced planning is needed. LEAs must:

a) Collect and retain documentation for controlled property used in a “Significant Incident” for a minimum of three (3) years after the incident has occurred. The LEA must provide documentation to LESO upon request.

i) Documentation should also be made available to the community the LEA serves in accordance with applicable policies/procedures with exemptions made concerning the disclosure of any sensitive information.

b) No new report or format is required for “Significant Incident” reports so long as information is easily accessible and organized. The required information may already exist in a police report, operations plan, officer daily log, incident report, after-action report or described in a use-of-force report. If required information (annotated below) is contained in a pre-existing reports, the LEA must simply ensure that the report includes information that controlled property was used. Required information is listed below:

i) Name and quantity of controlled property used, including relevant details such as make/model/serial number of controlled property used.

ii) Description of the LEA action/operation involving the controlled property.

iii) Identification of LEA personnel who used and directed the use of the controlled property.

iv) Identify or describe civilians who were the subject or target of LEA action/operation. For large crowds or multiple persons, the LEA must provide general description of the civilians (i.e., a crowd of approximately 250 people).

v) Result of the action/operation in which controlled property was used (i.e., arrests, citations, injuries or fatalities, use-of-force, victim extraction, or property damage).

9) ANNUAL CERTIFICATIONS By signing the SPO Addendum, the LEA agrees to the below certification statements. In addition, the LEA must annually certify compliance with the below certification statements during the Annual LESO Program Inventory. LEAs must:

a) Certify they have authorization from their CGB to participate in the LESO Program.

b) Certify they have provided their CGB and local community a comprehensive list of controlled property that may be requested through the LESO Program.

i) Notification may be made electronically or in writing and must be translated into appropriate languages to inform individuals with limited English proficiency. It is recommended this notification be done on an annual basis.

ii) If controlled property is not identified in the comprehensive list provided to the CGB and local community, an updated notification to CGB and local community must be made. The CGB and local community will be afforded 30-days to review what additional items are being requested.

c) Certify the request for controlled property comports/complies with all applicable approval requirements of the CGB.

d) Certify they have adopted and comply with controlled property standards (i.e., appropriate use, supervision of use, effectiveness evaluation, auditing/accountability of use, transparency/notice of use, and record-keeping requirements).

e) Certify they have provided annual training to personnel on the maintenance, sustainment, and appropriate use of controlled property, including respect for the rights of citizens under the Constitution of the United States and de-escalation of force.

f) Certify that LRAD devices are not authorized to be acquired by any participating LEAs in the State of Texas.

g) Certify that controlled property vehicle(s) are utilized exclusively for disaster-related emergencies; active shooter scenarios; hostage or other search and rescue operations; or anti-terrorism preparedness, protection, prevention, response, recovery, or relief.

h) Certify that controlled property requiring a license (or other authorization), is only utilized by personnel who hold license (or other authorization) to operate such property.

i) Certify that controlled property will be returned to DLA Disposition Services when no longer needed.

j) Certify that they are abiding by the current LESO Program SPO and SPO Addendum, and maintain a signed copy of these documents on file.

k) Certify the Application for Participation on-file with LESO Program is current and accurately reflects the number of officers in the agency when fully staffed. (Note: If Application for Participation is not accurate, LEA must provide an updated Application for Participation to State Coordinators Office).

l) Certify they are compliant with LESO Program allocation limits. (Note: Property allocation limits are based on the number of officers at an LEA when fully staffed).

m) Certify that they agree to return the controlled property if the Department of Justice (DOJ) determines or a Federal, State, Tribal, local, or territorial court enters a final judgment finding that the LEA has engaged in a pattern or practice of civil rights violations.

n) *Campus LEAs (as described in Section 4)* must also certify that their policies and training include specific provisions on using controlled property in a way that does not chill speech, is not disruptive to the educational environment, and does not foster a hostile climate among students.

o) *Program participants who are part of a regional sharing agreement (as described in Section 5)*, must also certify that the State of Texas does not authorize participating LEAs to share or loan any LESO assigned property to any other LEA, regardless of if they are part of an internal regional sharing agreement with the participating LEA.

10) SAVINGS CLAUSE/INTERPRETATION Nothing in this SPO Addendum shall be construed to impair or otherwise affect the requirements under the existing SPO between the State and LEA (dated February 2021), unless expressly amended herein. To the extent there is a disagreement concerning the interpretation of this SPO Addendum or the extent this SPO Addendum affects requirements under the existing SPO, the disagreement shall be resolved at the exclusive discretion of the LESO Program.

11) AGREEMENTS OF PARTIES By signing this SPO Addendum, the State and LEA acknowledges and accepts these changes. The SPO Addendum must be signed by LEAs no later than January 1, 2023 to remain eligible for LESO Program participation. The changes contained in this SPO Addendum are acknowledged and accepted by the following:

Governor-appointed State Coordinator State of Texas

Title (Print): Chief, Crime Records Division, Texas Dept of Public Safety

Name (Print): Michelle Farris

Signature (Sign):  Date (MM/DD/YYYY): 10/4/2022

Law Enforcement Agency Name: Friendswood Police Department

Chief Law Enforcement Official (CLEO) Title (Print): Chief of Police

Name (Print): Christopher Josh Rogers

Signature (Sign):  Date (MM/DD/YYYY): 2/20/2024

Civilian Governing Body (CGB) Title (Print): City Manager

Name (Print): Morad Kabiri

Signature (Sign): _____ Date (MM/DD/YYYY): 2/20/2024

State Plan of Operation (SPO) between:

The State of Texas and the (State/United States Territory)

Friendswood Police Department

Law Enforcement Agency (LEA)

1) PURPOSE This State Plan of Operation (SPO) is entered into between the State/United States (U.S.) Territory and Law Enforcement Agency (as identified above), to set forth the terms and conditions which will be binding on the parties with respect to Department of Defense (DoD) excess personal property conditionally transferred pursuant to 10 USC § 2576a, in order to promote the efficient, expeditious transfer of property and to ensure accountability of the same.

2) AUTHORITY The Secretary of Defense (SECDEF) is authorized by 10 USC § 2576a to transfer to Federal and State Law Enforcement Agencies (LEAs), personal property that is excess to the needs of the DoD, including small arms and ammunition, that the Secretary determines is suitable to be used by such agencies in law enforcement activities, with preferences for counter-drug/counter-terrorism, disaster-related emergency preparedness or border security activities, under such terms prescribed by the Secretary. The SECDEF has delegated program management authority to the DLA. The DLA Disp Svcs LESO administers the program in accordance with (IAW) 10 USC § 2576a, 10 USC § 280, DoDM 4160.21 and DLAI 4140.11. The DLA defines "law enforcement activities" as activities performed by governmental agencies whose primary function is the enforcement of applicable federal, State, and local laws and whose compensated law enforcement officers have powers of arrest and apprehension.

3) GENERAL TERMS AND CONDITIONS "DoD excess personal property" also known as "items", "equipment", "program property", or "property". "DLA Disposition Services Law Enforcement Support Office" also known as "1033 Program", "LESO Program", "the program", or "LESO". "State or U.S. Territory" also known as "the State", "State Coordinator (SC)", "State Point of Contact (SPOC)", or "SC/SPOC". "Law Enforcement Activities" also known as "agencies in law enforcement activities", "Law Enforcement Agency (LEA)", "program participant", or "State/LEA".

a) Property made available under this agreement is not for personal use and is for the use of authorized program participants only. All requests for property shall be based on bona fide law enforcement requirements. Authorized participants who receive property from the program will not loan, donate, or otherwise provide property to other groups or entities (i.e., public works, county garage, schools, etc.) that are not otherwise authorized to participate in the program. Property will not be obtained by program participants for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan. To receive such property, on an annual basis the LEA shall certify that they have:

- i) Obtained authorization of the relevant local governing body authority (i.e., city council, mayor, etc.).
- ii) Adopted publicly available protocols for the appropriate use of controlled property, the supervision, and the evaluation of the effectiveness of such use, including auditing and accountability policies.
- iii) Annual training in place and provides it to relevant personnel on the maintenance, sustainment, and appropriate use of controlled property, including respect for the rights of citizens under the Constitution of the U.S. and de-escalation of force.

b) All costs associated with the transportation, turn-in, transfer, repair, maintenance, insurance, disposal, repossession or other expenses related to property are the sole responsibility of the LEA. The LEA shall also be responsible to reimburse the U.S. Government (USG) for costs incurred in retrieving and/or repossessing property impermissibly transferred by the LEA to unauthorized participants.

c) The LEA will maintain and enforce regulations designed to impose adequate security and accountability measures for controlled property to mitigate the risk of loss or theft of property. Program participants shall implement controls to ensure property made available under this agreement is used for official law enforcement use only. The State/LEA shall take appropriate administrative and/or disciplinary action against individuals that violate provisions of the Memorandum of Agreement (MOA) between the Federal Government and the State/U.S. Territory and/or this SPO, including unauthorized use of property.

d) All property transferred to the LEA via the program is on an as-is, where-is basis.

e) LESO reserves the right to recall property issued to a LEA at any time.

f) General use of definitions/terms:

i) Demilitarization (DEMIL code)-a code assigned to DoD property that indicates the degree of required physical destruction, identifies items requiring specialized capabilities or procedures, and identifies items which do not require DEMIL but may require Trade Security Controls (TSC). Program participants are not authorized to conduct physical demilitarization of property.

ii) "Controlled property"-items with a DEMIL code of B, C, D, E, F, G, and Q (with an Integrity Code of "3"). Title and ownership of controlled property remains with the DoD in perpetuity and will not be relinquished to the LEA. When a LEA no longer has a legitimate law enforcement use for controlled property, they shall notify the LESO and the property will be transferred to another program participating LEA (via standard transfer process) or returned to DLA Disp Svcs for disposition.

iii) "Non-controlled" property"-items with a DEMIL code of A or Q (with an Integrity Code of "6"). These items are conditionally transferred to the LEA and will remain on LEA accountable inventory for one year from the ship date. However, after one year from the ship date, DLA will relinquish ownership and title for the property to the LEA without issuance of further documentation. During this one year period, the LEA remains responsible for the accountability and physical control of the property and the LESO retains the right to recall the property. Participants should return any property in this one year period that becomes excess to their needs or they otherwise determine is not serviceable.

(1) The LEA receives title and ownership of DEMIL "A" and "Q6" property as governmental entities. Title and ownership of this property does not pass from DoD to any private individual or LEA official in their private capacity. Such property shall be maintained and ultimately disposed of IAW provisions in State and local laws that govern public property.

(2) Sales/gifting of DEMIL "A" and "Q6" property after one year from the ship date inconsistent with State/local law may constitute grounds to deny future participation in the program.

(3) After one year from ship date, DEMIL "A" and "Q6" property may be transferred, cannibalized for usable parts, sold, donated, or scrapped.

(4) Once the property is no longer on the LEA accountable inventory, the property is no longer subject to the annual physical inventory requirements and will not be inventoried during a LESO Program Compliance Review (PCR).

g) All physical transfers of property require LESO approval. Program participants will not physically transfer property until the LESO approval process is complete. Program participants may request their SC/SPOC approval to temporarily conditionally loan property to another program participant (if mission requires). If the SC/SPOC approves the temporary conditional loan, it shall be done using an acceptable Equipment Custody Receipt (ECR). At the end of the temporary conditional loan, the item (s) shall be returned to the original LEA for accountability. All requests for conditional loans will be based on bona fide law enforcement requirements.

h) The program may authorize digital signatures on required program documentation.

i) The LEA is not required to maintain insurance on controlled property, aircraft or other property with special handling requirements that remain titled to DoD. However, the LEA will be advised that if they elect to carry insurance and the insured property is on the program inventory at the time of loss or damage, the recipient will submit a check made payable to DLA for insurance proceeds received in excess of their actual costs of acquiring and rehabilitating the property prior to its loss, damage, or destruction.

4) STATE PLAN OF OPERATION The State shall:

a) Assist in training LEAs with enrollment, property requests, transfers, turn-ins, and disposal procedures.

b) Adhere to the requirements outlined in the MOA between the Federal Government and the State/U.S. Territory and ensure MOA amendments or modifications are incorporated into this SPO and program participants are notified and acknowledge responsibility to comply with changes.

c) Submit a SPO to LESO that shall address procedures for determining LEA eligibility, allocation, equitable distribution of property, accountability, inventory, training, and education, State-level internal PCRs, export control requirements, procedures for turn-in, transfer, and disposal and other responsibilities concerning property.

d) Enter into written agreement with each LEA, via the LESO-approved SPO, to ensure program participants acknowledge the terms, conditions, and limitations applicable to property. This SPO must be signed by the current Chief Law Enforcement Official (CLEO) (or designee), the Civilian Governing Body Official (CGB) (or designee) and the current SC/SPOC.

e) Provide program participants the following information:

i) The LESO Program State POCs:

State Coordinator (SC): Michelle Farris

State Point of Contact (SPOC): Rolando Ayala

State Point of Contact (SPOC): Laurie Patterson

State Point of Contact (SPOC): John Riddick

ii) SC/SPOC Facility Information:

Physical Mailing Address: 5805 N. Lamar Blvd Bldg G Austin, Texas 78752

Email: TxLESOProgram@dps.texas.gov

Phone Number: (512) 424-7590

Website: https://www.dps.texas.gov/section/texas-leso-program/texas-leso-program

Hours of Operation: 7:00AM – 5:00PM (CST)

iii) Funding to administer the LESO Program at the State-level is provided via:

The Governor of the State of Texas has appointed the Texas Department of Public Safety to conduct

management and oversight of this program. All funding and staffing will be provided by the Texas Department of Public Safety.

5) PROPERTY ACCOUNTING SYSTEM The State will maintain access to Federal Excess Property Management Information System (FEPMIS) (or current property accounting system), to ensure LEAs maintain property books, to include, but not limited to, transfers, turn-ins, and disposal requests from an LEA or to generate these requests at the State-level and forward all approvals to the LESO for action. The State will:

a) Conduct quarterly reconciliations of State property records.

b) Ensure at least one person per LEA maintains access to the property accounting system. Users may be “active” or “inactive” in the system, so long as they are registered. Ensure registered users are employees of the LEA.

c) Ensure LEAs receive and account for property in the property accounting system within 30 days.

6) LESO WEBSITE The State shall access the LESO website for timely and accurate guidance, information, and links concerning the program and ensure that all relevant information is passed to the program participants.

The LEA shall access the Texas LESO website at <https://www.dps.texas.gov/section/texas-leso-program/texas-leso-program>, for timely and accurate guidance, information, forms and links concerning the program.

7) ANNUAL TRAINING 10 USC § 280 provides that the SECDEF, in cooperation with the U.S. Attorney General, shall conduct an annual briefing of law enforcement personnel of each State (including law enforcement personnel of the political subdivisions of each State). Individuals who wish to attend are responsible for funding their own travel expenses. The briefing will include information on training, technical support, equipment, and facilities that are available to civilian law enforcement personnel from the DoD. The state shall provide program participants training material as discussed during the annual LESO training which includes information on property management best practices to include (but not limited to) searching for property, accounting for property on inventory, transfer and turn-in of property when it is no longer needed or serviceable.

8) ENROLLMENT The LESO shall establish and implement program eligibility criteria IAW 10 USC § 2576a, DLA Instructions and Manuals and this SPO and retains final approval/disapproval authority for application packages forwarded by the State. Non-governmental law enforcement entities such as private railroad police, private security, private academies, correctional departments, prisons, or security police at private schools/colleges are not eligible to participate. Fire departments (by definition) are not eligible to participate and should be referred to the DLA Fire Fighter program administered by USDA. Law enforcement agencies requesting program participation shall have at least one full-time compensated law enforcement officer. Program property may only be issued to full-time/part-time law enforcement officers. Non-compensated reserve officers are not authorized to receive property. State law enforcement training facilities/ academies may be authorized to participate in the program given their primary function is the training of bona fide State/local law enforcement officers. Law enforcement training facilities/academies will be reviewed on a case-by-case basis. The State shall:

a) Validate the authenticity of LEAs that are applying for program participation. Only submit to the LESO those application packages that the SC/SPOC recommends/certifies are government agencies whose primary function is the enforcement of applicable federal, State, and local laws and whose compensated officers have the powers of arrest and apprehension. If the State forwards an unauthorized participant application package, this may result in a formal suspension of the State.

b) Have sole discretion to disapprove LEA application packages in their State. The SC/SPOC should provide notification to the LESO when application packages are disapproved at the State-level.

c) Ensure that screeners listed in the application package are compensated employees of the LEA and are TCOLE certified peace officers. A screener may only screen property for two LEAs. Contractors may not conduct screening on behalf of a LEA.

d) Make recommendation on what constitutes a “full-time” or “part-time” law enforcement officer.

e) Ensure LEAs update their account information annually, or as needed. This may require the LEA to submit an updated application package. An updated application package shall be submitted for (but is not limited to) the following: a change in CLEO, the addition or removal of a screener, a change in the LEA physical address or contact information, etc.

f) Provide the LEA a comprehensive program overview once approved by the LESO for enrollment. The overview will be done within 90-days of a LEA being approved to participate.

The LEA shall:

a) Submit an updated application packet annually to the Texas SC/SPOC office no later than June 30. Any time there is a change in personnel, CLEO, contact information etc, the LEA shall submit an updated application packet within 30 days of the change.

b) Once approved for participation in the program, at least one of the LEA’s authorized screeners must attend a mandatory training class within (6) months and prior to approval of property requests. The class will be conducted free of charge to the LEA and will be held at a location determined by the Texas SC/SPOC office. Screeners who may have been previously employed by and screeners for other LEA’s, may still be required to attend training as the training qualifies the LEA, not the individual.

c) Upon completion of the mandatory training, at least one of the LEA’s authorized screeners (preferably the one who completed the training), must create an account in the current property accounting system and maintain said account for the duration of the LEAs participation in the program, regardless if the LEA ever receives property from the program.

d) Failure to complete all parts of the enrollment process listed above within (6) months of approval for participation, will result in the LEA being deactivated from the program. Once deactivated, an LEA may not apply for reactivation until the end of the following annual inventory cycle.

e) LEA transfer of responsibility of program property assigned to the LEA. A change in CLEO, due to any reason, will not relinquish responsibility from the LEA for properly maintaining accountability of any and all assigned program property. If the new CLEO does not wish for his/her agency to continue participation in the program, the CLEO will notify the Texas SC/SPOC office in writing that they wish to return all assigned property to their assigned Disposition Site and/or transfer it to another participating LEA and exit the program. The new CLEO remains responsible for any and all assigned property until it is officially transferred or returned and the LEA’s inventory is completely cleared.

9) PROPERTY ALLOCATION

a) The LESO shall:

i) Upon receipt of a SC/SPOC validated request for property through the RTD website, will review and give preference to requisitions indicating that the requested property will be used in the counter-drug, counter-terrorism, disaster-related emergency preparedness, or border security activities of the requesting LEA. Program participants that request vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference.

ii) Require additional justification for small arms, aircraft, ammunition, and vehicles and to the greatest

extent possible, ensure fair and equitable distribution of property based on current LEA inventory and justification for property.

iii) Reserve the right to determine and/or adjust allocation limits, to include the type, quantity and location of property allocated to the LEA. Generally, no more than one item (per part-time/full-time officer) will be allocated. Quantity exceptions may be granted by the LESO on a case-by-case basis based on the justification provided by the LEA. Currently, the following allocation limits apply:

- (1) Robots: one (of each type) for every ten officers (full-time/part-time).
- (2) High Mobility Multipurpose Wheeled Vehicle (HMMWV)/Up-Armored HMMWV (UAH): one vehicle for every three officers (full-time/part-time).
- (3) Mine Resistant Ambush Protected (MRAP) / Armored Vehicles: two vehicles per LEA.
- (4) Small arms: one (of each type) per officer (full-time/part-time).

(a) LESO may authorize over allocations of small arms in preparation for inevitable scenarios, i.e. training, equipment downtime (damage, routine maintenance, inspections) or other law enforcement needs. The chart below is the standard for small arms acceptable over-allocations:

Small Arms Acceptable Over-Allocations	
# of Officers	# by type
1-10	2 or less
11-25	3 or less
26-100	5 or less
101-299	8 or less
300 or more	10 or less

(b) In instances where small arm allocation amounts exceed the “acceptable over-allocation” levels, the LESO will coordinate with States to verify accuracy of the officer count. If small arm allocation is still beyond acceptable levels, LESO may authorize one of the following:

1) an exception to policy, 2) a transfer, or 3) a turn-in.

b) The State shall:

i) Assist the LEA in the use of electronic screening of property via the RTD website and shall access the RTD website a minimum of once daily (Monday-Friday) to review and process LEA requests for property. Property justifications shall be validated to ensure they meet the intent of 10 USC § 2576a as suitable for use by agencies in law enforcement activities. Prior to approving a request or transfer, review the LEAs property allocation report to prevent over allocation.

ii) Upon receipt of a valid LEA request for property, provide a recommendation to the LESO on the preference to be given to those requisitions for property that will be used in counter-drug, counter-terrorism, disaster-related emergency preparedness or border security activities of the recipient agency. Requests for vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference. The State shall consider the fair and equitable distribution of property based on current LEA inventory and LEA justifications for property. The State shall ensure the type and quantity of property being requested by LEAs is reasonable and justifiable given the number of officers (full-time/part-time) and prior requisitions for similar items they have received (both controlled and non-controlled property). Generally, no more than one of any item per officer (full-time/part-time) will be allocated.

c) The LEA shall:

- i) Ensure that the individual who will be screening for property and submitting requests on behalf of the LEA, has completed the mandatory training and has a full understanding of the allocation limits, justification requirements and forms utilized for all requests.
- ii) Ensure that at least one person maintains access to and understands the use of the property accounting system as long as the LEA is an active participant in the LESO program.
- iii) Ensure that the individual responsible for managing the property accounting system, notifies the Texas SC/SPOC office of any property that is damaged upon receipt or is missing quantities that were requested, so that an immediate adjustment may be made prior to receipt being made in the property accounting system.

11) PROPERTY MANAGEMENT Certain controlled equipment shall have a documented chain of custody (i.e. an acceptable ECR), including a signature of the recipient. Controlled property requiring an ECR: small arms (including parts and accessories), aircraft, vehicles, optics, and robots. It is encouraged to utilize ECRs for all controlled property. LEAs may request cannibalization on aircraft or vehicles. Cannibalization requests shall be submitted to the State for review. Cannibalization must be approved by the LESO prior to any cannibalization actions. The cannibalized end item shall be returned to DLA Disp Svcs within the timeframes determined by the LESO.

a) Aircraft-Aircraft will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and shall be reported to the LESO at the end of their useful life. All aircraft are considered controlled property, regardless of DEMIL code. Aircraft that are no longer needed or serviceable shall be reported to the General Services Administration (GSA) for final disposition by the LESO Program Aircraft Specialist.

b) Vehicles-Program participants that request vehicles used for disaster-related emergency preparedness, such as high-water rescue vehicles, should receive the highest preference. Vehicles will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and vehicles that are considered controlled property will be returned to DLA Disp Svcs at the end of their useful life. DLA Disp Svcs Field Activity/Site will identify qualifying DEMIL A or Q6 vehicles and may issue (upon LEA request) a Standard Form (SF) SF-97 to the LEA upon physical transfer of the vehicle. The LEA may modify the vehicle during the one year conditional transfer period.

c) Ammunition-LESO will support the U.S. Army (USA), in allocating ammunition to program participants. Ammunition obtained via the program will be for training use only. At the time of request, the LEA will certify in writing that the ammunition will be used for training use/purposes only. The USA will issue approved transfers directly to the LEA. The LEA is responsible for funding all packing, crating, handling, and shipping costs for ammunition. The LEA will make reimbursements directly to the USA. Ammunition will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan. Ammunition obtained via the program shall not be sold. Ammunition will be treated as a consumable item and not tracked in any DLA inventory system or inspected during PCRs. LESO shall track and maintain necessary records of ammunition that has been transferred to LEAs and will post all requests, approvals, and denials on the LESO public website.

d) Small arms:

- i) Small arms will not be obtained by LEAs for the purpose of sale, lease, loan, personal use, rent, exchange, barter, transfer, or to secure a loan and shall be returned to DLA Disp Svcs at the end of their useful life. Cannibalization of small arms is not authorized.

ii) Temporary modifications to small arms are authorized; permanent modifications to small arms are not authorized (i.e. drilling holes in the lower receiver of a small arm). In cases of temporary modifications, all parts are to be retained and accounted for in a secured location under the original serial number for the small arm until final disposition is determined. If the modified small arm is transferred to another LEA, all parts will accompany the small arm to the receiving LEA.

iii) Small arms will be issued utilizing an acceptable ECR which obtains certain information about the property being issued to include (but is not limited to) the signature of the law enforcement officer who is accepting responsibility for the small arm(s), the serial number of the small arm, the date in which the law enforcement officer took possession of the small arm, etc.

iv) Small arms that are not carried on an officer's person or in the officer's immediate physical vicinity will be secured using "two levels of physical security". Two levels of physical security meaning two distinct lockable barriers, each specifically designed to render a small arm inaccessible and unusable to unauthorized persons. Lockable barriers meeting this description may be either manual or electronic.

v) Program participants no longer requiring program small arm(s) shall request authorization to transfer the small arm to another participating LEA or request authorization to turn-in/return the small arm. Transfers and turn-in requests shall receive final approval from the LESO; small arms will not physically move until the LESO provides official notification that the approval process is complete. When turning-in small arms to Anniston Army Depot, the LEA shall follow LESO turn-in guidance.

vi) Local destruction (DEMIL) of small arms is not authorized.

vii) Lost, Stolen or Destroyed (LSD) small arms:

(1) Program participants with multiple instances of LSD small arms in a five-year window will be assessed by DLA Disp Svcs to determine if a systemic problem exists IAW DLA 4140.11.

(2) DLA OIG investigations may be initiated if small arms are improperly disposed of or become LSD while in program inventory. The LEA may be required to reimburse DLA the fair market value of the small arms when negligence, willful misconduct, or a violation of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO is confirmed at the conclusion of the Financial Liability Investigation of Property Loss (FLIPL).

(a) Reimbursement will be within 60-days of the completion of the FLIPL.

(b) Title will never transfer to the recipient regardless of the status of the small arm.

(c) Payments due to DLA Disp Svcs, based upon the findings of the FLIPL, may be paid by one of three methods: 1) credit card via pay.gov, 2) cashier/ business check, or 3) wire transfer.

(3) In instances of LSD small arm recovery, DoD retains title in perpetuity and the small arm shall be immediately relinquished/surrendered back to the program.

11) PROGRAM COMPLIANCE REVIEWS (PCR)

a) The LESO shall:

i) Conduct PCRs to ensure that the SC/SPOC, and all LEAs within a State are compliant with the terms and conditions of the program as required by 10 USC § 2576a, the MOA between the Federal Government and the State/U.S. Territory and/or this SPO and any DLA Instructions and manuals regarding the

program. PCRs are conducted to ensure property accountability, program compliance, and program eligibility.

- ii) Conduct PCRs for participating States every 2 years, providing training to the State/LEA as needed.
 - iii) Reserve the right to conduct no notice PCRs, or require an annual review, or similar inspection, on a more frequent basis for any State/LEA.
 - iv) Intend to physically inventory 100% of property selected for review at each LEA during a PCR. The use of ECRs in lieu of physical inspection is discouraged during PCRs. Extensive use of the ECR (without prior coordination with LESO) may result in a non-compliance finding during the PCR.
 - v) Intend to review as much property as possible during a PCR.
 - (1) The goal is to review 20% of a State's overall small arms inventory.
 - (2) The goal for inventory selections (at LEAs selected for review) is 15% of an LEAs general property to include non-controlled property (DEMIL code A and Q6).
 - vi) Select LEAs not visited during the last three regularly scheduled PCR cycles (as applicable).
 - vii) Recommend corrective actions (which may include suspending a State/LEA from program participation) for findings of non-compliance identified during a PCR.
 - (1) The LESO shall issue corrective actions (with suspense dates) to the State, which will identify what is needed to rectify the identified deficiencies within the State/LEA.
 - (2) If the State/LEA fails to correct identified deficiencies within the LESO suspense dates, the LESO may move to restrict, suspend, or terminate the State/LEA from program participation.
 - (3) States found non-compliant for a PCR will be suspended for a minimum of 60-days and will not be reinstated until the State successfully passes a LESO-conducted PCR.
 - viii) Ensure the State/LEA understand that property shall be transferred to a participating agency with SC/SPOC and LESO approval or returned to DLA Disp Svcs when no longer needed or serviceable.
- b) The State shall:
- i) Assist the LESO as required, prior to, during and upon completion of the PCR.
 - ii) Assist in the coordination of the PCR daily schedule of events and forward the schedule to LEAs that have been selected for review.
 - iii) Contact LEAs that have been selected for the PCR via phone, email or in person to ensure they are aware of the schedule and are prepared for the PCR.
 - iv) Receive inventory selections from the LESO and forward them to the selected LEAs. The State shall ensure the LEA physically gathers the selected property in a central location (to the greatest extent possible) which will allow the LESO to physically inventory the property efficiently during the PCR.
 - v) Coordinate the use of any ECR with the LESO prior to the PCR.
 - vi) Ensure LEAs understand property shall be transferred to a participating agency with SC and LESO approval or returned to DLA Disp Svcs when deemed no longer needed or serviceable.

vii) Conduct State-level (internal) PCRs of participating LEAs to ensure property accountability, program compliance and program eligibility utilizing a PCR checklist provided by the LESO, or equivalent (for uniformity purposes).

(1) Ensure a State-level (internal) PCR of at least 8% of LEAs with program inventory is completed annually (3% of which will be focused on program participants with no controlled property). Results of the State-level (internal) PCR will be kept on-file with the State. Documentation shall be provided to the LESO for each LEA that received a State-level PCR.

(2) The State-level (internal) PCR will include, at minimum:

(a) A review of the dually-signed SPO, ensuring it is uploaded to the property accounting system.

(b) A review of the LEA application package to confirm authenticity and eligibility of the LEA.

(c) An inventory of property selected for review at each LEA.

(d) A review of each selected LEA files for any of the following which may include turn-in/transfer DD Form 1348-1A, ECR, small arm documentation, FLIPL documents, exception to policy letters, approved cannibalization requests, or other pertinent documentation as required.

(3) Request that the LESO restrict, suspend or terminate an LEA based on findings during State-level internal PCR or due to non-compliance with terms of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO, DLA Instruction/Manual or any statute or regulation regarding the program.

(4) Notify the LESO and initiate an investigation into any questionable activity or action involving property issued to a LEA that comes to the attention of the State and is otherwise within the authority of the Governor/State to investigate. Upon conclusion of any such investigation, take appropriate action and/or make appropriate recommendations on restriction, suspension, or termination of the LEA to the LESO. The SC may suspend or terminate a LEA participation in the program at any time for non-compliance.

c) The LEA shall:

i) Agree to comply with all requests and requirements pertaining to both a LESO PCR and an internal State PCR, including, but not limited to the following:

1) Ensuring all program property and files that are requested to be seen by either the LESO or SC/SPOC, are available on the date/time selected.

2) Ensuring all program property is laid out in an orderly fashion and easily accessible by the LESO or SC/SPOC.

3) Coordinate the use of any ECR with the LESO or SC/SPOC, prior to the PCR.

4) Notify the SC/SPOC, prior to the PCR, of any LSD property, so that adjustments may be made.

5) Notify the SC/SPOC, prior to the PCR, of any property that will need to be seen at multiple locations, so that accommodations may be made ahead of the PCR date/time.

13) ANNUAL PHYSICAL INVENTORY Each State/LEA is required to conduct an annual physical inventory of all property on the active property book and provide certification in the property accounting system. DEMIL “A” and “Q6” property records will not be closed during the annual physical inventory period. In the State of Texas, the annual physical inventory and certification in the property accounting system process starts on July 1st and must be completed by August 31st. The State shall:

- a) Provide training to LEAs to properly conduct the annual physical inventory and complete the certification of property in the property accounting system.
- b) Ensure an approved and current SPO is uploaded in the property accounting system for each LEA.
- c) Validate the annual physical inventory certifications submitted by LEAs.
- d) Adhere to annual physical inventory certification requirements as identified by the LESO. Physical inventories and certification statements will be maintained on file IAW the DLA records schedule.
- e) Annually certify property is utilized and is within allocation limits IAW the MOA between the Federal Government and the State/U.S. Territory and this SPO .
- f) Recommend suspension of program participants who fail to complete or submit the certified annual physical inventory.

The LEA shall:

- a) Ensure a physical, hands-on inventory of all assigned LESO property is conducted annually prior to certifying it in the electronic property accounting system.
- b) Annually certify property is utilized and is within allocation limits IAW the SPO between the State of Texas and the participating LEA.
- c) Not certify any property that is found to be LSD and will notify the SC/SPOC office immediately.
- d) Complete the electronic certification of all assigned inventory on or before August 31st of every year.

13) REPORTING LOST, STOLEN, OR DESTROYED (LSD) PROPERTY Any property identified as LSD on a LEA current inventory, shall be reported to the State/LESO. A FLIPL (aka the DD Form 200) shall be submitted to the State/LESO for LSD property. Program participants agree to cooperate with investigations into LSD property by any federal, state, or local investigative body and, when requested, assist with recovery of LSD property.

- a) LSD controlled property shall be reported to the State/LESO within 24-hours. Program participants may be required to provide their SC/SPOC additional documentation which may include (but is not limited to):
1) Comprehensive police report, 2) NCIC report/entry, and 3) Contact information for the Civilian Governing Body (CGB) over the LEA involved, to include: Title, Name, Email, and mailing address.
- b) LSD property with a DEMIL code of “A” and “Q6” shall be reported to the State/LESO within 7-days.

14) RESTRICTION, SUSPENSION OR TERMINATION Program participants are required to abide by the terms and conditions of this SPO in order to maintain active program participation status. If a LEA fails to comply with any term or condition of the SPO, DLA Instruction or Manual, federal statute or regulation, the LEA may be suspended, terminated, or placed on restricted status. Restriction, suspension, or termination notifications will

be in writing and will identify remedial measures required for reinstatement (if applicable). *Suspension*-A specified period in which an entire LEA is prohibited from requesting or receiving additional property through the program. Additional requirements may be implemented, to include the LEA requirement to return specifically identified controlled property. Suspensions will be for a minimum of 60-days. *Termination*-The removal of a LEA from program participation. The terminated LEA shall transfer or turn-in all controlled property previously received through the program at the expense of the LEA involved. *Restricted Status*-A specified period in which a LEA is restricted from receiving an item or commodity due to isolated issues with the identified item or commodity. Restricted status may also include restricting a LEA from all controlled property.

a) State termination-The SC/SPOC will coordinate with LESO to identify a realistic timeframe to complete the transfer or turn-in of all property. The LESO retains final authority to determine timeframe requirements.

b) LEA termination-The SC/SPOC will coordinate with LESO to identify a realistic timeframe to complete the transfer or turn-in of all property. The LESO retains final authority to determine timeframe requirements.

c) In the event of a termination, the LEA will make every attempt to transfer the property of the terminated LEA to an authorized LEA, as applicable, prior to requesting a turn-in of the property to DLA Disp Svcs. In cases that require a repossession or turn-in of property, the LEA will bear all expenses related to the repossession, turn-in or transfer of property to DLA Disp Svcs.

d) The State shall:

i) Suspend LEAs for a minimum of 60-days in all situations relating to the suspected or actual abuse of property or requirements and/or repeated non-compliance related to the terms and conditions of this SPO. Suspension may lead to termination. The State shall also issue corrective action guidance to the LEA with suspense dates to rectify issues and/or discrepancies that caused the restriction, suspension, or termination. The State shall require the LEA to submit results on completed police investigations and/or reports on LSD property to include the LEA CAP. The LESO retains final discretion on reinstatement requests. Reinstatement to full participation from a restriction, suspension or termination is not automatic.

ii) Initiate corrective action to rectify suspensions or terminations of the LEA for non-compliance to the terms and conditions of the program. The State shall also make contact (until resolved) with suspended LEAs to ensure corrective actions are rectified within required timeframes provided by the LESO.

iii) Require the LEA to complete and submit results on completed police investigations or reports regarding LSD property. The State will submit all documentation to LESO upon receipt.

iv) Provide documentation to LESO when actionable items are rectified for the LEA.

v) Request that the LESO suspend or terminate an LEA based upon their findings during State-level internal PCR or due to non-compliance with any term of this SPO, DLA Instruction/Manual or any statute or regulation regarding the program.

vi) Notify the LESO and initiate an investigation into any questionable activity or action involving property issued to an LEA that comes to the attention of the State and is otherwise within the authority of the Governor/State to investigate. Upon conclusion of any such investigation, take appropriate action and/or make appropriate recommendations on restriction, suspension, or termination of the LEA to the LESO. The SC may revoke or terminate concurrence for LEA participation in the program at any time.

vii) Provide written request to the LESO for reinstatement of an LEA for full participation status at the conclusion of a restriction or suspension period. Written verification shall be provided that the SC/SPOC has validated the LEA CAP.

15) RECORDS MANAGEMENT The LESO, SC/SPOC, and LEAs participating in the program will maintain program records IAW the DLA records schedule. Records for property acquired through the program have retention controls based on the DEMIL code. Property records will be filed, retained, and destroyed IAW DLA records schedule. Records may include, but are not limited to: DD Form 1348-1A for transfers, turn-ins, requisitions, Bureau of Alcohol, Tobacco, Firearms and Explosives (BATFE) Forms 5 and 10.

16) TRADE SECURITY CONTROL (TSC) and COMPLIANCE WITH EXPORT CONTROL REGULATIONS Items transferred to program participants, including DEMIL A and Q (with an Integrity Code of 6) property, may be subject to export control restrictions. Program participants shall comply with U.S. export control laws and regulations if they contemplate further transfers of any property. Once title transfers, LEAs should consult with the Department of State (DoS) and Department of Commerce (DoC) export control regulators about the type of export controls that may apply to items, regardless of DEMIL code. Program participants may request a formal Commodity Classification from the DoC, Bureau of Industry and Security (BIS), or submit a general correspondence request to the DoS, Directorate of Defense Trade Controls. Information on managing exports of CCL items can be found at the U.S. DoC Bureau of Industry and Security website. Program participants shall notify all subsequent purchasers or transferees, in writing, of their responsibility to comply with U.S. export control laws and regulations.

17) NOTICES Any notices, communications, or correspondence related to this SPO shall be provided by email, the U.S. Postal Service (USPS), express service, or facsimile to the appropriate DLA office. The LESO may (from time to time) make unilateral modifications or amendments to the provisions of the MOA between the Federal Government and the State/U.S. Territory and/or this SPO. Notice of these changes will be provided to the State in writing. Unless the State takes immediate action to terminate the MOA between the Federal Government and the State/U.S. Territory and/or this SPO, such modifications or amendments will become binding. In such cases, reasonable opportunity will (insofar as practicable) be afforded the LEA to conform to changes affecting their operations.

18) ANTI-DISCRIMINATION By signing or accepting property, the LEA pledges agreement to comply with provisions of the national policies prohibiting discrimination: 1) On the basis of race, color, or national origin, in Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) as implemented by DoD regulations 32 CR Part 195, 2) On the basis of age, in the Age Discrimination Act of 1975 (42 USC 6101, et seq) as implemented by Department of Health and Human Services regulations in 45 CFR Part 90 and 3) On the basis of handicap, in Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, as amended by the Rehabilitation Act Amendments of 1974, P.L. 93-516 (29 USC 794), as implemented by Department of Justice (DoJ) regulations in 28 CFR Part 41 and DoD regulations at 32 CFR Part 56. These elements are the minimum essential ingredients for establishment of a satisfactory business agreement between the State and the DoD.

19) INDEMNIFICATION CLAUSE The LEA is required to maintain adequate liability insurance to cover damages or injuries to persons or property relating to the use of property issued under the program. Self-insurance by the LEA is considered acceptable. The USG assumes no liability for damages or injuries to any person(s) or property arising from the use of property issued under the program. It is recognized that State and local law generally limit or preclude the LEA from agreeing to open ended indemnity provisions. However, to the extent permitted by State and local laws, the LEA shall indemnify and hold the USG harmless from any and all actions, claims, debts, demands, judgments, liabilities, cost, and attorney's fees arising out of, claimed on account of, or in any manner predicated upon loss of, or damage to property and injuries, illness or disabilities to, or death of any and all persons whatsoever, including members of the general public, or to the property of any legal or political entity including States, local and interstate bodies, in any manner caused by or contributed to by the LEA, its agents, servants, employees, or any person subject to its control while the property is in the possession of, used by, or subject to the control of the LEA, its agents, servants, or employees after the property has been removed from USG control.

20) TERMINATION This SPO may be terminated by either party, provided the other party receives a thirty (30) day notice (in writing) or as otherwise stipulated by Public Law. The undersigned SC, CLEO and CGB hereby agrees to comply with all provisions set forth herein and acknowledges that any violation of the terms and conditions of this SPO may be grounds for immediate termination and possible legal consequences, to include pursuit of criminal prosecution if so warranted.

21) AGREEMENT OF PARTIES The parties below agree to enter this agreement as of the last date below:

Governor-appointed SC/SPOC, State of Texas:

Full Name (Print): Michelle Farris

Signature (Sign): _____ Date (MM/DD/YYYY): _____

Chief Law Enforcement Official (CLEO) (or designee):

Title (Print): Chief of Police

Full Name (Print): Christopher Josh Rogers

Signature (Sign): Christopher Josh Rogers Date (MM/DD/YYYY): 2/20/2024

Civilian Governing Body Official (CGB) (or designee):

Title (Print): City Manager

Full Name (Print): Morad Kabiri

Signature (Sign): _____ Date (MM/DD/YYYY): 2/20/2024

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 1, 2024

Date submitted: 03/19/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider authorizing the final acceptance of the Sidewalk Fund Installation Project.

Originating Department: Public Works

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City began its one-year maintenance period for the Sidewalk Fund Installation Project in March 2023. The maintenance bond has reached its obligation. This agenda item is to authorize the final acceptance of the Sidewalk Fund Installation Project and to formerly release the bond.

City staff conducted a one-year warranty inspection and found everything to be in working order.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Greenscape Six, LLC, will have its bond released immediately upon final acceptance by the City Council.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Greenscape Six Maintenance Bond
2. 00645 - Release of Bond

RELEASE OF BOND

Date: April 1, 2024

Project Name: Sidewalk Fund Installation Project

TO: Greenscape Six, LLC
7020 FM-3180 Road
Baytown, TX 77523

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 March 6, 2023, 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 SureTec Insurance Company, 2103 City West Boulevard, Suite 1300, Houston, TX 77042, which is enclosed.

Jildardo Arias, PE, CFM
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 1, 2024

Date submitted: 03/20/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider accepting the Fiscal Year 2022-2023 Striping Maintenance Project 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 of Friendswood's 2022-2023 Striping Maintenance Program has been completed. Funding for this project was provided through the FY 2022-2023 General Fund allocation for street maintenance.

City Staff has inspected the aforementioned infrastructure and found it to be in compliance with City specifications.

The City received a one-year maintenance bond from the contractor, Pavecone Ltd., to correct any work found deficient during this one-year period.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. FY22-23 Striping Maintenance Bond
2. 00615 - Contrators Certification of Final Completion

DOCUMENT 00790

CONTRACTOR'S CERTIFICATION OF FINAL COMPLETION

PROJECT NAME: FY2022-2023 Street Striping

PROJECT NUMBER: FY2022-2023 Street Striping

CONTRACT DATED: July 19th, 2023

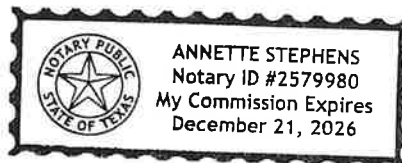
BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Tristan Frerich who, being by me duly sworn, on his oath says that he or she represents Pavecon LTD, Co., the Contractor who has performed a contract with the City of Friendswood for the 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 Senior 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.



Affiant's Signature

SWORN AND SUBSCRIBED before me on 3-21-24

Date



Notary Public in and for the State of Texas



Print or type name

My Commission Expires: 12-21-26
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.

00790-1

Hailee Medwedeff

Hailee Medwedeff
Assistant Director over Projects
City of Friendswood

03/21/2024

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 1, 2024

Date submitted: 03/04/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider approving the ad valorem tax report for February 2024.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the Council to receive the ad valorem tax report for February 2024.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. GalCo Tax Feb 2024



Cheryl E. Johnson, PCC, CTOP
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 7, 2024

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, 2024 is true and correct.

Under my hand and seal this 7th day of March, 2024.



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

Non Entity Partners (as appropriate):

Clear Creek Independent School District
Friendswood Independent School District
Santa Fe Independent School District
Texas City Independent School District
GC Consolidated Drainage District
Flamingo Isles MUD
Galveston Co Management Dist #1
Galveston County MUD No. 1
Galveston County MUD No. 2
Galveston County MUD No. 3
Galveston County MUD No. 6
Galveston County MUD No. 14
Galveston County MUD No. 15
Galveston County MUD No. 29
Galveston County MUD No. 30
Galveston County MUD No. 31

Galveston County MUD No. 32
Galveston County MUD No. 39
Galveston County MUD No. 43
Galveston County MUD No. 45
Galveston County MUD No. 46
Galveston County MUD No. 52
Galveston County MUD No. 54
Galveston County MUD No. 56
Galveston County MUD No. 66
Galveston County MUD No. 68
South Shore Harbour MUD No. 2
South Shore Harbour MUD No. 3
South Shore Harbour MUD No. 6
South Shore Harbour MUD No. 7
WCID No. 8
West Ranch Management Dist. #1

03/04/2024 14:36:43 4498761
TC298-D SELECTION: DEPOSIT
RECEIPT DATE: ALL
LOCATION: ALL

TAX COLLECTION SYSTEM
DEPOSIT DISTRIBUTION
FROM: 02/01/2024 THRU 02/29/2024
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 42
INCLUDES AG ROLLBACK

YEAR	FUND	TAX RATE	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	TIF AMOUNT	DISBURSE TOTAL	ATTORNEY	OTHER FEES	REFUND AMOUNT	PAYMENT AMOUNT
2023	M & O	.379450	1,855,043.60	.00	25,137.93	.00	1,880,181.53	380.16	116.54	.00	1,880,678.23
	I & S	.121278	592,900.11	.00	8,034.56	.00	600,934.67	.00	.00	.00	600,934.67
	TOTAL	.500728	2,447,943.71	.00	33,172.49	.00	2,481,116.20	380.16	116.54	.00	2,481,612.90
2022	M & O	.388560	13,570.48	.00	3,283.58	.00	16,854.06	3,818.94	.00	.00	20,673.00
	I & S	.098754	3,448.98	.00	834.50	.00	4,283.48	.00	.00	.00	4,283.48
	TOTAL	.487314	17,019.46	.00	4,118.08	.00	21,137.54	3,818.94	.00	.00	24,956.48
2021	M & O	.385147	1,282.49	.00	460.24	.00	1,742.73	437.72	.00	.00	2,180.45
	I & S	.102167	340.18	.00	122.08	.00	462.26	.00	.00	.00	462.26
	TOTAL	.487314	1,622.67	.00	582.32	.00	2,204.99	437.72	.00	.00	2,642.71
2020	M & O	.392153	627.92	.00	106.03	.00	733.95	1.15	.00	.00	735.10
	I & S	.095161	152.38	.00	25.74	.00	178.12	.00	.00	.00	178.12
	TOTAL	.487314	780.30	.00	131.77	.00	912.07	1.15	.00	.00	913.22
2019	M & O	.432160	2.02	.00	.12	.00	2.14	.00	.00	.00	2.14
	I & S	.089279	.42	.00	.03	.00	.45	.00	.00	.00	.45
	TOTAL	.521439	2.44	.00	.15	.00	2.59	.00	.00	.00	2.59
2018	M & O	.437173	.65	.00	.00	.00	.65	.00	.00	.00	.65
	I & S	.095218	.13	.00	.00	.00	.13	.00	.00	.00	.13
	TOTAL	.532391	.78	.00	.00	.00	.78	.00	.00	.00	.78
2017	M & O	.432349	.43	.00	.00	.00	.43	.00	.00	.00	.43
	I & S	.095000	.10	.00	.00	.00	.10	.00	.00	.00	.10
	TOTAL	.527349	.53	.00	.00	.00	.53	.00	.00	.00	.53
2016	M & O	.462000	.47	.00	.00	.00	.47	.00	.00	.00	.47
	I & S	.084000	.08	.00	.00	.00	.08	.00	.00	.00	.08
	TOTAL	.546000	.55	.00	.00	.00	.55	.00	.00	.00	.55
2014	M & O	.530300	5.36	.00	.00	.00	5.36	.00	.00	.00	5.36
	I & S	.061100	.61	.00	.00	.00	.61	.00	.00	.00	.61
	TOTAL	.591400	5.97	.00	.00	.00	5.97	.00	.00	.00	5.97
2012	M & O	.530700	3.50	.00	.00	.00	3.50	.00	.00	.00	3.50
	I & S	.066300	.44	.00	.00	.00	.44	.00	.00	.00	.44
	TOTAL	.597000	3.94	.00	.00	.00	3.94	.00	.00	.00	3.94
2010	M & O	.519800	2.86	.00	.00	.00	2.86	.00	.00	.00	2.86
	I & S	.065300	.36	.00	.00	.00	.36	.00	.00	.00	.36
	TOTAL	.585100	3.22	.00	.00	.00	3.22	.00	.00	.00	3.22

03/04/2024 14:36:43 4498761
TC298-D
RECEIPT DATE: ALL
LOCATION: ALL

DEPOSIT
RECEIPT DATE: ALL
LOCATION: ALL

TAX COLLECTION SYSTEM
DEPOSIT DISTRIBUTION
FROM: 02/01/2024 THRU 02/29/2024
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 43
INCLUDES AG ROLLBACK

YEAR	FUND	TAX RATE	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	TIP AMOUNT	DISBURSE TOTAL	ATTORNEY	OTHER FEES	REFUND AMOUNT	PAYMENT AMOUNT
ALL	M & O		1,870,539.78	.00	28,987.90	.00	1,899,527.68	4,637.97	116.54	.00	1,904,282.19
ALL	I & S		596,843.79	.00	9,016.91	.00	605,860.70	.00	.00	.00	605,860.70
ALL	TOTAL		2,467,383.57	.00	38,004.81	.00	2,505,388.38	4,637.97	116.54	.00	2,510,142.89
DIQ	M & O		15,496.18	.00	3,849.97	.00	19,346.15	4,257.81	.00	.00	23,603.96
DIQ	I & S		3,943.68	.00	982.35	.00	4,926.03	.00	.00	.00	4,926.03
DIQ	TOTAL		19,439.86	.00	4,832.32	.00	24,272.18	4,257.81	.00	.00	28,529.99
CURR	M & O		1,855,043.60	.00	25,137.93	.00	1,880,181.53	380.16	116.54	.00	1,880,678.23
CURR	I & S		592,900.11	.00	8,034.56	.00	600,934.67	.00	.00	.00	600,934.67
CURR	TOTAL		2,447,943.71	.00	33,172.49	.00	2,481,116.20	380.16	116.54	.00	2,481,612.90

03/04/2024 14:33:15
TC298-M SELECTION: DEPOSIT

4498761

TAX COLLECTION SYSTEM
DEPOSIT DISTRIBUTION
REVERSALS DETAIL SCHEDULE
FROM: 02/01/2024 THRU 02/29/2024
JURISDICTION: 337 FRIENDWD CITY

PAGE: 319
INCLUDES AG ROLIBACK

YEAR	DEPOSIT	ACCOUNT NUMBER	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2022	951022624T	201293	3.00-	0.00	0.36-	0.00 CERT	0.00	3.36-TR
2022	951022624T	201582	40.79-	0.00	4.89-	9.14-CERT	0.00	54.82-TR
2022	941021424T	H1016289	21.31-	0.00	1.49-	0.00 HK15	0.00	22.80-TR
2022 TOTAL			65.10-	0.00	6.74-	9.14-	0.00	80.98-
2023	902022224T	1004120000020	882.89-	0.00	15.73-	0.00 HCCE	0.00	898.62-TR
2023	QR240222	1004120000020	224.66-	0.00	0.00	0.00 HCCE	0.00	224.66-TR
2023	QR240222	1004120000020	208.91-	0.00	0.00	0.00 HCCE	0.00	208.91-TR
2023	QR240222	1004120000020	224.66-	0.00	0.00	0.00 HCCE	0.00	224.66-TR
2023	RF240208	1004120000020	839.84-	0.00	58.78-	0.00 HCCE	898.62	0.00 RF
2023	RF240208	1004120000020	0.00	0.00	0.00	0.00 HCCE	898.62-	898.62-RF
2023	RF240228	1035020000003	79.94-	0.00	5.60-	0.00 HCCE	85.54	0.00 RF
2023	RF240228	1035020000003	0.00	0.00	0.00	0.00 HCCE	85.54-	85.54-RF
2023	RF240228	1043380000011	186.91-	0.00	13.09-	0.00 HCCE	200.00	0.00 RF
2023	RF240228	1043380000011	0.00	0.00	0.00	0.00 HCCE	200.00-	200.00-RF
2023	RF240209	1043380000060	306.22-	0.00	21.43-	0.00 HCCE	327.65	0.00 RF
2023	RF240209	1043380000060	0.00	0.00	0.00	0.00 HCCE	327.65-	327.65-RF
2023	RF240223	1050130000005	467.28-	0.00	32.72-	0.00 HCCE	500.00	0.00 RF
2023	RF240223	1050130000005	0.00	0.00	0.00	0.00 HCCE	500.00-	500.00-RF
2023	RF240229	1050130000017	100.00-	0.00	0.00	0.00 HCCE	100.00	0.00 RF
2023	RF240229	1050130000017	0.00	0.00	0.00	0.00 HCCE	100.00-	100.00-RF
2023	RF240229	1050130000017	186.92-	0.00	13.08-	0.00 HCCE	200.00	0.00 RF
2023	RF240229	1050130000017	0.00	0.00	0.00	0.00 HCCE	200.00-	200.00-RF
2023	924020724PHC	1050130000018	383.91-	0.00	0.00	0.00 HCCE	750.25-	0.00 RF
2023	RF240206	1050150000016	0.00	0.00	0.00	0.00 HCCE	750.25-	750.25-RF
2023	RF240206	1050150000016	750.25-	0.00	0.00	0.00 HCCE2019645	926.78	0.00 RF
2023	RF240206	1055780000002	0.00	0.00	0.00	0.00 HCCE2019645	926.78	926.78-RF
2023	RF240206	1055780000002	753.18-	0.00	52.72-	120.88-HCCE2021061	926.78	0.00 RF
2023	RF240201	1057820000034	0.00	0.00	0.00	0.00 HCCE	1,063.01-	1,063.01-RF
2023	719022824CHC	1057830000026	1,063.01-	0.00	0.00	0.00 HCCE	1,063.01	0.00 RF
2023	929022824T	1057830000026	380.49-	0.00	26.63-	0.00 HCCE	0.00	407.12-TR
2023	QR240228	1057830000026	400.11-	0.00	7.00-	0.00 HCCE	0.00	407.11-TR
2023	QR240228	1057830000026	100.03-	0.00	0.00	0.00 HCCE	0.00	100.03-TR
2023	QR240228	1057830000026	100.02-	0.00	0.00	0.00 HCCE	0.00	100.02-TR
2023	QR240228	1057830000026	100.03-	0.00	0.00	0.00 HCCE	0.00	100.03-TR
2023	RF240227	1057830000026	380.49-	0.00	26.63-	0.00 HCCE	407.12	0.00 RF
2023	RF240227	1057830000026	0.00	0.00	0.00	0.00 HCCE	407.12-	407.12-RF
2023	902022224T	1057900000001	422.99-	0.00	0.00	0.00 HCCE	0.00	422.99-TR
2023	QR240222	1057900000001	195.69-	0.00	0.00	0.00 HCCE	0.00	195.69-TR
2023	RF240206	1057900000001	0.00	0.00	0.00	0.00 HCCE	422.99-	422.99-RF
2023	RF240206	1057900000001	422.99-	0.00	0.00	0.00 HCCE	422.99	0.00 RF
2023	RF240223	1084720000027	0.00	0.00	0.00	0.00 2380	2,027.20-	2,027.20-RF
2023	RF240223	1084720000027	1,894.59-	0.00	132.61-	0.00 2350	2,027.20	0.00 RF

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YEAR	DEPOSIT	ACCOUNT NUMBER	LEVY	DISCOUNT	PENALTY	ATTORNEY	CAUSE /REV	REFUND	PAYMENT
			YR/MO	GIVEN	INTEREST			AMOUNT	AMOUNT CAT
2023	RF240223	1097980000007	202402	0.00	0.00	0.00	HCCE	272.80-	272.80-RF
2023	RF240223	1097980000007	202402	254.95-	17.85-	0.00	HCCE	272.80	0.00 RF
2023	RF240206	1200270020026	202401	0.00	0.00	0.00	HCCE	433.00-	433.00-RF
2023	RF240206	1200270020026	202401	433.00-	0.00	0.00	HCCE	433.00	0.00 RF
2023	RF240227	1206360030008	202402	1,850.50-	129.54-	0.00	HCCE	1,980.04	0.00 RF
2023	RF240227	1206360030008	202402	0.00	0.00	0.00	HCCE	1,980.04-	1,980.04-RF
2023	RF240209	1215220050005	202402	0.00	0.00	0.00	HCCE	1,295.34-	1,295.34-RF
2023	RF240209	1215220050005	202402	1,210.60-	84.74-	0.00	HCCE	1,295.34	0.00 RF
2023	924020524CHC	1254280050008	202401	2,274.48-	0.00	0.00	HCCE	0.00	2,274.48-TR
2023	RF240228	146596	202402	0.00	135.85-	0.00	CERT	2,076.56-	2,076.56-RF
2023	RF240228	146596	202402	1,940.71-	0.00	0.00	CERT	2,076.56	0.00 RF
2023	RF240216	168256	202402	0.00	0.00	0.00	CERT	25.52-	25.52-RF
2023	RF240216	168256	202402	23.84-	1.68-	0.00	CERT	25.52	0.00 RF
2023	RF240216	168256	202402	0.00	0.00	0.00	CERT	257.05-	257.05-RF
2023	RF240216	168256	202402	240.24-	16.81-	0.00	CERT	257.05	0.00 RF
2023	864020724PHC	168731	202401	4,679.48-	0.00	0.00	CERT	0.00	4,679.48-TR
2023	RF240216	168731	202402	0.00	0.00	0.00	CERT	4,761.36-	4,761.36-RF
2023	RF240216	168731	202402	4,449.88-	311.48-	0.00	CERT	4,761.36	0.00 RF
2023	RF240206	168785	202311	0.00	0.00	0.00	CERT	118.87	0.00 RF
2023	RF240206	168785	202311	118.87-	0.00	0.00	CERT	118.87-	118.87-RF
2023	RF240206	168785	202312	0.00	0.00	0.00	CERT	118.86	0.00 RF
2023	RF240206	168785	202312	118.86-	0.00	0.00	CERT	118.86	0.00 RF
2023	RF240206	168785	202401	0.00	0.00	0.00	CERT	297.16	0.00 RF
2023	RF240206	168785	202401	297.16-	0.00	0.00	CERT	297.16-	297.16-RF
2023	902020724T	168945	202301	0.00	0.00	0.00	CERT	0.00	1,081.26-TR
2023	RF240202	184125	202401	1,081.26-	0.00	0.00	CERT	2,845.49	0.00 RF
2023	RF240202	184125	202401	2,845.49-	0.00	0.00	CERT	1,220.73-	2,845.49-RF
2023	RF240223	184335	202401	0.00	0.00	0.00	CERT	1,220.73	0.00 RF
2023	RF240223	184335	202402	992.06-	69.44-	0.00	CERT	239.45	0.00 RF
2023	RF240209	200341	202402	223.79-	15.66-	0.00	CERT	239.45	239.45-RF
2023	RF240209	200341	202402	0.00	0.00	0.00	CERT	0.00	154.03-TR
2023	864022224CHC	200364	202402	143.95-	10.08-	0.00	CERT	0.00	74.41-TR
2023	QR240221	200364	202402	74.41-	0.00	0.00	CERT	154.03-	154.03-RF
2023	RF240213	200364	202402	0.00	0.00	0.00	CERT	0.00	0.00 RF
2023	RF240213	200364	202402	143.95-	10.08-	0.00	CERT	154.03	0.00 RF
2023	924021324PHC	200794	202401	3,695.49-	0.00	0.00	CERT	284.22-	3,695.49-RF
2023	RF240206	201025	202402	0.00	0.00	0.00	CERT	284.22	284.22-RF
2023	RF240206	201025	202402	265.62-	18.60-	0.00	CERT	218.32-	218.32-RF
2023	RF240201	201108	202401	0.00	0.00	0.00	CERT	218.32	0.00 RF
2023	RF240201	201108	202401	218.32-	0.00	0.00	CERT	982.37-	5,435.15-TR
2023	924020724CHC	201259	202401	5,435.15-	0.00	0.00	CERT	982.37	982.37-RF
2023	RF240206	202353	202401	0.00	0.00	0.00	CERT	982.37	0.00 RF
2023	RF240206	202353	202401	982.37-	0.00	0.00	CERT	364.31-	364.31-RF
2023	RF240206	202419	202401	0.00	0.00	0.00	CERT	364.31	0.00 RF
2023	RF240206	202419	202401	364.31-	0.00	0.00	CERT	0.00	0.00 RF

YEAR	DEPOSIT	ACCOUNT NUMBER	LEVY YR/MO	PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2023	RF240223	202543	202402	0.00	0.00	0.00	0.00 CERT	325.31-	325.31-RF
2023	RF240223	202543	202402	304.03-	0.00	21.28-	0.00 CERT	325.31	0.00 RF
2023	864020824PHC	202722	202401	1,476.30-	0.00	0.00	0.00 CERT	0.00	1,476.30-RF
2023	RF240209	202755	202402	0.00	0.00	0.00	0.00 CERT	645.64-	645.64-RF
2023	RF240227	202757	202402	603.40-	0.00	42.24-	0.00 CERT	645.64	0.00 RF
2023	RF240227	202757	202402	834.87-	0.00	58.44-	0.00 CERT	893.31	0.00 RF
2023	RF240201	202840	202401	0.00	0.00	0.00	0.00 CERT	893.31-	893.31-RF
2023	RF240201	202840	202401	1,051.71-	0.00	0.00	0.00 CERT	1,051.71-	1,051.71-RF
2023	RF240207	202948	202402	0.00	0.00	0.00	0.00 CERT	534.88-	534.88-RF
2023	RF240207	202948	202402	499.89-	0.00	34.99-	0.00 CERT	534.88	0.00 RF
2023	864020624CHC	203280	202401	2,128.63-	0.00	0.00	0.00 CERT	2,128.63	0.00 RF
2023	RF240208	203280	202402	1,989.38-	0.00	139.25-	0.00 CERT	2,128.63-RF	2,128.63-RF
2023	RF240220	203285	202402	0.00	0.00	19.99-	0.00 CERT	305.61	0.00 RF
2023	RF240220	203285	202402	285.62-	0.00	0.00	0.00 CERT	305.61-	305.61-RF
2023	924020924CHC	203332	202401	0.00	0.00	0.00	0.00 CERT	0.00	0.00 RF
2023	RF240202	218979	202401	2,569.06-	0.00	0.00	0.00 CERT	316.91-	2,569.06-RF
2023	RF240202	218979	202401	316.91-	0.00	0.00	0.00 CERT	316.91	0.00 RF
2023	RF240202	218979	202307	0.00	0.00	0.00	0.00 CERT	3.96-	3.96-RF
2023	RF240202	218979	202307	3.96-	0.00	0.00	0.00 CERT	3.96	0.00 RF
2023	RF240207	219205	202402	0.00	0.00	0.00	0.00 CERT	266.75-	266.75-RF
2023	RF240207	219205	202402	249.30-	0.00	17.45-	0.00 CERT	266.75	0.00 RF
2023	864020224CHC	238062	202401	244.44-	0.00	0.00	0.00 CERT	0.00	244.44-RF
2023	RF240206	238252	202402	0.00	0.00	0.00	0.00 HAEL	38,967.75-	38,967.75-RF
2023	RF240206	238252	202402	36,418.46-	0.00	2,549.29-	0.00 HAEL	891.43-	891.43-RF
2023	RF240207	288602	202401	0.00	0.00	0.00	0.00 CERT	891.43	0.00 RF
2023	RF240207	288602	202401	891.43-	0.00	0.00	0.00 CERT	891.43	0.00 RF
2023	RF240202	292423	202401	0.00	0.00	0.00	0.00 CERT	1,366.76-	1,366.76-RF
2023	RF240202	292423	202401	1,366.76-	0.00	0.00	0.00 CERT	512.87	512.87-RF
2023	RF240228	306783	202402	0.00	0.00	0.00	0.00 CERT	512.87	0.00 RF
2023	864020724PHC	306953	202401	1,954.98-	0.00	0.00	0.00 CERT	0.00	1,954.98-RF
2023	RF240223	306953	202402	0.00	0.00	0.00	0.00 CERT	2,025.02-	2,025.02-RF
2023	RF240223	306953	202402	1,892.54-	0.00	132.48-	0.00 CERT	84.90-	84.90-RF
2023	RF240223	306953	202302	0.00	0.00	0.00	0.00 CERT	0.00	0.00 RF
2023	924020524CHC	308727	202401	3,024.80-	0.00	0.00	0.00 CERT	0.00	3,024.80-RF
2023	RF240223	310942	202402	0.00	0.00	0.00	0.00 CERT	484.00-	484.00-RF
2023	RF240223	310942	202402	0.00	0.00	0.00	0.00 CERT	57.52-	57.52-RF
2023	RF240223	310942	202402	53.75-	0.00	3.77-	0.00 CERT	57.52	0.00 RF
2023	RF240223	310942	202402	452.34-	0.00	31.66-	0.00 CERT	484.00	0.00 RF
2023	RF240207	351255	202402	1,791.94-	0.00	125.44-	0.00 CERT	1,917.38	0.00 RF
2023	RF240207	351255	202402	0.00	0.00	0.00	0.00 CERT	1,917.38-	1,917.38-RF
2023	RF240206	364484	202401	0.00	0.00	0.00	0.00 CERT	88.77-	88.77-RF

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2023	RF240206	364484	202401	88.77-	0.00	0.00	0.00 CERT	88.77	0.00 RF
2023	RF240229	364976	202401	479.62-	0.00	0.00	0.00 2350	479.62	0.00 RF
2023	RF240229	364976	202401	0.00	0.00	0.00	0.00 2350	479.62-RF	0.00 RF
2023	RF240229	364976	202402	26.03-	0.00	1.82-	0.00 2350	27.85	0.00 RF
2023	RF240229	364976	202402	0.00	0.00	0.00	0.00 2350	27.85-RF	0.00 RF
2023	864022824PHC	366089	202402	1,817.22-	0.00	127.21-	0.00 CERT	0.00	1,944.43-RI
2023	924021224PHC	377203	202401	8,401.72-	0.00	0.00	0.00 CERT	0.00	8,401.72-RI
2023	951022824T	377361	202402	1,895.54-	0.00	33.76-	0.00 CERT	0.00	1,929.30-TR
2023	QR240228	377361	202402	482.33-	0.00	0.00	0.00 CERT	0.00	482.33-TR
2023	QR240215	377361	202402	448.55-	0.00	0.00	0.00 CERT	0.00	448.55-TR
2023	RF240215	377361	202402	0.00	0.00	0.00	0.00 CERT	0.00	1,929.30-RF
2023	RF240215	377361	202401	1,803.08-	0.00	126.22-	0.00 CERT	1,929.30-	0.00 RF
2023	864020624CHC	387545	202401	2,095.82-	0.00	0.00	0.00 CERT	0.00	2,095.82-TR
2023	RF240214	394274	202402	0.00	0.00	0.00	0.00 CERT	2,257.27-	2,257.27-RF
2023	RF240214	394274	202402	2,109.60-	0.00	147.67-	0.00 CERT	2,257.27	0.00 RF
2023	RF240223	401061	202402	556.45-	0.00	38.96-	0.00 CERT	595.41	0.00 RF
2023	RF240223	401061	202401	0.00	0.00	0.00	0.00 CERT	595.41-	595.41-RF
2023	864022824CHC	413005	202401	2,053.95-	0.00	0.00	0.00 CERT	0.00	2,053.95-TR
2023	90202024T	423387	202402	24.38-	0.00	1.71-	0.00 CERT	0.00	26.09-TR
2023	RF240213	434316	202312	52.78-	0.00	0.00	0.00 CERT23TX070	52.78	0.00 RF
2023	RF240213	434316	202312	0.00	0.00	0.00	0.00 CERT23TX070	52.78-	0.00 RF
2023	RF240213	434316	202401	2,971.23-	0.00	0.00	0.00 CERT23TX070	2,971.23	0.00 RF
2023	RF240213	434316	202401	0.00	0.00	0.00	0.00 CERT23TX070	2,971.23-	2,971.23-RF
2023	RF240213	434316	202402	8,419.01-	0.00	589.33-	0.00 CERT23TX070	9,008.34	0.00 RF
2023	RF240213	434316	202402	0.00	0.00	0.00	0.00 CERT23TX070	9,008.34-	9,008.34-RF
2023	RF240229	511175	202402	794.35-	0.00	55.61-	0.00 CERT	849.96	0.00 RF
2023	RF240229	511175	202402	0.00	0.00	0.00	0.00 CERT	849.96-	849.96-RF
2023	RF240214	514289	202402	0.00	0.00	0.00	0.00 CERT	3,739.74-	3,739.74-RF
2023	RF240214	514289	202402	3,495.09-	0.00	244.65-	0.00 CERT	3,739.74	0.00 RF
2023	951022624T	516180	202402	278.38-	0.00	19.48-	0.00 CERT	0.00	297.86-TR
2023	924020524CHC	601512	202401	3,105.70-	0.00	32.18-	0.00 CERT	0.00	3,105.70-TR
2023	902022224T	601987	202402	459.73-	0.00	0.00	0.00 CERT	0.00	491.91-TR
2023	QR240222	601987	202402	459.73-	0.00	0.00	0.00 CERT	0.00	459.73-TR
2023	QR240222	601987	202402	459.73-	0.00	0.00	0.00 CERT	0.00	459.73-TR
2023	QR240222	601987	202402	427.55-	0.00	0.00	0.00 CERT	0.00	427.55-TR
2023	RF240216	601987	202402	0.00	0.00	0.00	0.00 CERT	1,838.92-	1,838.92-RF
2023	RF240216	601987	202402	1,718.62-	0.00	120.30-	0.00 CERT	1,838.92	0.00 RF
2023	924020524CHC	602001	202401	2,426.97-	0.00	0.00	0.00 CERT	0.00	2,426.97-TR
2023	924020924CHC	708050	202401	117.04-	0.00	0.00	0.00 CERT	0.00	117.04-TR
2023	RF240206	710443	202402	95.61-	0.00	6.69-	0.00 HAEL	102.30	0.00 RF
2023	RF240206	710443	202402	0.00	0.00	0.00	0.00 HAEL	102.30-	102.30-RF
2023	924020724CHC	733849	202401	3,249.27-	0.00	0.00	0.00 CERT	0.00	3,249.27-TR
2023	844140020624	739101	202401	106.71-	0.00	0.00	0.00 CERT	0.00	106.71-TR
2023	RF240229	740018	202402	1,483.73-	0.00	103.86-	0.00 CERT	1,587.59	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
2023	RF240229	740018	202402	0.00	0.00	0.00	0.00 CERT	1,587.59-	1,587.59-RF
2023	864020624CHC	740033	202401	2,847.25-	0.00	0.00	0.00 23SO	0.00	2,847.25-TR
2023	RF240201	751705	202401	0.00	0.00	0.00	0.00 CERT	14.87-	14.87-RF
2023	RF240201	751705	202401	14.87-	0.00	0.00	0.00 CERT	14.87	0.00 RF
2023	941021524T	H2378632	202402	1.25-	0.00	0.00	0.00 HS04	0.00	1.25-TR
2023	941021524T	H2378632	202402	1.02-	0.00	0.07-	0.00 HS04	0.00	1.09-TR
2023	TOTAL			162,134.48-	0.00	6,087.18-	280.11-	0.00	168,501.77-

YEAR 2022	REFUNDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	RETURNED ITEMS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TRANSFERS/REVERSALS	65.10-	0.00	0.00	6.74-	9.14-	0.00	0.00	80.98-
	TOTAL	65.10-	0.00	0.00	6.74-	9.14-	0.00	0.00	80.98-

YEAR 2023	REFUNDS	98,085.49-	0.00	0.00	5,813.33-	280.11-	0.00	0.00	104,178.93-
	RETURNED ITEMS	17,345.71-	0.00	0.00	127.21-	0.00	0.00	0.00	17,472.92-
	TRANSFERS/REVERSALS	46,703.28-	0.00	0.00	146.64-	0.00	0.00	0.00	46,849.92-
	TOTAL	162,134.48-	0.00	0.00	6,087.18-	280.11-	0.00	0.00	168,501.77-

ALL YEARS	REFUNDS	98,085.49-	0.00	0.00	5,813.33-	280.11-	0.00	0.00	104,178.93-
	RETURNED ITEMS	17,345.71-	0.00	0.00	127.21-	0.00	0.00	0.00	17,472.92-
	TRANSFERS/REVERSALS	46,768.38-	0.00	0.00	153.38-	9.14-	0.00	0.00	46,930.90-
	TOTAL	162,199.58-	0.00	0.00	6,093.92-	289.25-	0.00	0.00	168,582.75-

TAX COLLECTION SYSTEM
DEPOSIT DISTRIBUTION
SUMMARY OF PAYMENTS AND REVERSALS
FROM: 02/01/2024 THRU 02/29/2024
JURISDICTION: 337 FRIENDWD CITY

YEAR DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT
2010 TOTAL			3.22	0.00	0.00	0.00	0.00	3.22
2012 TOTAL			3.94	0.00	0.00	0.00	0.00	3.94
2014 TOTAL			5.97	0.00	0.00	0.00	0.00	5.97
2016 TOTAL			0.55	0.00	0.00	0.00	0.00	0.55
2017 TOTAL			0.53	0.00	0.00	0.00	0.00	0.53
2018 TOTAL			0.78	0.00	0.00	0.00	0.00	0.78
2019 TOTAL			2.44	0.00	0.15	0.00	0.00	2.59
2020 TOTAL			780.30	0.00	131.77	1.15	0.00	913.22
2021 TOTAL			1,622.67	0.00	582.32	437.72	0.00	2,642.71
2022 TOTAL			17,084.56	0.00	4,124.82	3,828.08	0.00	25,037.46
2023 TOTAL			2,610,078.19	0.00	39,376.21	660.27	0.00	2,650,114.67
TOTAL PAYMENTS			2,629,583.15	0.00	44,215.27	4,927.22	0.00	2,678,725.64
2022 TOTAL			65.10-	0.00	6.74-	9.14-	0.00	80.98-
2023 TOTAL			162,134.48-	0.00	6,087.18-	280.11-	0.00	168,501.77-
TOTAL REVERSALS			162,199.58-	0.00	6,093.92-	289.25-	0.00	168,582.75-
TOTAL FOR UNIT			2,467,383.57	0.00	38,121.35	4,637.97	0.00	2,510,142.89

FISCAL START: 08/01/2023 END: 07/31/2024 JURISDICTION: 0337 FRIENDWD CITY

CERT TAXABLE VALUE		ADJUSTMENTS		ADJ TAX VALUE		TAX RATE		TAX LEVY		PAID ACCTS	
-----		-----		-----		-----		-----		-----	
CURRENT YEAR	5,274,185,590		216,193,362		5,490,378,952	0	00.500728		25,854,308.48		16,581
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YEAR	TAXES DUE	MONTH ADJ	ADJUSTMENT YTD	LEVY PAID	PAID YTD	BALANCE	COLL %	YTD UNCOLL

2023	24,803,290.69	1,051,017.79	1,051,017.79	24,586,798.41	24,586,798.41	1,267,510.07	95.10	0.00
2022	224,620.94	51,400.75-	51,400.75-	103,887.50	103,887.50	69,332.69	59.97	0.00
2021	46,007.11	8,134.67-	8,134.67-	3,357.03	3,357.03	34,515.41	8.86	0.00
2020	28,524.90	581.07	581.07	7,201.86	7,201.86	21,904.11	24.74	0.00
2019	20,010.02	365.81-	365.81-	3,590.93	3,590.93	16,053.28	18.28	0.00
2018	14,875.89	233.69	233.69	2,142.62	2,142.62	12,966.96	14.18	0.00
2017	13,642.64	.00	0.00	1,884.60	1,884.60	11,758.04	13.81	0.00
2016	12,117.53	.00	0.00	1,916.14	1,916.14	10,201.39	15.81	0.00
2015	11,826.76	.00	0.00	1,896.32	1,896.32	9,930.44	16.03	0.00
2014	12,474.54	.00	0.00	1,405.30	1,405.30	11,069.24	11.27	0.00
2013	9,677.98	.00	0.00	1,002.16	1,002.16	8,675.82	10.36	0.00
2012	6,814.94	.00	0.00	998.13	998.13	5,816.81	14.65	0.00
2011	6,841.46	.00	0.00	966.23	966.23	5,875.23	14.12	0.00
2010	3,613.44	.00	0.00	10.89	10.89	3,602.55	.30	0.00
2009	5,164.80	.00	0.00	7.52	7.52	5,157.28	.15	0.00
2008	4,281.97	.00	0.00	0.64	0.64	4,281.33	.01	0.00
2007	1,321.11	.00	0.00	0.00	0.00	1,321.11		0.00
2006	2,437.90	.00	0.00	0.00	0.00	2,437.90		0.00
2005	1,170.61	.00	0.00	0.00	0.00	1,170.61		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	562.90	.00	0.00	0.00	0.00	562.90		0.00
****	25,230,565.72	991,931.32	991,931.32	24,717,066.28	24,717,066.28	1,505,430.76		0.00
CURR	24,803,290.69	1,051,017.79	1,051,017.79	24,586,798.41	24,586,798.41	1,267,510.07		0.00
DELQ	427,275.03	59,086.47-	59,086.47-	130,267.87	130,267.87	237,920.69		0.00

ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2023
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 152
INCLUDES AG ROLLEBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2023	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/29/2024
LAND VALUE	7,378,007,830	7,378,007,830	60,509,255	3,088,639-	57,420,616	7,435,428,446
AG EXCLUSION	32,425,077	32,425,077	5,168,547	11,968	5,180,515	37,605,592
IMPROVEMENTS	942,980,218	942,980,218	271,969,435	26,556,293-	245,413,142	1,188,393,360
APPRAISED VALUE	7,378,007,830	7,378,007,830	332,478,690	29,644,932-	302,833,758	7,680,841,588
EXEMPTIONS	2,071,397,163	2,071,397,163	73,659,016	12,969,412	86,640,396	2,158,037,559
TAXABLE VALUE	5,274,185,590	5,274,185,590	258,819,674	42,626,312-	216,193,362	5,490,378,952
LEVY	24,803,290.69	24,803,290.69	1,711,109.01	660,091.22-	1,051,017.79	25,854,308.48
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,427	10,427	539	135	680	11,107
OVER 65	3,603	3,603	89	67	160	3,763
DISABLED	178	178	5	6	11	189
VETERAN	259	259	14	1	15	274
TOTAL EXEMPT	88	88	0	0	0	88

ALL PROPERTY

JURISDICTION: 0337 FRIENDWD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2023	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/29/2024
LAND VALUE	6,593,325,295	6,593,325,295	0	389,018-	389,018-	6,592,936,277
AG EXCLUSION	32,486,183	32,486,183	0	0	0	32,486,183
IMPROVEMENTS	873,775,097	873,775,097	20,939	4,419,898-	4,398,959-	869,376,138
APPRAISED VALUE	6,593,325,295	6,593,325,295	20,939	4,808,916-	4,787,977-	6,588,537,318
EXEMPTIONS	1,782,152,718	1,782,152,718	0	6,960,478	6,960,478	1,789,113,196
TAXABLE VALUE	4,778,686,394	4,778,686,394	20,939	11,769,394-	11,748,455-	4,766,937,939
LEVY	224,620.94	224,620.94	112.24	51,512.99-	51,400.75-	173,220.19
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE						
EXEMPTION COUNTS:						
HOMESTEADS	10,595	10,595	0	57	57	10,652
OVER 65	3,475	3,475	0	18	18	3,493
DISABLED	180	180	0	4	4	184
VETERAN	253	253	0	4	4	257
TOTAL EXEMPT	84	84	0	0	0	84

ALL PROPERTY

JURISDICTION: 0337 FRIENDMD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2023	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/29/2024
LAND VALUE	5,827,810,207	5,827,810,207	0	604,274-	604,274-	5,827,205,933
AG EXCLUSION	33,691,313	33,691,313	0	380,567-	380,567-	33,310,746
IMPROVEMENTS	775,157,465	775,157,465	335,750	365,190-	29,440-	775,128,025
APPRAISED VALUE	5,827,810,207	5,827,810,207	335,750	969,464-	633,714-	5,827,176,493
EXEMPTIONS	1,579,451,702	1,579,451,702	0	2,540,362	2,159,795	1,581,611,497
TAXABLE VALUE	4,214,667,192	4,214,667,192	335,750	3,129,259-	2,793,509-	4,211,873,683
LEVY	46,007.11	46,007.11	1,636.16	9,770.83-	8,134.67-	37,872.44
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,298	10,298	0	16	16	10,314
OVER 65	3,255	3,255	0	6	6	3,261
DISABLED	181	181	0	4	4	185
VETERAN	240	240	0	1	1	241
TOTAL EXEMPT	84	84	0	0	0	84

ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2020
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 155
INCLUDES AG ROLLBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2023	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/29/2024
LAND VALUE	5,043,274,252	5,043,274,252	0	10-	10-	5,043,274,242
AG EXCLUSION	27,337,308	27,337,308	0	0	0	27,337,308
IMPROVEMENTS	706,413,340	706,413,340	0	19,050-	19,050-	706,394,290
APPRAISED VALUE	5,043,274,252	5,043,274,252	0	19,060-	19,060-	5,043,255,192
EXEMPTIONS	1,218,139,975	1,218,139,975	0	111,116-	111,116-	1,218,028,859
TAXABLE VALUE	3,797,796,969	3,797,796,969	0	92,056	92,056	3,797,889,025
LEVY	28,524.90	28,524.90	*00	581.07	581.07	29,105.97
UNCOLLECTIBLE	*00	*00	*00	*00	*00	*00
RECEIVABLE					.00	.00
EXEMPTION COUNTS:						
HOMESTEADS	10,220	10,220	0	2-	2-	10,218
OVER 65	3,163	3,163	0	1-	1-	3,162
DISABLED	182	182	0	0	0	182
VETERAN	221	221	0	2	2	223
TOTAL EXEMPT	80	80	0	0	0	80

ALL PROPERTY

JURISDICTION: 0337 FRIENDWD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2023	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/29/2024
LAND VALUE	4,537,437,822	4,537,437,822	0	10-	10-	4,537,437,812
AG EXCLUSION	24,683,691	24,683,691	0	0	0	24,683,691
IMPROVEMENTS	645,931,872	645,931,872	0	48,320-	48,320-	645,883,552
APPRAISED VALUE	4,537,437,822	4,537,437,822	0	48,330-	48,330-	4,537,389,492
EXEMPTIONS	1,018,439,121	1,018,439,121	0	16,990	16,990	1,018,456,111
TAXABLE VALUE	3,494,315,010	3,494,315,010	0	65,320-	65,320-	3,494,249,690
LEVY	20,010.02	20,010.02	*.00	365.81-	365.81-	19,644.21
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	2	2	207
TOTAL EXEMPT	74	74	0	0	0	74

ALL PROPERTY

JURISDICTION: 0337 FRIENDWD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2023	SUPPLEMENTS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/29/2024
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	0	0	617,900,409
APPRAISED VALUE	4,207,374,518	4,207,374,518	0	0	0	4,207,374,518
EXEMPTIONS	891,117,422	891,117,422	0	41,690-	41,690-	891,075,732
TAXABLE VALUE	3,292,414,186	3,292,414,186	0	41,690	41,690	3,292,455,876
LEVY	14,875.89	14,875.89	.00	233.69	233.69	15,109.58
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,001	10,001	0	1-	1-	10,000
OVER 65	2,897	2,897	0	1-	1-	2,896
DISABLED	0	0	0	0	0	0
VETERAN	204	204	0	0	0	204
TOTAL EXEMPT	0	0	0	0	0	0

Summary of Jurisdiction Remittances Processed Property Tax File

For Remitted Deposit Dates 02/01/2024 thru 02/29/2024 as of 03/05/2024

Batch Seq
4500289

Report run on: March 5, 2024 2:55 PM

Tax Unit		M & O Total	I & S Total	TIF Levy	TIF Interest	Fee Total	Total
337 FRIENDWD CITY							
ACH 86177	Print Date:03/04/2024						
	Current	993,982.61	317,691.97	0.00	0.00	0.00	1,311,674.58
	Delq	3,969.22	1,001.14	0.00	0.00	0.00	4,970.36
Last Deposit Date	02/02/2024	\$997,951.83	\$318,693.11	\$0.00	\$0.00	\$0.00	\$1,316,644.94
ACH 86226	Print Date:03/04/2024						
	Current	372,431.88	119,034.95	0.00	0.00	0.00	491,466.83
	Delq	820.97	208.90	0.00	0.00	0.00	1,029.87
Last Deposit Date	02/06/2024	\$373,252.85	\$119,243.85	\$0.00	\$0.00	\$0.00	\$492,496.70
ACH 86272	Print Date:03/04/2024						
	Current	123,902.54	39,601.11	0.00	0.00	0.00	163,503.65
	Delq	3,932.07	1,012.78	0.00	0.00	0.00	4,944.85
Last Deposit Date	02/07/2024	\$127,834.61	\$40,613.89	\$0.00	\$0.00	\$0.00	\$168,448.50
ACH 86320	Print Date:03/04/2024						
	Current	36,702.75	11,730.70	0.00	0.00	0.00	48,433.45
	Delq	9.79	2.03	0.00	0.00	0.00	11.82
Last Deposit Date	02/09/2024	\$36,712.54	\$11,732.73	\$0.00	\$0.00	\$0.00	\$48,445.27
ACH	Print Date:03/04/2024						
	Current	1,081.31	345.60	0.00	0.00	116.54	1,543.45
	Last Deposit Date	02/11/2024	\$1,081.31	\$345.60	\$0.00	\$0.00	\$116.54
ACH 86401	Print Date:03/04/2024						
	Current	11,151.11	3,564.05	0.00	0.00	0.00	14,715.16
	Last Deposit Date	02/12/2024	\$11,151.11	\$3,564.05	\$0.00	\$0.00	\$0.00
ACH 86438	Print Date:03/04/2024						
	Current	18,026.78	5,761.65	0.00	0.00	0.00	23,788.43
	Last Deposit Date	02/13/2024	\$18,026.78	\$5,761.65	\$0.00	\$0.00	\$0.00
ACH 86475	Print Date:03/04/2024						
	Current	53,862.60	17,215.36	0.00	0.00	0.00	71,077.96
	Delq	(3.36)	(0.86)	0.00	0.00	0.00	(4.22)
Last Deposit Date	02/15/2024	\$53,859.24	\$17,214.50	\$0.00	\$0.00	\$0.00	\$71,073.74
ACH 86518	Print Date:03/04/2024						
	Current	12,353.10	3,948.17	0.00	0.00	0.00	16,301.27
	Delq	286.21	74.39	0.00	0.00	0.00	360.60
Last Deposit Date	02/19/2024	\$12,639.31	\$4,022.56	\$0.00	\$0.00	\$0.00	\$16,661.87
ACH 86556	Print Date:03/04/2024						
	Current	26,804.48	8,567.13	0.00	0.00	0.00	35,371.61
	Delq	1,047.40	266.15	0.00	0.00	0.00	1,313.55
Last Deposit Date	02/21/2024	\$27,851.88	\$8,833.28	\$0.00	\$0.00	\$0.00	\$36,685.16
ACH 86599	Print Date:03/04/2024						
	Current	54,113.57	17,295.53	0.00	0.00	0.00	71,409.10
	Delq	736.16	187.88	0.00	0.00	0.00	924.04
Last Deposit Date	02/22/2024	\$54,849.73	\$17,483.41	\$0.00	\$0.00	\$0.00	\$72,333.14
ACH 86641	Print Date:03/04/2024						
	Current	39,087.04	12,492.87	0.00	0.00	0.00	51,579.91
	Last Deposit Date	02/23/2024	\$39,087.04	\$12,492.87	\$0.00	\$0.00	\$0.00

ACTGL_TU_REMIT_SP Ver. 1.63

Summary of Jurisdiction Remittances Processed Property Tax File
For Remitted Deposit Dates 02/01/2024 thru 02/29/2024 as of 03/05/2024

Batch Seq
4500289

Report run on: March 5, 2024 2:55 PM

Tax Unit		M & O Total	I & S Total	TIF Levy	TIF Interest	Fee Total	Total
337 FRIENDWD CITY							
ACH 86683	Print Date:03/04/2024						
	Current	34,644.47	11,072.92	0.00	0.00	0.00	45,717.39
	Delq	(39.10)	(9.94)	0.00	0.00	0.00	(49.04)
Last Deposit Date	02/26/2024	\$34,605.37	\$11,062.98	\$0.00	\$0.00	\$0.00	\$45,668.35
ACH 86775	Print Date:03/04/2024						
	Current	102,037.29	32,612.66	0.00	0.00	0.00	134,649.95
	Delq	8,586.79	2,183.56	0.00	0.00	0.00	10,770.35
Last Deposit Date	02/29/2024	\$110,624.08	\$34,796.22	\$0.00	\$0.00	\$0.00	\$145,420.30
Total:		\$1,899,527.68	\$605,860.70	\$0.00	\$0.00	\$116.54	\$2,505,504.92

**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 1, 2024

Date submitted: 03/04/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider approving the minutes of the City Council Regular Meeting held on March 4, 2024.

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 4, 2024.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

- 1. 2024 03 04 CC Meeting Minutes (DRAFT)

**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF FRIENDSWOOD
MARCH 4, 2024**

THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD MET IN A REGULAR MEETING ON MONDAY, MARCH 4, 2024, AT 5:30 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:

Trish Hanks	Councilmember
Steve Rockey	Mayor Pro Tem
Sally Branson	Councilmember
Joe Matranga	Councilmember
Brent Erenwert	Councilmember
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 5:30 P.M.; all members were present.

2. INVOCATION

The invocation was led by Pastor Mike Cervantes of New Hope Church.

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

Mayor Foreman led the Pledge of Allegiance of the United States and the Pledge to the State of Texas.

4. COUNCIL COMMENTS AND REPORTS

Mayor Pro Tem Rockey first shared that he had attended the High School State Championship last week. He congratulated the Friendswood Independent School District (FISD) boy's swim team for taking second place and the girl's team for taking fourth place in the State. Councilmember Branson then relayed that a few members of Council and Community Economic Development Committee (CEDC) took a discovery trip to Conroe. She expressed they learned a lot of good things about the City and that it was a great trip.

As the liaison to the Keep Friendswood Beautiful (KFB) Committee, Councilmember Hanks reported that they had a dedication ceremony for former Park's employee Ms. Kimberly Ramirez. Ms. Ramirez got a new fairy house on the Fairy Trail Garden, a bench, and a tree planted in her memory at Stevenson Park. Councilmember Hanks relayed she was an excellent employee and had worked for the City for twenty-two (22) years. On a separate note, she relayed that Hope Village had a Fish-Fry Fundraiser this past weekend. The event raised lots of money for their residents as Hope Village is a place where residents with intellectual disabilities can reside on their own in an adult-living atmosphere.

Councilmember Matranga announced that the enrollment for the Heroes of Friendswood Banner Program, which honors Friendswood's veterans, is now open. For more information, he directed everyone to go to fdfa.org. Next, Councilmember Erenwert commented that he also attended the Hope Village Fish-Fry and that it was a great experience. He encouraged everyone to check out the events that they do.

Mayor Foreman shared that he and his family attended a Friends of Downtown Association event called Marty Paws. The event was a dog parade that started in Old City Park and paraded over to the Farmer's Market in Stevenson Park. The Mayor stated they had a great time and looked forward to doing it again next year. Mayor Pro Tem Rockey lastly extended a congratulations to Mayor Foreman, Councilmember Hanks, and future Councilmember John Ellisor for running unopposed in the upcoming election.

5. PUBLIC COMMENT

Ms. Twana Phillips requested to speak before the Council. She introduced herself as a part of the Ashford Village Homeowners Association (HOA) that is in charge of the architectural and landscaping design. She explained they recently purchased signs for their neighborhood and one was not approved by the City's Community Development Department. She requested that to be reconsidered. Mayor Foreman directed Ms. Phillips to talk to Assistant City Manager Steven Rhea about her concern at the end of the meeting.

Mr. Rusty Burkett requested to speak before the Council regarding the bad road conditions in his neighborhood. Mayor Foreman asked City Manager Morad Kabiri to check into the matter.

Mr. Kevin Holland requested to speak before the Council to announce that tomorrow was Super Tuesday. He encouraged everyone to vote in the election which would then be followed by the May 4th election.

Mayor Foreman then took the agenda out of order and considered Item 7.c. immediately after the public comments. After Item 7.c., the Council returned to the regular order of the agenda, as written.

7. COMMITTEES OR SPECIAL REPORTS

C. Receive the Friendswood Historical Society Annual Report

President of the Historical Society Dave Smith presented the Friendswood Historical Society's Annual Report to the Council. Highlights of the report included the following:

- The Historical Society owned two (2) museums: the Brown Museum on Skyview and the Perry House on Spreading Oaks;
- Their Annual Ice Cream Social had over 400 attendees who enjoyed Blue Bell ice cream and Mr. George Coward who provided the entertainment; and
- Their Annual Christmas Tree Lighting event was attended by kids from the Friends' Church who sang carols, the Heritage Gardeners who provided the gingerbread, the Sasser Family who provided their famous "Wassel," and the Friends Winds Ensemble.

Mr. Smith further shared that they would tackle some repairs and improvements to the Perry House in the upcoming year. He noted they have been working with the Keep Friendswood Beautiful (KFB) Committee on improvements to their flower beds with the Adopt-a-Bed Program. He spoke of additional projects they will have to partner with local businesses and groups to bring unique experiences, such as "farm and vine" dining, outside of the Perry House. With that ending the report, the Mayor and Council thanked Mr. Smith.

6. SPECIAL RECOGNITIONS AND ACKNOWLEDGEMENTS

A. Present the City of Friendswood Five Star Spirit Award for the Fourth Quarter of 2023 to Marcos Martinez, a Project Manager in the Engineering Department.

City Manager Morad Kabiri introduced Engineering Project Manager Marcos Martinez. Mr. Kabiri relayed this past summer, Mr. Martinez was on his way to a job site and noticed a young boy at the age of five or six years old, without a shirt, and standing on the side of the road. Mr. Martinez realized he did not have any adults around him and worked with the Police Department to reunite the child with his parents. With that said, Mr. Kabiri thanked and presented Mr. Martinez the Five Star Spirit Award.

7. COMMITTEES OR SPECIAL REPORTS

A. Receive the Planning and Zoning Commission Annual Report

Planning and Zoning Commissioner Tom Hinckley presented their Commission's Annual Report to the Council. Highlights of the report included the following:

PLATS	
• Approved 2 Preliminary Plats - Nixon Estates - Friendswood Trails Sections 4B & 5A • Approved 1 Preliminary Plat Extension - Friendswood Trails Sections 3A & 4A	• Approved 4 Final Plats - Hagewood Estates - Georgetown Detention Basin Phase I - Nixon Estates - Division C of Lot 64 • Approved 1 Replat - Jeter Memorial Funeral Home • Approved 1 Final Plat Extension - Avalon @ Friendswood Detention Final Plat

COMMERCIAL SITE PLANS
• Approved 5 Site Plans - The Albritton - Challenge Elite Sports - Big City Manufacturing - Site One Landscape Storage - 110 & 112 Hunters Ln Shell Buildings

ZONING CHANGES
• Developed Recommendations on 7 Zoning Changes - 401 N Friendswood Dr (Jeter) from CSC to SFR (P) - 801 W Parkwood Ave from SFR to CSC (P) - 502 S Friendswood Dr and 107 Spreading Oaks Dr (Friends Church) from SFR to DD with an SUP for #8131 Religious Organizations and #624 Social Assistance (P) - 209 E Edgewood Drive from PUD to OPD and allow SUP to remain (P) - Friendswood City Center from PUD to revised PUD (P) - 901 S Friendswood Dr from NC to DD (P) - 903 S Friendswood Dr from NC to DD (P)

ORDINANCE CHANGES	
• Developed Recommendations on 2 Ordinance Changes and 0 Resolutions - Update Permitted Use Table including NAICS updates, commercial uses in industrial districts, and remove S1(P) - Amendments to Sign Ordinance (P)	

PLANNING AND ZONING ACTIVITIES	
• Held 16 Commission meetings, 1 Retreat, and numerous subcommittee meetings. • Conducted annual review of Permitted Use Table. Recommendations made and changes were adopted via Ord 2023-18. • Two commissioners and staff attended the APA Texas Conference. • Held a retreat to establish and prioritize goals for the Commission.	

PLANNING AND ZONING KEY 2024 PROJECTS	
• Continue working with Staff and City Council to update the Comprehensive Plan. • Workshop mobile vendors with City Council. • Review and update the Zoning Ordinance: - Adopt a formal process of updating the Future Land Use Map and - Update requirements for special events. • Adopt a new official zoning map. • Research micro zoning for undeveloped commercial along FM 528. • Review / recommend updates to the Design Criteria Manual regarding minimum parking regulations for funeral homes and gas stations. • Review Park Dedication requirements once Parks Master Plan is updated. • Training on various planning related topics.	

With that concluding the Commission’s Annual Report, the Mayor and Council thanked Mr. Hinckley.

B. Receive the Zoning Board of Adjustments Annual Report

As the Zoning Board of Adjustments Annual Report was attached to their agenda packet and there was no in-person presentation, Mayor Foreman considered the item received.

C. Receive the Friendswood Historical Society Annual Report

Mayor Foreman considered Item 7.C. immediately after the public comments of Item 5.

8. WORK SESSION TOPICS

A. Receive and discuss an update regarding Capital Improvement and Drainage Projects.

Engineering Director Jil Arias provided the Council with updates on the following capital improvement and drainage projects:

PAVEMENT MANAGEMENT STUDY	
Location	City-wide
Status	• Data collection complete • 186 centerline miles collected

BLACKHAWK BLVD - Phase II-B	
Location	Blackhawk Boulevard (Geneva Dr to Pennystone Way)
Status	• Southbound concrete paving ongoing

	- Surveyed pavement roughness and rutting, and surface distresses using laser - Pavement Condition Index (PCI) will be developed from surveys
Funding	(\$75,250) General Fund - Streets

	- Water line installation nearing completion - Northbound concrete demolition will start soon
Funding	(\$2.2M) 2022 Pct. 2 Partnership; Street Improvements (Sales Tax); W/S Working Capital

BLACKHAWK BLVD - Phase II-C	
Location	Blackhawk Boulevard (Pennystone Way to FM 2351; Thursa Lane to FM 528)
Status	- Project will complete the rest of Blackhawk Boulevard - Engineering/repackaging of bid documents started
Funding	(\$7.4M) 2023 Pct.2 Partnership; Street Improvements (Sales Tax); GO Bonds; W/S Working Capital

2024 HARRIS COUNTY PCT 2 PARTNERSHIP APPLICATION	
Location	Intersection of Bay Area Boulevard and Grissom Road
Status	- Application submitted to Precinct 2 for 2024 Partnership Project \$500,000 project, 25% City of Friendswood, 25% City of League City, 50% Harris County - Signalization of Bay Area Boulevard and Grissom Road - CoLC preparing MOU for approval
Funding	(\$500,000) 2024 Pct.2 Partnership; League City Partnership; General Fund - Streets

BLACKHAWK FACILITY RENOVATION AND SHELTER	
Location	15355 Blackhawk Boulevard
Status	- Both Renovation and Shelter are Substantially Complete - All departments moved into their respective areas - Backup Generator to be installed Summer 2024
Funding	Renovation – (\$5.4M) GO Bonds; W/S Working Capital; W/S Bonds; GF
	Shelter – (\$963K) CDGB-DR; W/S Working Capital; GF

FIRE STATION #2 RECONSTRUCTION	
Location	2605 W. Parkwood Drive
Status	- Substantially Complete - Ceremonial opening to be scheduled soon
Funding	(\$4.7M) GO Bonds; W/S Bonds; GF

24" CLEAR CREEK WATER LINE CROSSING PROJECT	
Location	Generally parallel to FM 2351, from Blackhawk Blvd. to FM 518
Status	- Geotechnical Investigation started - Environmental Assessment started - Survey work ongoing
Funding	(\$9.6M) W/S Bonds; ARPA Funds

TANK REHAB PROJECT	
Location	Multiple
Status	- Water Tower #2 to be recoated soon with updated logo - Slowed due to bad weather - Completion anticipated early Summer 2024
Funding	(\$1.9M) W/S Bonds

FOREST BEND OFFLINE DETENTION	
Location	Forest Bend Subdivision (Bounded by Clear Creek along Southwest and FM 528 on the South in Harris County)
Status	• Substantially complete • Open to the public • Due to drought last year, grass has not completely sprouted; contractor in process of re-establishing turf
Funding	(Cost to Date: \$3,648,511) CDBG-DR Grant Funds; GO Bond Funds; GF

CLEAR CREEK UTILITY RACK RELOCATION	
Location	Polly Ranch Subdivision [Dave Brown Memorial Park]/ Terra Bella Subdivision (Across Clear Creek South of Blackhawk Wastewater Treatment Plant)
Status	• Engineering Complete • Environmental Assessment Wrapping Up • Awaiting Authorization to Use Grant Funds (AUGF) to Bid for Construction • Summer 2024 Target for Start of Construction • Construction Timeline (120 Days)
Funding	(\$1,238,630) CDBG-DR Grant Funds

FRENCHMEN'S CREEK GREEN SPACE	
Location	Polly Ranch Subdivision - Bounded by Clear Creek and Pine Drive in Galveston County
Status	• City Acquired Townhomes Demolished • Galveston County Acquired Townhomes Demolished • City Received Title from HOA for the Land Transfer • Title Transfer from Galveston County • City and GCCDD in Discussion for Interlocal Agreement for Terracing Project after the Acquisition Grant Completes.
Funding	(Cost to Date \$2,259,757) CDBG-DR Grant

DEEPWOOD FLOOD CONTROL PROJECT	
Location	Deepwood Drive along Clear Creek (Galveston County)
Status	• Engineering and Survey Work Complete • Environmental Assessment Review Under Way • Construction Phase Target: Summer or Fall 2024 – Clearing Project Timeline: 3 Months including Bid Phase
Funding	(\$2,959,825) CDBG-DR Grant Funds; GO Bonds

FRIENDSWOOD REGIONAL STORMWATER DETENTION BASIN	
Location	105-acre tract near the intersection of FM 1959 and Blackhawk Blvd.
Status	• \$5.5 Million "Rough Grading" project awarded by Harris County Commissioners, to provide roughly 250 acre-feet of detention • Selection of Engineering Consultant for Final Design Underway • Ultimate Capacity to be Established by Final Design

COMPREHENSIVE MASTER DRAINAGE PLAN	
Location	City-wide
Status	• Interlocal Agreement with GCCDD • Awarded Texas Dept of Emergency Management Grant for \$661,500 • Expected in Coming Months Upon Final Approval from FEMA

Funding	(Est Cost \$38,000,000) Flood Control Bond Funds; GCCDD Funds; HCFCD Funds; Galveston County Funds
Funding	(Est Cost \$1,000,000+) Flood Control Bond Funds; GCCDD Interlocal; TDEM Grant

On the Regional Stormwater Detention Basin project, Councilmember Griffon understood that they had to go from eleven hundred (1,100) acre feet to around seven hundred (700) acre feet. He wondered if that would change the dollar amount they committed to this project because they were scaling it back. If so, he wondered if they could take those dollars and move them into other projects.

City Manager Morad Kabiri responded that the final design on these projects is not completed yet. Thus, the speculation of whether it will be seven hundred (700), eleven hundred (1,100), or more acre feet has not been fully determined. As they have seen inflation on their other projects, Mr. Kabiri doubted their dollar commitment would go down. Nevertheless, he relayed they would evaluate that as they get closer to the end. Mr. Kabiri noted this particular project was slated with the Whitcomb tract. If the funds do not go to this acre tract, he offered they could look at relocating them to the Whitcomb property.

After giving an update on the Comprehensive Drainage Master Plan, Mr. Arias concluded his presentation.

9. CITY MANAGER'S REPORT

A. Present an update regarding Brian Mansfield, Director of Emergency Services, receiving his Certified Emergency Manager designation through the International Association of Emergency Managers.

City Manager Morad Kabiri recognized Emergency Services Director Brian Mansfield for receiving his Certified Emergency Manager designation through the International Association of Emergency Managers.

B. Recognize the Friendswood Library for receiving the Texas Municipal Library Directors Association's Achievement of Excellence in Libraries Award for 2023.

City Manager Morad Kabiri recognized the City of Friendswood Library for receiving the Texas Municipal Library Directors Association's Achievement of Excellence in Libraries Award for 2023.

C. Present an update regarding the removal of sirens and poles.

City Manager Morad Kabiri reported over the recent removal of tall poles with sirens atop of them around town. They were installed back in the mid-nineties and outdated. Mr. Kabiri noted the sirens were never intended to be anything but for pipeline disasters. As they now had the ability to activate dynamic messaging to citizens' phones much quicker and with much more information, they removed the sirens.

10. BUSINESS ITEMS

A. Consider authorizing an Interlocal Collection Agreement with Galveston County for collection services related to Friendswood City Center Public Improvement District.

A motion was made by Councilmember Erenwert and seconded by Councilmember Griffon to authorize the Interlocal Collection Agreement with Galveston County for collection services for Friendswood City Center Public Improvement District, related to Item 10.a. The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

B. Consider authorizing an Interlocal Agreement with Galveston County Consolidated Drainage District for the Deepwood Drainage Improvement Project.

A motion was made by Mayor Pro Tem Rockey and seconded by Councilmember Branson to authorize the Interlocal Agreement with Galveston County Consolidated Drainage District for Deepwood Drainage Improvement Project, related to Item 10.b. The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

C. Consider authorizing an Interlocal Agreement with Friendswood Independent School District for School Resource Officers.

A motion was made by Councilmember Hanks and seconded by Mayor Pro Tem Rockey to authorize the Interlocal Agreement with Friendswood Independent School District for School Resource Officers, related to Item 10.c. However, there was discussion prior to the vote.

For the last five years, City Manager Morad Kabiri shared that he was working towards a net zero subsidy for the City's cost of these services. Historically, this has been a partnership between the City and Friendswood Independent School District (FISD). Originally, it was funded with a grant that went away shortly after the program got up and running, which was the intent of the grant. Due to FISD's financial issues with the State, they have asked the City to take on a bit more than they had in previous years.

Mr. Kabiri relayed, this year, the City's contribution would be one hundred and ninety-five thousand dollars (\$195,000) as opposed to one hundred and three thousand (\$103,000) dollars they contributed this past year. After voicing their comments and concerns, the Council was in support of the additional monies for the proposed interlocal agreement. It was understood that, come budget time, they would need to consider options to maintain operations, such as an increase in taxes.

The vote for the motion on the table was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

D. Consider authorizing a Professional Services Agreement with PGAL, Inc., for the Friendswood Civic Center Replacement Project and Library Expansion Project.

A motion was made by Councilmember Hanks and seconded by Councilmember Griffon to authorize the professional services agreement for the Friendswood Civic Center Replacement Project and Library Expansion Project, related to Item 10.d. The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

E. Consider authorizing the Professional Services with Brinkly Sargent Wiginton Architects, Inc., for the Council Chamber Renovation Project.

A motion was made by Councilmember Hanks and seconded by Councilmember Erenwert to authorize the professional services agreement for the Council Chamber Renovation Project, related to Item 10.e. However, there was discussion prior to the vote.

IT Director Terry Prindle noted they have had a lot of issues with their ageing audio visual (AV) system. In 2022, Staff went out for a request for qualifications (RFQ) and selected Macklemore Long. Mr. Prindle relayed an analysis was done that came back with unfavorable costs, so Staff started talking about doing an AV-only upgrade. However, the project would also include better lighting and other cross-functional uses. Mr. Prindle informed Council that Staff selected BSW for this project. Their principal architect is Ryan Macklemore who had worked at Macklemore Long and has since left that company.

Councilmember Griffon inquired about the costs. Mr. Prindle replied for the cost of construction and all the technology, they were looking at about four hundred thousand dollars (\$400,000). City Manager Morad Kabiri noted the totality of this project would be funded with Public, Educational, and Governmental (PEG) Grant dollars. Therefore, it would not be tax dollars.

The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

F. Consider authorizing a Professional Services Agreement with Fiveengineering, LLC for preliminary design services associated with Lift Station No. 27 Improvements Project.

A motion was made by Councilmember Branson and seconded by Councilmember Erenwert to authorize the professional service agreement for the preliminary design services for Lift Station No. 27 Improvements Project, related to Item 10.f. The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

G. Consider authorizing a Professional Services Agreement with Fiveengineering, LLC for preliminary design services associated with the Lift Station No. 8 Improvements Project.

A motion was made by Mayor Pro Tem Rockey and seconded by Councilmember Hanks to authorize the professional service agreement for the preliminary design for Lift Station No. 8 Improvements Project, related to Item 10.g. The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

11. MAY 4, 2024, GENERAL ELECTION

A. Receive the Certificate of Unopposed Status for the positions of Mayor, Councilmember Position No. 1 and Councilmember Position No. 3.

A motion was made by Mayor Pro Tem Rockey and seconded by Councilmember Branson to receive the certificate of Unopposed Status for the positions of Mayor, Councilmember Position No. 1, and Councilmember Position No. 3, related to Item 11.a. The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

B. Consider an ordinance declaring (1) the unopposed candidate Mike Foreman elected to the Office of Mayor, (2) the unopposed candidate John Ellisor elected to the Office of Councilmember Position No. 1, and (3) the unopposed candidate Trish Hanks elected to the Office of Councilmember Position No. 3; and canceling the associated May 4, 2024, General Election.

A motion was made by Councilmember Branson and seconded by Councilmember Erenwert to approve Ordinance No. 2024-07, related to Item 11.b. The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

ORDINANCE NO. 2024-07

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, DECLARING THE UNOPPOSED CANDIDATE MIKE FOREMAN ELECTED TO THE OFFICE OF MAYOR OF THE CITY OF FRIENDSWOOD; DECLARING THE UNOPPOSED CANDIDATE JOHN ELLISOR ELECTED TO THE OFFICE OF COUNCILMEMBER POSITION NO. 1 OF THE CITY OF FRIENDSWOOD; DECLARING THE UNOPPOSED CANDIDATE TRISH HANKS ELECTED TO THE OFFICE OF COUNCILMEMBER POSITION NO. 3 OF THE CITY OF FRIENDSWOOD; CANCELING THE ASSOCIATED GENERAL ELECTION PREVIOUSLY ORDERED TO BE HELD ON THE 4TH DAY OF MAY, 2024, FOR THE PURPOSE OF ELECTING THE MAYOR AND COUNCILMEMBERS FOR POSITION NOS. ONE (1) AND THREE (3) OF THE CITY OF FRIENDSWOOD; ORDERING THE CITY SECRETARY TO INCLUDE ON THE BALLOT FOR THE CITY'S GENERAL ELECTION TO BE HELD ON THE 4TH DAY OF MAY, 2024, A HEADING ENTITLED "UNOPPOSED CANDIDATES DECLARED ELECTED" UNDER WHICH THE OFFICES OF THE MAYOR AND COUNCILMEMBER OF POSITIONS NOS. ONE (1) AND THREE (3) ALONG WITH THE NAMES OF THE CANDIDATES HEREIN DECLARED ELECTED SHALL APPEAR; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

12. PROPOSED RESOLUTIONS & ORDINANCES

A. Consider an ordinance amending the City's General Budget for Fiscal Year 2023-2024 by approving "Budget Amendment IV" and providing for supplemental appropriation and/or transfer of certain funds.

A motion was made by Councilmember Branson and seconded by Councilmember Erenwert to authorize Ordinance No. 2024-08, related to Item 12.a. The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

ORDINANCE NO. 2024-08

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING ORDINANCE NO. 2023-20, PASSED AND APPROVED AUGUST 28, 2023, THE SAME BEING AN ORDINANCE APPROVING AND ADOPTING THE CITY'S GENERAL BUDGET FOR FISCAL YEAR 2023-24, BY APPROVING "BUDGET AMENDMENT IV" 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.

B. Consider on final reading an ordinance approving a rate adjustment for solid waste collection and disposal.

A motion was made by Councilmember Erenwert and seconded by Councilmember Matranga to approve Ordinance No. 2024-09, related to Item 11.b. The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

ORDINANCE NO. 2024-09

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.

C. Consider a resolution authorizing funding for the Harris County Precinct 2 Partnership Application for the Bay Area Boulevard and Grissom Road Intersection Signalization Project.

A motion was made by Councilmember Hanks and seconded by Councilmember Branson to approve Resolution No. 2024-10, related to Item 11.c. The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember Brent Erenwert

Nays: None

The item passed unanimously.

RESOLUTION NO. 2024-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AUTHORIZING FUNDING IN AN AMOUNT NOT TO EXCEED ONE HUNDRED TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$125,000.00) FOR THE HARRIS COUNTY PRECINCT 2 PARTNERSHIP APPLICATION SUBMITTED ON FEBRUARY 16, 2024, FOR THE BAY AREA BOULEVARD AND GRISSOM ROAD INTERSECTION SIGNALIZATION PROJECT; DESIGNATING THE MAYOR AS THE CITY'S REPRESENTATIVE FOR ALL PURPOSES ASSOCIATED WITH THE HARRIS COUNTY PRECINCT 2 PARTNERSHIP APPLICATION; AND PROVIDING AN EFFECTIVE DATE.

13. CONSENT AGENDA

A motion was made by Councilmember Branson and seconded by Councilmember Erenwert to approve the Consent Agenda Items 13.a. through 13.f. The vote was as follows:

Ayes: Mayor Foreman, Mayor Pro Tem Steve Rockey, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon Councilmember Joe Matranga, and Councilmember 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. R2024-11

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 authorizing the Second Amendment to the Contract for Professional Services with Fiveengineering, LLC, for the final design, bidding, and construction phase services for the 2020 Lift Station Mitigations Projects – Phase IV (Lift Station No. 4).**
- C. Consider authorizing a contract with the Friendswood Historical Society for the maintenance and preservation of historical sites in the City.**
- D. Consider appointing Bennett Rowley to Keep Friendswood Historical Society for the maintenance and preservation of historical sites in the City.**
- E. Consider approving the ad valorem tax report for January 2024.**
- F. Consider approving the minutes of the City Council Regular Meeting held on February 5, 2024.**

14. ADJOURNMENT

With there being no further business, Mayor Foreman adjourned the March 4, 2024, City Council Regular Meeting at 6:53 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 1, 2024

Date submitted: 03/04/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Recess and convene into an executive session pursuant to Section 551.074 of the Texas Government Code to deliberate the annual performance 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 1, 2024

Date submitted: 03/04/2024

Prepared by: Glenda Faulkner, Executive Secretary/PIO

Subject: Consider taking appropriate action regarding the City Manager's annual performance evaluation.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Following the City Manager's annual review in Executive Session, Council may take action relative to his performance.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS