CITY COUNCIL REGULAR MEETING
MONDAY, APRIL 6, 2026, 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 Pledge and State of Texas Pledge.

4. FRIENDSWOOD ACADEMY RECOGNITION

A. Receive the second Friendswood Academy report and recognize the members for their class completion for 2026.

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

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 to place an 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. SPECIAL RECOGNITIONS AND ACKNOWLEDGEMENTS

A. Present the City of Friendswood Five Star Spirit Award for the Fourth Quarter of 2025 to Officer Jason Ives in the Police Department.

9. COMMITTEES OR SPECIAL REPORTS

A. Receive the Keep Friendswood Beautiful Annual Report.

B. Receive the Fourth of July Steering Committee Annual Report.

C. Receive the Community Development Department's Quarterly Update.

D. Receive the 2025 Annual Comprehensive Financial Report.

10. WORK SESSION TOPICS

A. Discuss safety awareness for E-Bike riders.

B. Discuss an update regarding the City of Friendswood Capital Improvement Projects.

11. CITY MANAGER'S REPORT

A. Recognize Sergeant David Brechtel for his thirty-one years of service and retirement with the City of Friendswood.

B. Recognize Andree Calhoun, Finance Budget Manager, for obtaining her Certified Government Finance Officer (CGFO) designation through the Government Finance Officers Association of Texas (GFOAT).

C. Recognize the City of Friendswood Municipal Court as a “New Application Winner” of the 2026 Municipal Traffic Safety Initiatives (MTSI) Awards, presented by the Texas Municipal Courts Education Center (TMCEC).

D. Present an update regarding the receipt of a ten-million-dollar Community Development Block (CDR) Grant from the Texas Land General Office for the Lower Clear Creek Drainage Project.

E. Present an update regarding the upcoming Spring Sparkle Event hosted by the Parks and Recreation Department and Keep Friendswood Beautiful scheduled for Saturday, April 11, 2026.

F. Present an update regarding National Library Week, April 19 - 25, 2026.

G. Present an update regarding Small Business Week to be held April 27–May 1, 2026.

H. Present an update regarding the Mitch and Artha Wright Concert in the Park series.

I. Present an update regarding the May 2, 2026, Friendswood General Election voting locations and times.

12. BUSINESS ITEMS

A. Consider concurring with the City Manager's appointment of a Director of Library Services.

B. Consider awarding the 2020 Lift Station Mitigation Package 1 — Lift Station 1 & 17 Construction Services Project to Branch Construction Group, LLC (Bid No. 2026-01).

C. Consider ratifying the City's filing of IRS Form 8038-T and the remittance of the associated arbitrage rebate and yield reduction payments in connection with the Waterworks and Sewer System Revenue Bonds, Series 2021.

13. PROPOSED ORDINANCES & RESOLUTIONS

A. Consider an ordinance amending the City’s General Budget for Fiscal Year 2025-2026 by approving “Budget Amendment VI” and providing for supplemental appropriation and/or transfer of certain funds.

B. Consider a resolution amending Chapter 7 "Benefits" of the City of Friendswood Personnel Policy Manual to amend Section 7.02 "Holidays" to provide for holiday pay for certain part-time employees and amending City of Friendswood Personnel Policy Manual to add a new section to be numbered and entitled 7.08 "Paid Time Off for Eligible Part-time Employees" for paid time off for such employees.

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 Councilmember 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 amending Section 2 of Resolution No. R2019-07 concerning the tax assessment and collection services performed by the Galveston County Assessor and Collector of Taxes to update the per parcel fees to be charged for such ad valorem services.

B. Consider authorizing the purchase of Nutanix virtualization hardware and software, including related licenses and subscriptions from Freeit Data Solutions, Inc. for the Friendswood Police Department under DIR Contract No. DIR-CPO-5688.

C. Consider authorizing an interlocal agreement with the City of San Marcos concerning the sale of the 2000 Pierce Ladder Truck.

D. Consider authorizing the First Amendment to the Professional Services Agreement with Guy Engineering Services, Inc., for the Greenbriar Bridge Rehabilitation Project.

E. Consider authorizing a Professional Services Agreement with HDR Engineering, Inc., for professional part-time observation services for the Lift Station No. 2 Rehabilitation Project.

F. Consider authorizing a Professional Services Agreement with STV Incorporated, for engineering services associated with the City-wide Traffic Study Project.

G. Consider authorizing the final acceptance of the 2020 Lift Station Mitigation Package 2/Harvey Lift Station Repairs and Mitigation Project.

H. Consider authorizing the final acceptance of the Friendswood High School Utilities Improvements Project.

I. Consider authorizing the final acceptance of the Red Ball Oxygen Waterline Improvements Project.

J. Consider authorizing the final acceptance of the Fire Station No. 2 Reconstruction and Training Field Upgrades Project.

K. Consider authorizing a Lease Agreement with David Davis regarding 24.693 acres of land located near Fire Station No. 2, Galveston County, Texas.

L. Consider electing to participate in a new proposed national opioid settlement concerning six settlement defendants Associated Pharmacies, Inc. (and American Associated Pharmacies); J M Smith Corporation; Louisiana Wholesale Drug Company, Inc.; Morris and Dickson Co.; North Carolina Mutual Wholesale Drug Company, Inc.; and United Natural Foods, Inc. (including its subsidiaries SuperValu and Advantage Logistics); and authorizing the City Manager to execute the associated Combined Subdivision Participation and Release Form.

M. Consider approving the disposal of one (1) Police Department vehicle through EBlock Houston.

N. Consider approving the disposal of five (5) Public Works Vehicles, three (3) Zero Turn Mowers, and one (1) Equipment Lift through Purple Wave, Inc.

O. Consider approving the disposal of one (1) service vehicle and one (1) piece of equipment from Parks and Recreation through Purple Wave, Inc.

P. Consider approving the Friendswood Downtown Economic Development Corporation's expenditure of funds to purchase permanent lighting for City Hall, the Friendswood Public Library and the Senior Activity Center from The Perfect Light, Inc., through The Interlocal Purchasing System.

Q. Consider approving the Friendswood Downtown Economic Development Corporation's expenditure of funds to purchase holiday decorations for the Downtown District from Dekra-Lite Industries, Incorporated, through the Buyboard.

R. Consider approving the ad valorem tax report for February 2026.

S. Consider approving the minutes of the City Council Regular Meeting held on March 2, 2026.

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 TYY SERVICES. FOR MORE INFORMATION CONCERNING RELAY TEXAS, PLEASE VISIT: HTTP://RELAYTEXAS.COM.

City of Friendswood FYE 2026 Taxpayer Impact Statement (Based upon Balanced Budgets)			
Description	**Property Tax Bill for FYE 2025**	**Estimated Property Tax Bill for FYE 2026 at the No New Revenue Rate**	**Estimated Property Tax Bill for FYE 2026 at the Proposed Tax Rate**
Total Tax Rate (per $100 of value)	$ 0.514172	$0.50117	$ 0.514172
Value of Median-Valued Homestead Property in City (with 20% Homestead Exemption)	$369,935	$384,073	$384,073
Tax on Median-Valued Homestead	**$ 1,902.10**	**$1,924.86**	**$1,974.80**

Raquel Martinez

Posted by: Raquel Martinez, TRMC, City Secretary
Posted in compliance with the Open Meetings Act on this 30th day of March 2026, at 5:00 P.M.

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/23/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Receive the second Friendswood Academy report and recognize the members for their class completion for 2026.

Originating Department: Parks and Recreation

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Friendswood Academy, led by the City's Parks and Recreation Department, is an 8-week program that allows a class of adult residents to learn more about each City department. The classes take place every Tuesday, from 6:00-8:00 pm for an 8-week period. The first Friendswood Academy class began February 3rd and ended on March 24th.

The Friendswood Academy Staff Lead, Cierra Sutton, will provide City Council with a report on the overall achievements of the second Friendswood Academy class and recognize the members for their participation and dedication to the program. The graduates of Friendswood Academy 2026 are the following:

1. James Box,
2. Chelsea Chase,
3. Sheri Contell,
4. Eugene Gonzalez,
5. Ashleigh Guillory,
6. Eric Jones,
7. Betty Moreno,
8. Chris Scarpa,
9. Amanda Schoby
10. Denise Spruiell, and
11. Judy Wiggins.

Following the recognition, the City Council will recess for a small reception recognizing the graduates in the City Hall foyer.

If interested in participating in the Friendswood Academy, you may apply by completing the application found at the following website link: https://www.ci.friendswood.tx.us/825/Friendswood-Academy, and submitting it to the City Secretary's Office via email to citysecretary@friendswood.com or by mail/in person to the attention of the City Secretary, 910 S. Friendswood Dr, Friendswood, Texas 77546. Please note that the period for submitting applications is only open for a predetermined amount of time in the Fall, from October 1st - December 31st.

For more information on the Friendswood Academy, please contact the Friendswood Academy Staff Lead, Cierra Sutton, in the Parks and Recreation Department.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

None at this time.

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/03/2026

Prepared by: Raquel Martinez, City Secretary

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

None at this time.

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 2026 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 2026 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 6th day of April, 2026.

_____
Mike Foreman, Mayor

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/02/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Present the City of Friendswood Five Star Spirit Award for the Fourth Quarter of 2025 to Officer Jason Ives in the Police Department.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

A resident wrote in to inform us about an incident that took place between youth football games. A parent had a medical emergency that required EMS to be dispatched to the field, another parent went to the officer insight, Officer Jason Ives to ask for help while EMS was enroute. Officer Ives "exited his vehicle and ran in a full sprint to assist. This officer was on the radio with medical emergency and got the EMS to Friendswood Jr. High as fast as he could. The officer made sure that everything was secured and EMS was able to do their job." Officer Jason Ives is a Peace Officer with the Police Department and joined the City in 2005. This is Officer Ives' second five star award.

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

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Receive the Keep Friendswood Beautiful Annual Report.

Originating Department: Parks and Recreation

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to receive and discuss the Keep Friendswood Beautiful Annual Report.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Receive the report.

ATTACHMENTS

1. PPT Slides - KFB 2026 Annual Report

KEEP FRIENDSWOOD BEAUTIFUL

Annual Report

APRIL 2025 - MARCH 2026

Keep Texas Beautiful
GOLD STAR AFFILIATE

KEEP FRIENDSWOOD BEAUTIFUL

Don't mess with Texas
ANTI-LITTER CAMPAIGN PARTICIPANT

MISSION STATEMENT

To enhance the aesthetic appearance of Friendswood and to encourage residents to take an active role in maintaining that appearance.

FOCUS AREAS

EDUCATION

RECYCLING

HABITAT PRESERVATION AND CLEANUPS

BEAUTIFICATION

COMMUNITY PARTNERSHIPS

APRIL

POLLINATORS IN THE PARK

In April 2025, Keep Friendswood Beautiful hosted Pollinators in the Park, a free event that celebrated and supported local pollinators. The event featured educational activities, nature-based experiences, and provided Girl Scouts with the opportunity to earn badges while learning about the importance of bees, butterflies, and other pollinators.

APRIL

SPRING SPARKLE

- Car Count: **685**
- Star Services: **6 lbs.** refrigerant
- Waste Connections: **68** tons
- Garage sale: **$1,103.01**
- Shred-it: **6,500 lbs.** (equivalent to **61,000** trees per Shred-it/Stericycle)

APRIL

FISD DAY OF SERVICE

KFB collaborated with the Wranglerettes to improve the Westwood Outdoor Learning Center (OLC), and a rain date for the Day of Service included litter cleanup in and plantings in Stevenson Park.

MAY

FISD FIELD TRIP

48 FISD fourth graders participated in a hands-on environmental field trip led by Heritage Gardeners and KFB volunteers, exploring pollinators, composting, and native gardens through interactive activities at Stevenson Park and Briscoe Gardens.

JUNE

AWARDED THE PHOTO CONTEST WINNERS

JULY

MOVIES, MUSIC, AND MOMENTS

Movie in the Park: The Wild Robot (Sponsored by KFB)

July 4th Event: Stars, Stripes, and Country Life

AUGUST

FIGGY TRIATHLON, CHARA BACK TO SCHOOL EVENT

SEPTEMBER

ARTWORK ON ELECTRICAL BOXES

SEPTEMBER

ARTWORK ON ELECTRICAL BOXES

SEPTEMBER

ARTWORK ON ELECTRICAL BOXES

SEPTEMBER

ARTWORK ON ELECTRICAL BOXES

SEPTEMBER

ARTWORK ON ELECTRICAL BOXES

SEPTEMBER

ARTWORK ON ELECTRICAL BOXES

OCTOBER

TEEN LEADERSHIP PROGRAM LAUNCH

The launch of TLP created a new pathway for youth engagement, connecting students with city departments and community initiatives while fostering leadership, civic awareness, and service.

OCTOBER

MATCHING GRANT RECIPIENT AWARDED

Wedgewood Village HOA used a $2,000 KFB Matching Grant to create a volunteer-led pollinator garden with native plants, walking paths, and seating—enhancing habitat and providing an accessible community space off Blackhawk Blvd.

OCTOBER

LITTLE FAIRY LIBRARY INSTALLED

NOVEMBER

FALL HAUL

- Car Count: **472**
- Star Services: **8 lbs.** of refrigerant
- Waste Connections: **52.73** tons
- Garage sale: **$738.34**
- Shred-it: **~12,000 lbs.** (equivalent to 113,486 trees per Shred-it/Stericycle)
- Free Haul-Off offered **FREE** e-recycling and collected over **2** trailers worth of old electronics

NOVEMBER

HUNT FAMILY SCARECROW

The Hunt family created a scarecrow using repurposed and environmentally friendly materials, showcasing creativity while promoting sustainability and waste reduction.

KEEP FRIENDSWOOD BEAUTIFUL PRESENTS
THE CHRISTMAS FAIRY TRAIL
REINDEER
FAIRY WING CHAIRS
ROTARY PAVILION
PLAYGROUND
SPLASH PAD
ROTARY PAVILION
GINGERBREAD TRAIN
HOT COCOA STAND
VOLLEYBALL COURTS
SWIMMING POOL
TENNIS COURTS
BASKETBALL COURTS
CHRISTMAS TRAIL SPONSOR
TEXAS
— ABA CENTERS
POLLINATOR GARDEN
START
STEVENSON
PARK
LETTERS TO SANTA
CITY HALL
Located in Stevenson Park, 1100 S. Friendswood Dr.

Pioneers

Oscar Mayer

CASTLE
BIOSCIENCES

SANTA'S SNOW SLIDE
SPONSORED BY
CASTLE
BIOSCIENCES
EliteCareS
EMERGENCY HOSPITAL

DECEMBER

ARENA ROUNDUP

JANUARY

HOSTED ANNUAL TREE GIVEAWAY

FEBRUARY

BAYOU PRESERVATION CITIZEN SCIENTIST'S WORKSHOP

FEBRUARY

Keep Texas Beautiful

Received Gold Star Affiliate Status

Submitted a GCAA Grant Application

FEBRUARY

TOUCH-A-TRUCK

KFB engaged with hundreds of attendees and hosted a recycling game that highlighted the importance of recycling in our community and beyond.

BUSINESS BEAUTIFICATION AWARD RECIPIENTS

1.The Law Firm of Alton Todd

2. Jacob White Construction

3.CL Davis and Company

4.Friendswood Hospital

OTHER INTIATIVES

COMMUNITY CLEANUPS

OTHER INTIATIVES

INVASIVE SPECIES REMOVAL PROGRESS

OTHER INTIATIVES

SCOUT PROJECTS

Through the installation of frog hotels and fishing line recycling stations, KFB is enhancing habitat for local species while reducing pollution and protecting aquatic wildlife.

OTHER INTIATIVES

EDUCATIONAL PRESENTATIONS

KFB led outreach presentations that connect residents and youth to real-world environmental practices and local impact.

Thank You!

To the City staff, Mayor, and Council for your support and dedication.

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/03/2026

Prepared by: Raquel Martinez, City Secretary

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

Originating Department: Parks and Recreation

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to receive and discuss the Fourth of July Steering Committee's annual report for 2026.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Receive the report.

ATTACHMENTS

1. Written Report - Fourth of July 2026 Annual Report

Friendswood 4th of July Celebration

Theme: Party Like It's 1776!

Grand Parade – Stevenson Park (1000 S. Friendswood Dr.):

Friendswood will host its **131st Annual Fourth of July Celebration** on Saturday, July 4, 2026.

The Grand Parade begins at 10:00 AM at Heritage Drive, traveling down S. Friendswood Drive (FM 518) and concluding at Stevenson Park. Road closures will be in effect from 9:50 AM – 11:00 AM, with all secondary streets between FM 2351 and Whispering Pines blocked until the parade concludes. Alternate routes include Sunset Drive and Blackhawk Boulevard.

Following the parade, we want to share an important update: **we will not be offering the traditional daytime program this year.** Over time, we've seen a steady decline in attendance during those hours, and the cost to produce a large-scale daytime event is no longer justified by community participation. This shift allows us to focus our resources on enhancing the experiences at the Evening Program that bring the most engagement and value to our residents.

We're excited to channel that energy into an enhanced evening celebration at **Centennial Park**, where gates will open at **5:00 p.m.** for a true "Party Like It's 1776." The first 250 guests will receive special goodies and giveaways to help kick off America's birthday celebration.

Evening Concert & Fireworks – Centennial Park (2200 S. Friendswood Dr.):

The Evening Program will begin at 5**:00 p.m.** with a live concert by the Joilux Band, building excitement throughout the evening and culminating in a fireworks display at approximately **9:15 p.m.**

Guests will enjoy a wide variety of food vendors on site, featuring barbecue, tacos, ice cream, kettle corn, and fresh lemonade—creating a true festival atmosphere.

We're also excited to introduce new elements for 2026, including the addition of a **Ferris wheel** and expanded entertainment offerings. These new attractions are designed to bring fresh energy and excitement to the event as we celebrate **America's 250th birthday** in a memorable and meaningful way.

There is no public parking at Centennial Park. Shuttle service will run from Friendswood High School and Friendswood Methodist Church starting at 5:00 PM. A bus for individuals with special needs will be available at Mary Queen Catholic Church. Shuttles will operate until 8:45 PM, with Friendswood Police providing security at shuttle locations.

Parking Restrictions:

Lakes of Falcon Ridge Subdivision: Parking will be restricted from Friday, July 3, at 8:00 AM until Sunday, July 5, at 8:00 AM. Parking will be limited to one side of the roadway, and vehicles blocking roadways will be towed at the owner's expense.

Temporary Parking Restrictions will also be in place from July 3 at 8:00 AM through July 5 at 8:00 AM on both sides of FM 518 between Eagle Lakes Drive and Old Road, and on Falcon Ridge between Hawkhill Drive and West Boulevard.

For more information, contact Friendswood Parks & Recreation at 281-996-3220 or rec@friendswood.com.

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Receive the Community Development Department's Quarterly Update.

Originating Department: Community Development

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Director of the Community Development Department will provide a quarterly report regarding permits, inspections, GIS, and Code Enforcement divisions as well as Planning and Zoning Commission and Zoning Board of Adjustment activities.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Receive the report.

ATTACHMENTS

1. Community Development Department (CDD) Quarterly Update April 2026

Community Development

Community Development - Inspections

- **Brian Rouane – Building Official obtained the Master Code Professional Certificate from ICC**
- 1 of 16 people in the US to obtain in 2026
- The Master Code Professional (MCP™) is the highest level of designation the Code Council offers. The Code Council has certified thousands of individuals, but only a small select number have attained this high level of achievement: just over 1,000 individuals.
- This special group is awarded an MCP™ Certificate recognizing this outstanding achievement. To obtain this level of certification requires and demonstrates commitment to the profession, diverse knowledge of codes, and a high level of self-initiative.
- Master Code Professionals are typically responsible for all technical and management aspects of code enforcement.

Community Development

City Works Software Update Complete

DRC meetings

- August to December 2025 – 17 meetings
- January to March 2026 – 4 meetings

Building code and fire code updates effective March 1, 2026

Training

- Aubrey and Becky – Land Use Conference in Austin, Texas
- Alex and Ruben – CEAT Conference in El Paso, Texas
- Brian – Master Code Professional Certification (ICC)

Coming soon…

- Permitting HUB
- Third party plan review and inspections for City Center
- Third party consultant for damage assessments following a flood or other storm event

Community Development

Resilient Communities Program (RCP)
Community Development & Revitalization
Texas General Land Office

Awarded a $250,000 grant to update the Comprehensive Plan which will be:

- Forward-looking and integrated with the Galveston and Harris County Hazard Mitigation Plans
- Identify local hazard risks and how to mitigate against those risks

And will include:
- Population Study
- Housing Study
- Land Use Study/Plan
- Zoning Ordinance amendments, if necessary
- Infrastructure Study/Capital Improvement Plan

Adoption of the approved Comprehensive Plan and Zoning Ordinance must be complete within 24 months of contract execution.

Community Development

COMPREHENSIVE PLAN UPDATE

COMMUNITY EVENTS
10/26/2025 - Halloween in the Park public event

FOCUS GROUP MEETINGS
9/16/2025 – City staff
10/6/2025 – City Council
11/13/2025 – Planning and Zoning Commission

COMPREHENSIVE PLAN ADVISORY COMMITTEE (CPAC) – appointed by Council
12/16/2025 – CPAC Meeting 1
2/23/2025 - Bus Tour
4/30/2026 - CPAC Meeting 3

STAKEHOLDER MEETINGS
2/19/2026 - Teen Leadership Program (high school students)
3/17/2026 - Panhandle Property Owners (mailed XX meeting invitations
3/17/2026 - Emergency Operations Center (EOC) staff
3/17/2026 - FDEDC

Community Development

COMPREHENSIVE PLAN UPDATE

SURVEY – closed at end of March
Flier distribution to schools, at public events and meetings, on web site
Over 300 responses

NEXT STEPS:
CPAC Meeting – April 30
Draft Recommendations – plan and implementation (May/June)
Draft Plan – finalization and adoption of the plan (July/August)

https://comprehensiveplan-fwd.hub.arcgis.com/

Your City, Your Plan!

Community Development - GIS

Completed projects

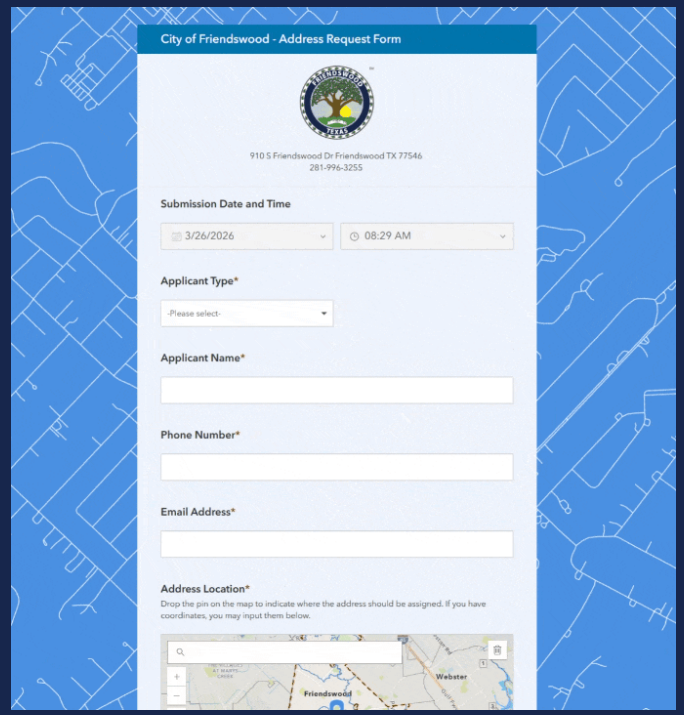
- Addressing Survey for new address requests (GIF attached for slide)

Training

- Nov 19 -21: GIS Day - Beginner's Guide To Field Mapping: Asset Management Seminar, Unlocking Insights: Exploring GeoAI in ArcGIS
- Nov 21:Texas State Library - e2025 e-Records Conference
- March 5: TDEM - State of Texas Emergency Damage Assessment (STAT, iSTAT, pSTAT)

Daily work (Since September 26, 2025)

- Digitized 276 easements (from plat & easements agreements)
- Added missing assets from as-builts, work orders, or field verification
- Water distribution for example:
  - 36 Fire Hydrants
  - 176 Fittings
  - 81 Valves
  - 249 Water Meters



Public HUB

Community Development – New Development

Story Map

- Map with details of new developments going on throughout the City
- Updated monthly
- Available on the city web site

The Bristol
800 N Friendswood Drive

City Center
4 Retail Sites on FM 528

Planning & Zoning Commission

Jan – March 2026

- 4 Meetings
- 4 site plans; 1 site plan extension; 1 site plan amendment
- 6 plats (4 final; 2 replat)
- 0 zone change recommendation

Planning & Zoning Commission

- Planning Subcommittee - Travis, Brian, and Marcus - Aubrey

  Comprehensive Plan Update with Ardurra Group
  - CPAC participants
  - Attend focus groups/public events
  - Review recommendations from Ardurra
- Ordinance Subcommittee - Marsha, Willie, and Stacey - Becky
  - Zoning Ord: Annual review of Permitted Use Table
  - Zoning Ord: Multi-family density
  - Zoning Ord: Mobile food vendors in response to state law changes
  - Zoning Ord: Review landscaping requirements specifically as it relates to conflicts with overhead and underground utility easements, visibility of structures once trees are fully grown, effects on infrastructure such as utilities and paving, and tree requirements in the Community Overlay District (COD), Downtown District (DD), and along major thoroughfares
  - Subdivision Ord: remove GCCDD approval to be compliant with current interlocal agreement
- Miscellaneous/Design Criteria Manual
  - Review DD amenity requirements – installation of sidewalks by TxDOT and lighting by FDEDC

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Receive the 2025 Annual Comprehensive Financial Report.

Originating Department: Finance

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 2024-2025 Annual Comprehensive Financial Report and Single Audit Report.

The City's Annual Comprehensive Financial Report for fiscal year 2024–2025 will be submitted to GFOA in hopes of earning the City's 38th consecutive Certificate of Excellence in Financial Reporting.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Legal compliance and best practices.

RECOMMENDATIONS

Receive the report.

ATTACHMENTS

1. City of Friendswood Year End 09.30.2025 - Annual Comprehensive Financial Report (ACFR)
2. City of Friendswood Federal Single Audit Report (SA) Fiscal Year (FY) Ended on 09-30-2025
3. PPT Slides - FY 2025 Audit Results
4. Acknowledgement of Receipt of Annual Financial Statement - signed

City of Friendswood, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FRIENDSWOOD
FOUNDED 1895
TEXAS

For Fiscal Year Ended September 30, 2025

City of
Friendswood
Texas

CITY OF FRIENDSWOOD, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
September 30, 2025

Officials Issuing Report:

Morad Kabiri
City Manager

Rhonda Bloskas
Director of Finance

City of
Friendswood
Texas

CITY OF FRIENDSWOOD, TEXAS
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INTRODUCTORY SECTION

City of
Friendswood
Texas

CITY OF FRIENDSWOOD

March 23, 2026

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, 2025, 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, 2025, 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, 2025, 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, and Municipal Judge. 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 three-year terms.

Financial reporting of the entity (the government) includes all the funds of the primary government (the City of Friendswood as legally defined, in addition to blended component units as discussed in the accompanying notes) as well as West Ranch Management District and the Friendswood Downtown Economic Development Corporation, reported as discretely presented component units. Discretely presented component units are legally separate entities and are not part of the primary government's operations.

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 43,423. 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 $167,073, 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, the development of the Friendswood City Center (106 acres on FM 518 near Bay Area Blvd) and most recently development west of FM 528 at Friendswood Parkway. 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, multi-family residential complexes and single-family subdivisions. The City offers competitive business incentives, including a municipal grant program, tax abatement that includes "green" development, freeport tax exemption, and downtown development fee waivers.

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

LONG TERM PLANNING

Budgeting Controls

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

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

Multi-Year Financial Planning

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

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

Relevant Financial Policies

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

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

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

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Friendswood for its annual comprehensive financial report for the fiscal year ended September 30, 2024. This was the thirty-seventh 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 Finance 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 Management team for their leadership, interest and support in conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,

Rhonda Bloskas
Director of Finance

CITY OF FRIENDSWOOD, TEXAS
PRINCIPAL OFFICIALS
September 30, 2025

Elected Officials	Position	Term Expires
Mike Foreman	Mayor	May 2027
John Ellisor	Council Member - Position No. 1	May 2027
Sally Branson	Council Member - Position No. 2	May 2026
Trish Hanks	Council Member - Position No. 3	May 2027
Robert J. Griffon	Council Member - Position No. 4	May 2028
Joe Matranga	Council Member - Position No. 5	May 2026
Michael P. Ross	Council Member - Position No. 6	May 2028

Key Staff	Position
Morad Kabiri	City Manager
Steven Rhea	Deputy City Manager
Katina Hampton	Assistant City Manager
Leticia Brysch	Assistant City Manager
Raquel Martinez	City Secretary
Karen Horner	City Attorney
Rhonda Bloskas	Director of Finance
Haley Brown	Director of Human Resources
Terry Prindle	Director of Information Technology
Pat Riffel	Director of Municipal Court
Glenda Faulkner	Director of Communications
Christopher Rogers	Chief of Police
Brian Mansfield	Director of Emergency Services
Steve Varrecka	Director of Public Works
Jildardo Arias	Director of Engineering
Aubrey Harbin	Director of Community Development
James Toney	Director of Parks and Recreation
Karen Hart	Acting Library Director
James W. Woltz	Judge – Municipal Court

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

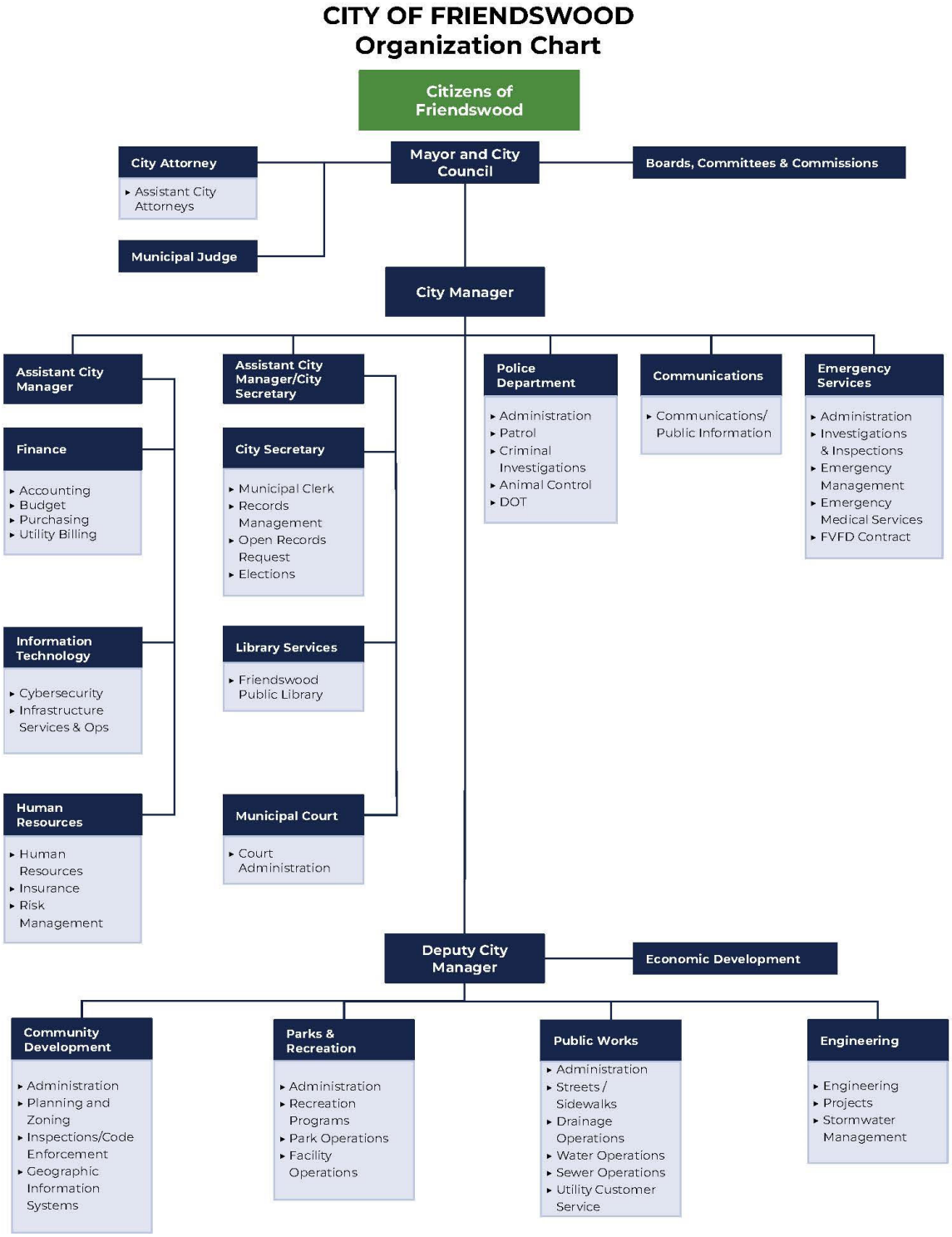
City of Friendswood
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO


CITY OF FRIENDSWOOD
Organization Chart
Citizens of Friendswood
Mayor and City Council
City Attorney
Assistant City Attorneys
Municipal Judge
Boards, Committees & Commissions
City Manager
Assistant City Manager
Finance
Accounting
Budget
Purchasing
Utility Billing
Information Technology
Cybersecurity
Infrastructure Services & Ops
Human Resources
Human Resources
Insurance
Risk Management
Assistant City Manager/City Secretary
City Secretary
Municipal Clerk
Records Management
Open Records Request
Elections
Library Services
Friendswood Public Library
Municipal Court
Court Administration
Police Department
Administration
Patrol
Criminal Investigations
Animal Control
DOT
Communications
Communications/ Public Information
Emergency Services
Administration
Investigations & Inspections
Emergency Management
Emergency Medical Services
FVFD Contract
Deputy City Manager
Economic Development
Community Development
Administration
Planning and Zoning
Inspections/Code Enforcement
Geographic Information Systems
Parks & Recreation
Administration
Recreation Programs
Park Operations
Facility Operations
Public Works
Administration
Streets / Sidewalks
Drainage Operations
Water Operations
Sewer Operations
Utility Customer Service
Engineering
Engineering
Projects
Stormwater Management

City of
Friendswood
Texas

FINANCIAL SECTION

City of
Friendswood
Texas

whitleypenn

Houston Office
3737 Buffalo Speedway
Suite 1600
Houston, Texas 77098
713.621.1515 Main

whitleypenn.com

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 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, 2025, 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, 2025, 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 71%, 99%, and 67%, 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.

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, and budgetary comparison 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 budgetary comparison 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.

Whitley Penn LLP

Houston, Texas
March 23, 2026

City of
Friendswood
Texas

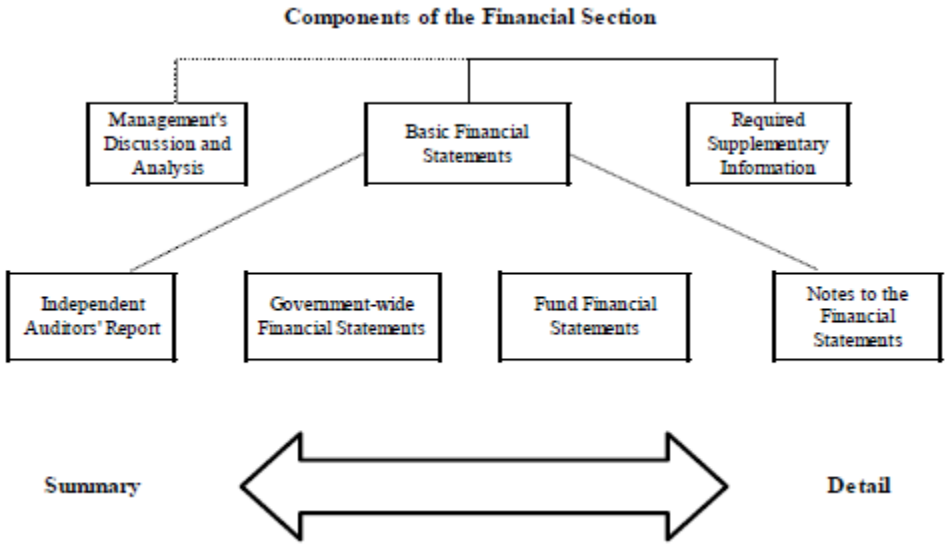
As management of the City of Friendswood, Texas ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. Please read this information in conjunction with the basic financial statements that follow this section.

Financial Highlights

Some of the City's financial highlights for the fiscal year ending September 30, 2025 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 $175,556,212.
- The City's total net position increased during the year by $16,119,988. The City's net pension and total OPEB liabilities were $10.0 million and $2.0 million, respectively. The net pension liability decreased by $3.8 million and the total OPEB liability increased by $279.0 thousand compared to the prior year.
- As of the close of the current fiscal year, the City reported unrestricted net position of $22,121,923.
- Program revenues of $35,912,985 reduced the net cost of the City's functions to be financed from the City's general revenues to $33,632,780.

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.

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, finance, human resources, information technology, city attorney, municipal court and communications); public safety (police and emergency services); engineering (capital projects administration); public works (streets and drainage); community development (building inspection, planning and zoning, and geographic information services); 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. Additionally, the City has two blended component units that are detailed in the notes.

- 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.

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 eighteen governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Coronavirus State and Local Fiscal Recovery Fund, Bond Construction Fund, Debt Service Fund, and Friendswood CC PID Fund, which are considered to be major funds. The other thirteen 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 budgetary comparison schedules that further support the information in the financial statements are presented immediately following the required supplementary information.

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 $175,556,212 as of September 30, 2025 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 (77.1%) reflects its investments in capital assets (e.g., land, buildings and improvements, machinery and equipment, infrastructure, water and sewer system, right-to-use SBITA assets, 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	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 81,605,708	$ 63,359,174	$ 41,305,460	$ 26,025,611	$ 122,911,168	$ 89,384,785
Capital assets	160,753,086	133,580,475	99,840,474	92,758,574	260,593,560	226,339,049
Total Assets	242,358,794	196,939,649	141,145,934	118,784,185	383,504,728	315,723,834
Deferred Outflows of Resources	8,031,367	5,541,784	1,417,441	1,165,890	9,448,808	6,707,674
Total Assets and Deferred Outflows of Resources	250,390,161	202,481,433	142,563,375	119,950,075	392,953,536	322,431,508
Long-term liabilities	119,639,435	89,574,639	71,800,468	53,958,865	191,439,903	143,533,504
Other Liabilities	15,946,596	14,852,854	1,881,635	2,616,030	17,828,231	17,468,884
Total Liabilities	135,586,031	104,427,493	73,682,103	56,574,895	209,268,134	161,002,388
Deferred Inflows of Resources	7,296,877	1,848,806	832,313	144,090	8,129,190	1,992,896
Net Position:						
Net investment in capital assets	82,946,948	82,579,164	52,438,016	45,357,858	135,384,964	127,937,022
Restricted	14,017,673	9,817,854	4,031,652	3,514,443	18,049,325	13,332,297
Unrestricted	10,542,632	3,808,116	11,579,291	14,358,789	22,121,923	18,166,905
Total Net Position	$ 107,507,253	$ 96,205,134	$ 68,048,959	$ 63,231,090	$ 175,556,212	$ 159,436,224

A portion of the primary government's net position, $18,049,325 or 10.3%, 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 funds restricted for capital projects and debt service. The remaining balance of unrestricted net position, $22,121,923 or 12.6%, may be used to meet the City's ongoing obligations to citizens and creditors.

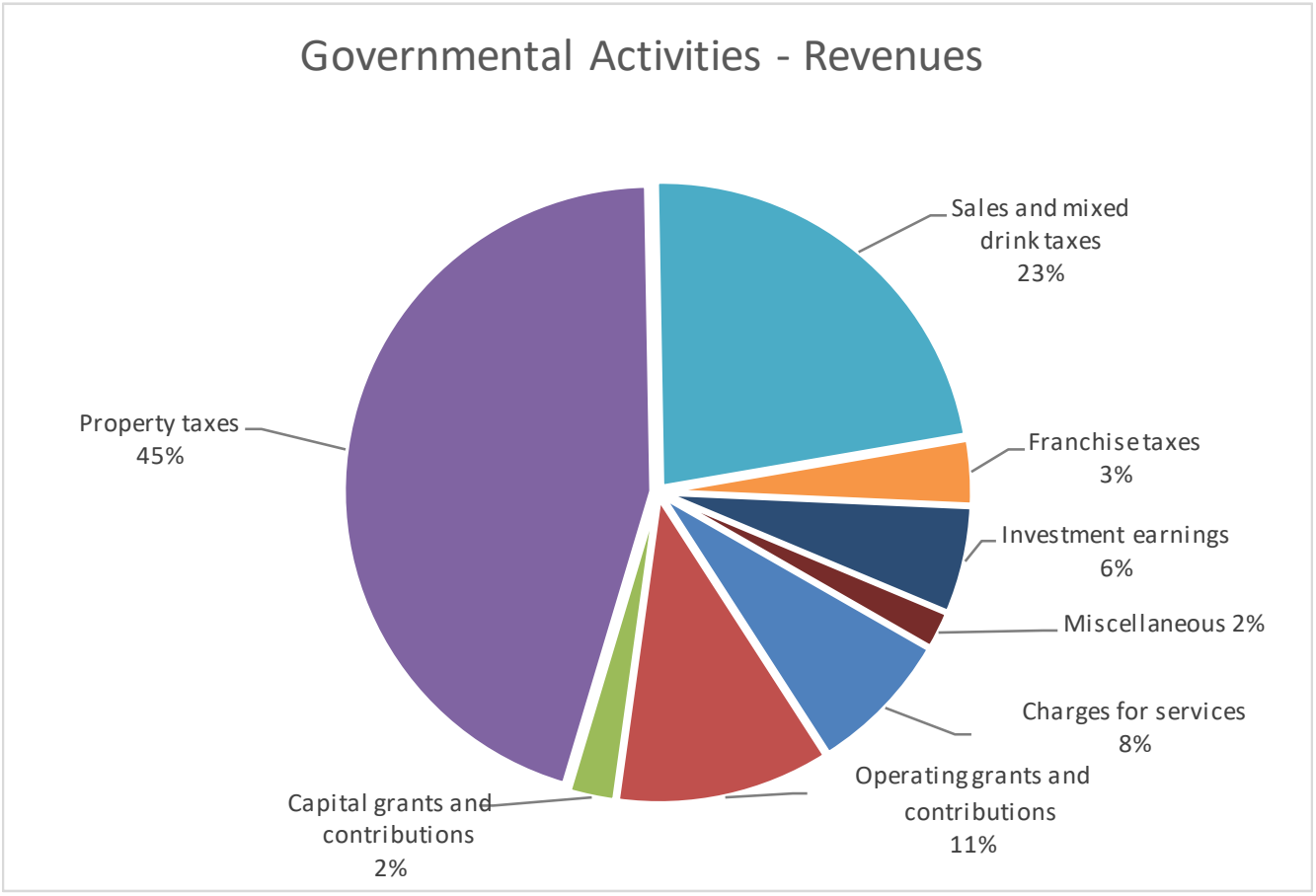
The following table provides a summary of the City's changes in net position.

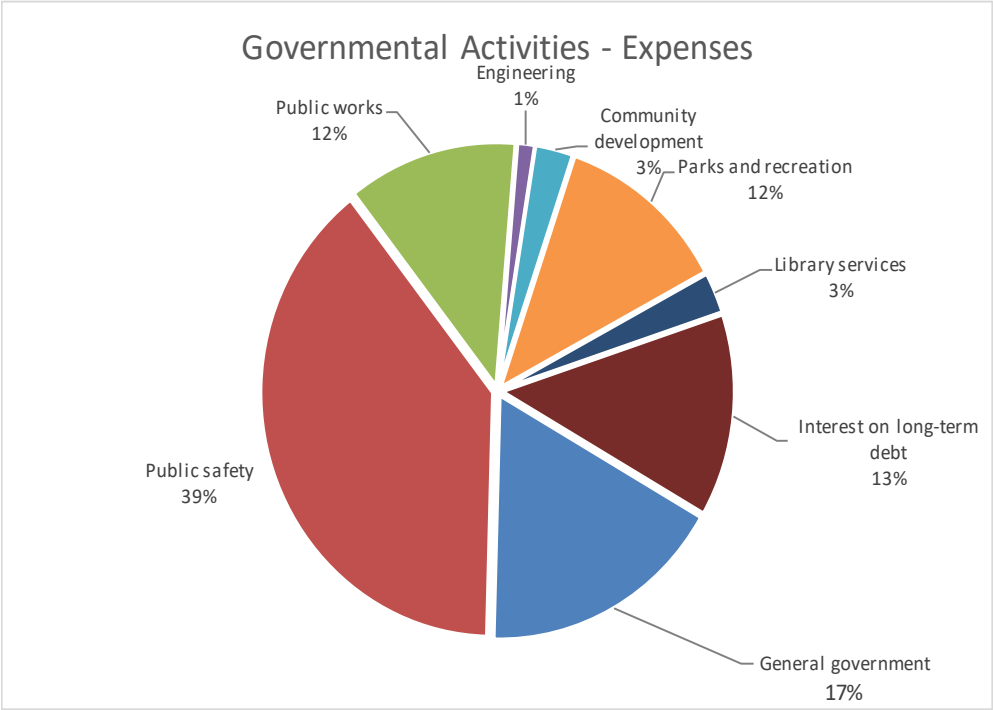
	Governmental Activities		Business Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for services	$ 4,696,334	$ 2,941,971	$ 22,756,119	$ 20,273,185	$ 27,452,453	$ 23,215,156
Operating grants and contributions	6,939,865	1,352,869	30,849	-	6,970,714	1,352,869
Capital grants and contributions	1,489,818	630,315	-	-	1,489,818	630,315
General Revenues:						
Property taxes	27,869,643	25,729,032	-	-	27,869,643	25,729,032
Sales and mixed drink taxes	13,920,188	12,628,949	-	-	13,920,188	12,628,949
Franchise taxes	2,130,281	2,105,924	-	-	2,130,281	2,105,924
Investment earnings	3,488,328	3,141,648	1,112,541	1,352,903	4,600,869	4,494,551
Miscellaneous	1,218,580	504,667	13,207	-	1,231,787	504,667
Total Revenues	61,753,037	49,035,375	23,912,716	21,626,088	85,665,753	70,661,463
Expenses						
General government	9,237,393	8,161,621	-	-	9,237,393	8,161,621
Public safety	21,119,750	22,158,023	-	-	21,119,750	22,158,023
Public works	6,396,649	6,252,727	-	-	6,396,649	6,252,727
Engineering	650,742	639,828	-	-	650,742	639,828
Community development	1,426,546	1,339,241	-	-	1,426,546	1,339,241
Parks and recreation	6,478,827	6,117,073	-	-	6,478,827	6,117,073
Library services	1,471,822	1,429,820	-	-	1,471,822	1,429,820
Water and sewer	-	-	13,574,507	11,963,518	13,574,507	11,963,518
Interest on long-term debt	7,269,907	2,553,004	1,919,622	1,625,542	9,189,529	4,178,546
Total Expenses	54,051,636	48,651,337	15,494,129	13,589,060	69,545,765	62,240,397
Increase (decrease) in net position before transfers	7,701,401	384,038	8,418,587	8,037,028	16,119,988	8,421,066
Transfers	3,600,718	2,699,385	(3,600,718)	(2,699,385)	-	-
Change in net position	11,302,119	3,083,423	4,817,869	5,337,643	16,119,988	8,421,066
Net Position - Beginning	96,205,134	93,121,711	63,231,090	57,893,447	159,436,224	151,015,158
Net Position - Ending	$ 107,507,253	$ 96,205,134	$ 68,048,959	$ 63,231,090	$ 175,556,212	$ 159,436,224

Governmental Activities

Governmental activities increased the City's net position by $11,302,119. Key elements of this change are as follows:

- Property taxes continue to be the City's largest revenue source. Property tax revenue increased by $2,140,611 as a result of new construction and a property tax rate increase to cover operating expenses, deferred maintenance costs, emergency medical services (EMS) onboarding, and debt service obligations related to the general obligation bonds authorized by voters in 2013 and 2019.
- Sales and mixed drink tax revenue remained strong during fiscal year 2025, providing a 10.22% increase for the year, from $12.6 million to $13.9 million. This increase is primarily a result of continued consumer spending.
- Charges for services increased $1.7 million as a result of EMS Billings, a new revenue source for fiscal year 2025.
- Operating grants increased $5.5 million as result of a reimbursement for Hurricane Beryl being received ($3.3 million) and more activity ($2.3 million) in the Coronavirus State Fiscal Recovery grant in fiscal year 2025.
- Capital grants increased $860 thousand as a result of more activity in Federal grant funds to be used for drainage projects.

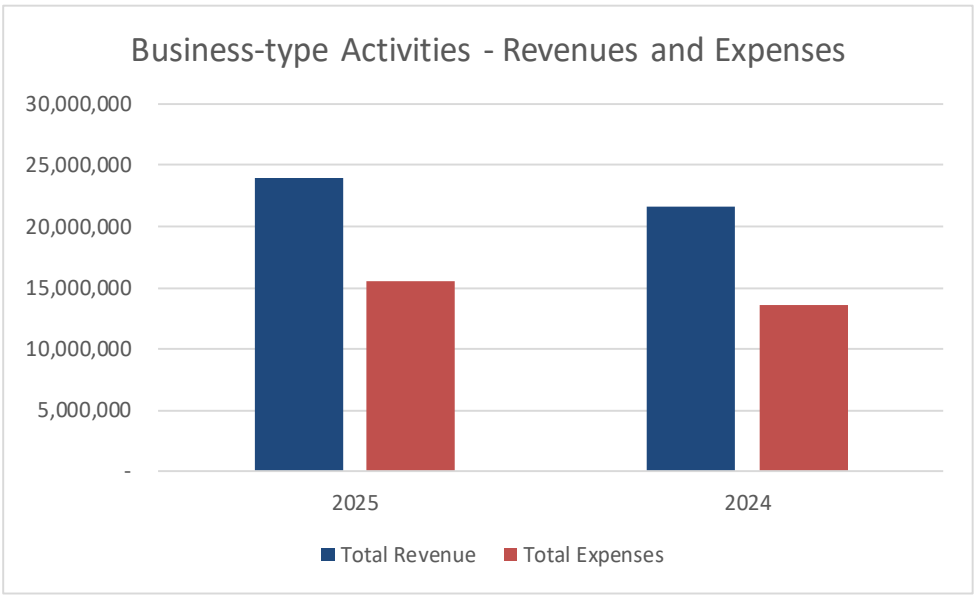




Business-Type Activities

Business-type activities increased the City's net position by $4,817,869. Key elements of this change are as follows:

- In addition to a rate increase effective January 1, 2025, the City experienced drought-like conditions during fiscal year 2025 resulting in an increase in revenue of $2.3 million or 10.6%. Expenses increased $1.9 million or 14.0% as a result of salary adjustments and an increase in repairs due to aging infrastructure.
- Transfers out increased by $901,333 as there were more indirect costs recorded in the General Fund related to water and sewer operations.



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 $61,894,177. Approximately 25.21% of this amount or $15,605,423 is unassigned fund balance; however, $9.2 million is set aside for the 90-day operating reserve, as set forth in the City's financial policies.

The remaining $46,288,754 is nonspendable, restricted, or assigned as follows:

0.88%	- **Nonspendable**		
	Prepaid items	$	530,164
	Permanent fund		12,467
	Total Nonspendable	$	542,631
70.20%	- **Restricted**		
	Public education and government channels	$	710,923
	Debt service		274,804
	Municipal court operations		200,427
	Public safety operations		360,014
	Capital projects		41,903,828
	Total Restricted	$	43,449,996
3.71%	- **Assigned**		
	Subsequent year's budget appropriation of fund balance	$	1,956,528
	Capital projects		339,599
	Total Assigned	$	2,296,127

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance reached $19.1 million of which unassigned fund balance of the General Fund was $15.6 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 36.4% of total General Fund expenditures, while total fund balance represents 44.7% of that same amount. At year end, the City's operating reserve was $9.2 million, representing 25% of total prior year General Fund expenditures, excluding capital expenditures and any other one-time expenditures.

General Fund revenues increased $8.7 million compared to the prior year. Key differences include:

- Property tax revenues increased $2.5 million due to new home construction, increase in total assessed property values and an increase in tax rate to cover operating and deferred maintenance costs.
- Sales tax revenue increased $1.0 million due to continued consumer spending.
- Intergovernmental revenues increased $3.3 million primarily resulting from the City receiving $3.3 million reimbursement from FEMA for Hurricane Beryl.
- Permits and fees increased $1.8 million as a result of a new revenue stream, EMS billings.

General Fund expenditures decreased $0.3 million compared to the prior year. Key differences include:

- Overall, public safety expenditures decreased $1.1 million from the prior year. Storm expenses decreased $3.4 million as a result of Hurricane Beryl expenditures in fiscal year 2024. This decrease was offset by additional expenditures of $2.6 million in fiscal year 2025 related to onboarding EMS as well as an increase of approximately $460 thousand in personnel costs due to salary adjustments.
- General Government expenditures increased $1.2 million as result of the following: personnel costs increased $504 thousand as a result of salary adjustments and a full year effect of the leadership reorganization completed in fiscal year 2024, other services and charges increased $590 thousand as a result of additional economic development grants and increases in insurance and contract services.
- Capital outlay decreased $0.7 million as a result of the completion of renovation projects at the Public Safety Building and the Blackhawk Buildings in fiscal year 2024.

The Coronavirus State and Local Fiscal Recovery Fund has $7.7 million of unearned revenue that will be expended in fiscal year 2026 for water and sewer infrastructure projects.

The fund balance of the Bond Construction Fund was $20,656,676, a decrease of $2,090,714 compared to the prior year. This decrease is due to the expenditure of funds on drainage improvement projects.

The Debt Service Fund balance increased by $73,355 with a total ending fund balance of $274,804.

The fund balance of the Friendswood CC PID was $8,513,310 at September 30, 2025. Special Assessment Revenue Bonds ($36.9 million) were issued during fiscal year 2025 and were used for initial major improvements of the project. The remaining fund balance will be used for the same purpose.

Other non-major governmental funds fund balance increased by $4,081,204. This increase is primarily a result of a sales tax collections for the Street Improvement fund exceeding improvement cost by $3.1 million.

Proprietary Funds

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

At the end of the year, unrestricted net position was $11.6 million for the Water and Sewer Fund. The total increase in the net position of the Water and Sewer Fund was $4,817,869. 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 $2,472,660. The net position of the Internal Service Fund increased by $575,551 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 $3,934,744 or 10.20% and budgeted expenditures were increased by $5,459,596 or 14.29%.

Total revenues were above budget by $2,893,078. The more significant variances are detailed below:

- $1,772,901 over budget in sales and mixed beverage taxes as a result of increased consumer spending.
- $769,040 over budget in permits and fees due to increased EMS billings.
- $169,763 over budget in intergovernmental revenue due to the true-up of the interlocal agreement with the school district to cover the cost of patrolling the school zones in the City and reimbursement of prior year expenditures for Hurricane Beryl.

Total expenditures of the General Fund were $4,011,418 below the final expenditure budget. The more significant variances are detailed below:

- $2,133,360 below budget in capital outlay due to projects either not being started or completed in fiscal year 2025.
- $548,822 below budget in general government expenditures as a result of a decrease in other services and charges (legal, contracts, consulting, etc.)
- $707,666 below budget in public safety due to decrease in the contract related to debris removal for Hurricane Beryl and a decrease in personnel costs in the EMS division.
- $372,389 below budget in parks and recreation due to less repairs and maintenance in facility operations and a decrease in landscaping and mowing in the park operations.

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of September 30, 2025 is $260.6 million. The investment in capital assets include land, buildings and improvements, machinery and equipment, infrastructure, water and sewer system, water rights, right-to-use SBITA assets, and construction in progress.

Major capital events during the year included the following:

- Business-type improvements include the completion of several lift station rehabilitation projects, water tank rehabilitation projects for a combined cost of approximately $5.93 million.
- Facility projects completed include Fire Station #2 for $4.65 million and the Blackhawk Building Renovation project funded by business-type funds ($2.80 million) and governmental funds ($2.53 million).
- The following major projects are in construction in progress at the end of fiscal year 2025: Blackhawk Boulevard Reconstruction, Friendswood Regional Stormwater Detention Basin, Whitcomb Terracing and Detention Basin for a total approximate cost of $18.82 million.
- The following major water and sewer projects are in construction in progress at the end of fiscal year 2025: 42" Southeast Transmission Water Line, Lift Station Mitigation Program, and the Blackhawk Wastewater Treatment Plant Aeration Project for a total approximate cost of $23.56 million.

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 32,720,334	$ 32,720,334	$ 1,152,271	$ 1,152,271	$ 33,872,605	$ 33,872,605
Buildings and improvements	34,331,842	28,520,867	3,152,922	371,335	37,484,764	28,892,202
Machinery and equipment	7,943,715	8,218,733	10,764,796	11,409,638	18,708,511	19,628,371
Infrastructure	43,901,789	46,771,225	37,730,337	33,394,942	81,632,126	80,166,167
Right-to-use SBITA asset	267,677	155,014	-	-	267,677	155,014
Water rights	-	-	19,716,695	19,716,695	19,716,695	19,716,695
Construction in progress	41,587,729	17,194,302	27,323,453	26,713,693	68,911,182	43,907,995
	$ 160,753,086	$ 133,580,475	$ 99,840,474	$ 92,758,574	$ 260,593,560	$ 226,339,049

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 million.

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 66,000,000	$ 68,840,000	$ 13,310,000	$ 15,150,000	$ 79,310,000	$ 83,990,000
Revenue bonds	-	-	51,250,000	32,545,000	51,250,000	32,545,000
Special assessment revenue bonds	36,907,000	-	-	-	36,907,000	-
Premium on bond issuance	2,629,554	2,998,048	5,803,598	4,459,526	8,433,152	7,457,574
Notes payable	1,166,981	1,752,620	-	-	1,166,981	1,752,620
SBITA liability	264,852	152,509	-	-	264,852	152,509
	$ 106,968,387	$ 73,743,177	$ 70,363,598	$ 52,154,526	$ 177,331,985	$ 125,897,703

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.

Economic Factors and Next Year's Budgets and Rates

Friendswood continues to experience moderate growth. The City's current population is estimated to be 43,423. Friendswood is expected to reach build out with an estimated population of 58,012. The City is continuing to focus on economic development initiative, including the revitalization of the 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 including senior living. In addition, to commercial growth the City is also experiencing residential growth with several larger 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 2026 has a tax rate of $0.514172 per $100 taxable value. This rate consists of maintenance and operations (M&O) tax rate of $0.399749 and an interest and sinking (debt service) tax rate of $0.114423. The rate was set based on net assessed value of $5,709,672,601 adjusted for freeze ceilings. This is an increase of $284,846,043 above certified values adjusted for freeze ceilings including supplemental rolls for tax year 2024. The City financial management policy sets the guidelines 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's 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 $9,291,919 to $10,972,682. The franchise fees budget has decreased from $2,090,697 to $2,035,697 and the budget for licenses and permits has increased from $846,968 to $1,000,109. If all projections are accurate the total General Fund unassigned fund balance net of the 90-day operating requirement ($10.1 million) is estimated to be approximately $5.4 million on September 30, 2026.

Water revenues are budgeted at $11,099,656 which is an increase of $214,511 in budgeted revenues or 1.97%. Sewer revenues are budgeted at $11,456,991 which is an increase of $1,344,755 in budgeted revenues or 13.30%. Water and Sewer fund working capital net of the 90-day operating requirement ($2.7million) is projected to be $6.1 million at the end of fiscal year 2026.

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 Finance Department, P.O. Box 1288, Friendswood, Texas 77549-1288, or call Rhonda Bloskas at 281-996-3216, or email rbloskas@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

CITY OF FRIENDSWOOD, TEXAS

STATEMENT OF NET POSITION

September 30, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	West Ranch Management District	Friendswood Downtown EDC
Assets					
Cash and cash equivalents	$ 24,187,228	$ 3,819,373	$ 28,006,601	$ 237,594	$ 818,425
Investments	50,902,570	9,601,137	60,503,707	5,881,247	2,057,815
Receivables, net of allowances					
Taxes	3,516,414	-	3,516,414	18,223	161,675
Leases	942,384	-	942,384	-	-
Customer accounts	582,011	4,491,210	5,073,221	-	-
Other	31,115	-	31,115	-	-
Accrued interest	83,236	25,768	109,004	123	5,264
Due from other governments	830,586	-	830,586	-	-
Prepaid items	530,164	81,614	611,778	-	-
Working capital deposit	-	677,785	677,785	-	-
Restricted investments	-	22,608,573	22,608,573	-	-
Capital Assets:					
Non-depreciable	74,308,063	48,192,419	122,500,482	7,780,076	18,127
Depreciable, net	86,445,023	51,648,055	138,093,078	323,949	2,768,004
Total Capital Assets	160,753,086	99,840,474	260,593,560	8,104,025	2,786,131
Total Assets	242,358,794	141,145,934	383,504,728	14,241,212	5,829,310
Deferred Outflows of Resources					
Deferred loss on issuance of refunding bonds	35,197	395,601	430,798	245,781	-
Deferred outflow of resources for pensions	7,600,025	955,627	8,555,652	-	-
Deferred outflow of resources for OPEB	396,145	66,213	462,358	-	-
Total Deferred Outflows of Resources	8,031,367	1,417,441	9,448,808	245,781	-
Liabilities					
Accounts payable	5,924,983	988,902	6,913,885	97,183	112,680
Accrued liabilities	1,606,055	170,421	1,776,476	-	-
Retainage payable	150,622	24,838	175,460	-	-
Accrued interest	416,157	232,469	648,626	200,130	-
Unearned revenue	7,686,971	-	7,686,971	-	-
Customer deposits	65,755	465,005	530,760	-	-
Due to other governments	96,053	-	96,053	-	-
Noncurrent liabilities:					
Due within one year	4,027,996	3,830,085	7,858,081	970,000	-
Due in more than one year	104,899,603	66,733,937	171,633,540	15,245,487	-
Net pension liability	8,988,965	970,040	9,959,005	-	-
Total OPEB liability	1,722,871	266,406	1,989,277	-	-
Total Liabilities	135,586,031	73,682,103	209,268,134	16,512,800	112,680
Deferred Inflows of Resources					
Deferred gain on issuance of refunding bonds	42,934	18,196	61,130	-	-
Deferred Inflows of resources for leases	898,730	-	898,730	-	-
Deferred Inflows of resources for pensions	5,866,019	737,593	6,603,612	-	-
Deferred Inflows of resources for OPEB	489,194	76,524	565,718	-	-
Total Deferred Inflows of Resources	7,296,877	832,313	8,129,190	-	-
Net Position					
Net investment in capital assets	82,946,948	52,438,016	135,384,964	8,324,945	2,786,131
Restricted for:					
Public education and government channels	710,923	-	710,923	-	-
Debt service	-	3,088,799	3,088,799	2,100,284	-
Municipal court operations	200,427	-	200,427	-	-
Economic development	-	-	-	-	2,930,499
Public safety	360,014	-	360,014	-	-
Parks and recreation - nonexpendable	12,467	-	12,467	-	-
Capital projects	12,733,842	942,853	13,676,695	115,159	-
Unrestricted	10,542,632	11,579,291	22,121,923	(12,566,195)	-
Total Net Position	$ 107,507,253	$ 68,048,959	$ 175,556,212	$ (2,025,807)	$ 5,716,630

See notes to the financial statements.

CITY OF FRIENDSWOOD, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	$ 9,237,393	$ 1,332,846	$ 16,000	$ -
Public safety	21,119,750	2,560,975	6,837,077	-
Public works	6,396,649	273,800	-	1,489,818
Engineering	650,742	-	-	-
Community development	1,426,546	-	-	-
Parks and recreation	6,478,827	528,713	86,788	-
Library services	1,471,822	-	-	-
Interest on long-term debt	7,269,907	-	-	-
Total Governmental Activities	54,051,636	4,696,334	6,939,865	1,489,818
Business-type Activities:				
Water and sewer	15,494,129	22,756,119	30,849	-
Total Business-type Activities	15,494,129	22,756,119	30,849	-
Total Primary Government	$ 69,545,765	$ 27,452,453	$ 6,970,714	$ 1,489,818
Component Units				
West Ranch Management District	$ 854,547	$ -	$ -	$ -
Friendswood Downtown EDC	62,159	-	-	-
Total Component Units	$ 916,706	$ -	$ -	$ -

CITY OF FRIENDSWOOD, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
Functions/Programs	**Governmental Activities**	**Business-type Activities**	**Total**	**West Ranch Management District**	**Friendswood Downtown EDC**
Primary Government					
Governmental Activities:					
General government	$ (7,888,547)	$ -	$ (7,888,547)	$ -	$ -
Public safety	(11,721,698)	-	(11,721,698)	-	-
Public works	(4,633,031)	-	(4,633,031)	-	-
Engineering	(650,742)	-	(650,742)	-	-
Community development	(1,426,546)	-	(1,426,546)	-	-
Parks and recreation	(5,863,326)	-	(5,863,326)	-	-
Library services	(1,471,822)	-	(1,471,822)	-	-
Interest on long-term debt	(7,269,907)	-	(7,269,907)	-	-
Total Governmental Activities	(40,925,619)	-	(40,925,619)	-	-
Business-type Activities:					
Water and sewer	-	7,292,839	7,292,839	-	-
Total Business-type Activities	-	7,292,839	7,292,839	-	-
Total Primary Government	(40,925,619)	7,292,839	(33,632,780)	-	-
Component Units					
West Ranch Management District				(854,547)	-
Friendswood Downtown EDC				-	(62,159)
Total Component Units				(854,547)	(62,159)
General revenues:					
Taxes:					
Property taxes	27,869,643	-	27,869,643	1,902,102	-
Franchise and other taxes	2,130,281	-	2,130,281	-	-
Sales taxes	13,920,188	-	13,920,188	-	922,696
Interest	3,488,328	1,112,541	4,600,869	239,342	108,642
Miscellaneous	1,218,580	13,207	1,231,787	-	-
Transfers	3,600,718	(3,600,718)	-	-	-
Total General Revenues and Transfers	52,227,738	(2,474,970)	49,752,768	2,141,444	1,031,338
Change in net position	11,302,119	4,817,869	16,119,988	1,286,897	969,179
Net Position - Beginning	96,205,134	63,231,090	159,436,224	(3,312,704)	4,747,451
Net Position - Ending	$ 107,507,253	$ 68,048,959	$ 175,556,212	$ (2,025,807)	$ 5,716,630

CITY OF FRIENDSWOOD, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2025

	General Fund	Coronavirus State and Local Fiscal Recovery Fund	Bond Construction	Debt Service Fund
Assets				
Cash and cash equivalents	$ 5,627,864	$ 2,727,119	$ -	$ 81,606
Investments	12,714,126	6,856,966	20,698,762	205,312
Receivables, net of allowance:				
Taxes	2,927,761	-	-	103,630
Leases	942,384	-	-	-
Customer accounts	579,091	-	-	-
Other receivables	27,542	-	-	-
Accrued interest	37,047	19,769	-	2,329
Due from other funds	735,438	-	-	-
Due from other governments	54,880	-	-	-
Prepaid items	530,164	-	-	-
Total Assets	$ 24,176,297	$ 9,603,854	$ 20,698,762	$ 392,877
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$ 1,664,311	$ 772,418	$ 42,086	$ 750
Accrued liabilities	1,604,253	-	-	-
Due to other governments	96,103	-	-	-
Customer deposits	65,755	-	-	-
Retainage payable	15,885	119,837	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	7,686,971	-	-
Total Liabilities	3,446,307	8,579,226	42,086	750
Deferred Inflows of Resources:				
Unavailable revenue	688,623	-	-	117,323
Leases	898,730	-	-	-
Total Deferred Inflows of Resources	1,587,353	-	-	117,323
Fund Balances:				
Nonspendable:				
Prepaid items	530,164	-	-	-
Permanent fund	-	-	-	-
Restricted:				
Public education and government channels	710,923	-	-	-
Municipal court operations	-	-	-	-
Debt service	-	-	-	274,804
Public safety	-	-	-	-
Capital projects	-	1,024,628	20,656,676	-
Assigned:				
Subsequent year's budget appropriation of fund balance	1,956,528	-	-	-
Capital projects	339,599	-	-	-
Unassigned	15,605,423	-	-	-
Total Fund Balances	19,142,637	1,024,628	20,656,676	274,804
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 24,176,297	$ 9,603,854	$ 20,698,762	$ 392,877

See notes to the financial statements.

CITY OF FRIENDSWOOD, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2025

	Friendswood CC PID	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 11,602,272	$ 3,441,621	$ 23,480,482
Investments	-	8,650,386	49,125,552
Receivables, net of allowance:			
Taxes	-	485,023	3,516,414
Leases	-	-	942,384
Customer accounts	-	2,920	582,011
Other receivables	-	3,573	31,115
Accrued interest	-	19,989	79,134
Due from other funds	-	-	735,438
Due from other governments	-	775,706	830,586
Prepaid items	-	-	530,164
Total Assets	$ 11,602,272	$ 13,379,218	$ 79,853,280
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	$ 3,088,962	$ 341,200	$ 5,909,727
Accrued liabilities	-	1,802	1,606,055
Due to other governments	-	-	96,103
Customer deposits	-	-	65,755
Retainage payable	-	14,900	150,622
Due to other funds	-	735,438	735,438
Unearned revenue	-	-	7,686,971
Total Liabilities	3,088,962	1,093,340	16,250,671
Deferred Inflows of Resources:			
Unavailable revenue	-	3,756	809,702
Leases	-	-	898,730
Total Deferred Inflows of Resources	-	3,756	1,708,432
Fund Balances:			
Nonspendable:			
Prepaid items	-	-	530,164
Permanent fund	-	12,467	12,467
Restricted:			
Public education and government channels	-	-	710,923
Municipal court operations	-	200,427	200,427
Debt service	-	-	274,804
Public safety	-	360,014	360,014
Capital projects	8,513,310	11,709,214	41,903,828
Assigned:			
Subsequent year's budget appropriation of fund balance	-	-	1,956,528
Capital projects	-	-	339,599
Unassigned	-	-	15,605,423
Total Fund Balances	8,513,310	12,282,122	61,894,177
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 11,602,272	$ 13,379,218	$ 79,853,280

See notes to the financial statements.

City of
Friendswood
Texas

CITY OF FRIENDSWOOD, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2025

Total Fund Balance, Governmental Funds	$	61,894,177
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.		158,492,882
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.		4,732,864
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		(102,907,000)
Notes payable		(1,166,981)
SBITA payable		(264,852)
Compensated absences		(1,959,212)
Accrued interest payable		(416,157)
Unamortized premium on bonds		(2,629,554)
Unavailable revenues in the governmental fund statements is recognized as revenue in the government-wide financial statements.		809,702
Deferred gain on refunding		(42,934)
Deferred loss on refunding		35,197
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		(8,988,965)
Total OPEB liability		(1,722,871)
Deferred outflows and inflows of resources related to the net pension liability		1,734,006
Deferred outflows and inflows of resources related to the total OPEB liability		(93,049)
Net Position of Governmental Activities in the Statement of Net Position	$	107,507,253

CITY OF FRIENDSWOOD, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	General Fund	Coronavirus State and Local Fiscal Recovery Fund	Bond Construction	Debt Service Fund
Revenues				
Property taxes	$ 21,846,276	$ -	$ -	$ 5,948,481
Sales taxes	11,152,101	-	-	-
Franchise fees and other	2,130,281	-	-	-
Fines and forfeitures	923,117	-	-	-
Permits and fees	3,692,677	-	-	-
Intergovernmental	4,369,352	2,316,055	-	-
Investment earnings	708,213	410,549	940,963	64,025
Donations	260,126	-	-	-
Miscellaneous	320,809	-	11,673	-
Total Revenues	45,402,952	2,726,604	952,636	6,012,506
Expenditures				
Current:				
General government	8,465,554	-	-	-
Public safety	19,963,739	-	-	-
Public works	2,859,745	89,466	85,759	-
Engineering	650,742	-	-	-
Community development	1,421,757	-	-	-
Parks and recreation	5,843,103	-	-	-
Library services	1,503,377	-	-	-
Debt service:				
Principal	100,967	-	-	3,231,032
Interest and other charges	-	-	-	2,714,604
Capital outlay	2,062,457	2,435,892	2,951,106	-
Total Expenditures	42,871,441	2,525,358	3,036,865	5,945,636
Excess (deficiency) of revenues over (under) expenditures	2,531,511	201,246	(2,084,229)	66,870
Other Financing Sources (Uses)				
Issuance of capital-related debt	-	-	-	-
Issuance of SBITAs	213,310	-	-	-
Insurance recoveries	553,013	-	-	-
Transfers in	3,506,932	-	-	6,485
Transfers out	(963,727)	-	(6,485)	-
Sale of capital assets	5,025	-	-	-
Total Other Financing Sources (Uses)	3,314,553	-	(6,485)	6,485
Net change in fund balances	5,846,064	201,246	(2,090,714)	73,355
Fund Balances - Beginning	13,296,573	823,382	22,747,390	201,449
Fund Balances - Ending	$ 19,142,637	$ 1,024,628	$ 20,656,676	$ 274,804

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Friendswood CC PID	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	$ -	$ 232	$ 27,794,989
Sales taxes	-	2,768,087	13,920,188
Franchise fees and other	-	-	2,130,281
Fines and forfeitures	-	70,185	993,302
Permits and fees	-	65,400	3,758,077
Intergovernmental	-	1,497,298	8,182,705
Investment earnings	893,289	368,894	3,385,933
Donations	-	160,414	420,540
Miscellaneous	-	57,628	390,110
Total Revenues	893,289	4,988,138	60,976,125
Expenditures			
Current:			
General government	-	89,743	8,555,297
Public safety	-	3,667	19,967,406
Public works	42,654	69,865	3,147,489
Engineering	-	-	650,742
Community development	-	-	1,421,757
Parks and recreation	-	-	5,843,103
Library services	-	-	1,503,377
Debt service:			
Principal	-	194,607	3,526,606
Interest and other charges	4,705,994	17,035	7,437,633
Capital outlay	24,538,331	1,465,744	33,453,530
Total Expenditures	29,286,979	1,840,661	85,506,940
Excess (deficiency) of revenues over (under) expenditures	(28,393,690)	3,147,477	(24,530,815)
Other Financing Sources (Uses)			
Issuance of capital-related debt	36,907,000	-	36,907,000
Issuance of SBITAs	-	-	213,310
Insurance recoveries	-	-	553,013
Transfers in	-	963,727	4,477,144
Transfers out	-	(30,000)	(1,000,212)
Sale of capital assets	-	-	5,025
Total Other Financing Sources (Uses)	36,907,000	933,727	41,155,280
Net change in fund balances	8,513,310	4,081,204	16,624,465
Fund Balances - Beginning	-	8,200,918	45,269,712
Fund Balances - Ending	$ 8,513,310	$ 12,282,122	$ 61,894,177

City of
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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, 2025

Net Change in Fund Balances - Total Governmental Funds	$	16,624,465
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		33,453,530
Depreciation/amortization expense		(6,200,808)
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		108,873
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		3,425,639
SBITA principal		100,967
Proceeds from issuance of long-term debt		(36,907,000)
Proceeds from SBITAs		(213,310)
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		134,908
OPEB		(29,124)
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		(198,555)
(Increase) decrease in compensated absences		60,702
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.		575,551
Change in Net Position of Governmental Activities	$	11,302,119

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025

	Business-Type Activities Enterprise Fund	Governmental Activities
	Water and Sewer	**Internal Service**
Assets		
Current Assets		
Cash and cash equivalents	$ 3,819,373	$ 706,746
Investments	9,601,137	1,777,018
Accounts receivable, net of allowance:		
Customer accounts	4,491,210	-
Accrued interest	25,768	4,102
Prepaids and other assets	81,614	-
Restricted investments	22,608,573	-
Total Current Assets	40,627,675	2,487,866
Non-Current Assets		
Working capital deposit	677,785	-
Capital Assets:		
Land	1,152,271	-
Construction in progress	27,323,453	-
Water rights	19,716,695	-
Buildings and improvements	3,579,550	-
Machinery and equipment	17,422,310	6,868,515
Water and sewer systems	82,111,874	-
Accumulated depreciation	(51,465,679)	(4,608,311)
Total Capital Assets	99,840,474	2,260,204
Total Non-Current Assets	100,518,259	2,260,204
Total Assets	141,145,934	4,748,070
Deferred Outflows of Resources		
Deferred loss on bond refunding	395,601	-
Deferred outflows - pension related	955,627	-
Deferred outflows - OPEB related	66,213	-
Total Deferred Outflows of Resources	1,417,441	-
Total Assets and Deferred Outflows of Resources	$ 142,563,375	$ 4,748,070

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2025

	Business-Type Activities Enterprise Fund	Governmental Activities
	Water and Sewer	**Internal Service**
Liabilities		
Current Liabilities		
Accounts payable	$ 988,902	$ 15,206
Accrued liabilities	170,421	-
Accrued interest	232,469	-
Customer deposits	465,005	-
Retainage payable	24,838	-
Compensated absences	40,085	-
Bonds and other long-term debt payable	3,790,000	-
Total Current Liabilities	5,711,720	15,206
Non-Current Liabilities		
Compensated absences	160,339	-
Net Pension liability	970,040	-
Total OPEB liability	266,406	-
Bonds and other long-term debt payable	66,573,598	-
Total Non-Current Liabilities	67,970,383	-
Total Liabilities	73,682,103	15,206
Deferred Inflows of Resources		
Deferred gain on issuance of refunding bonds	18,196	-
Deferred inflows - pension related	737,593	-
Deferred inflows of resources for OPEB	76,524	-
Total Deferred Inflows of Resources	832,313	-
Total Liabilities and Deferred Inflows of Resources	74,514,416	15,206
Net Position		
Net investment in capital assets	52,438,016	2,260,204
Restricted for capital projects	942,853	-
Restricted for debt service	3,088,799	-
Unrestricted	11,579,291	2,472,660
Total Net Position	$ 68,048,959	$ 4,732,864

City of
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CITY OF FRIENDSWOOD, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2025

	Business-Type Activities Enterprise Fund	Governmental Activities
	Water and Sewer	**Internal Service**
Operating Revenues		
Charges for services	$ 22,756,119	$ 1,155,526
Miscellaneous	13,207	-
Total Operating Revenues	22,769,326	1,155,526
Operating Expenses		
Personnel services	3,545,329	-
Sewer operations	2,134,661	-
Water purchases	1,880,627	-
Repairs and maintenance	1,728,798	-
Supplies	215,362	-
Other services and charges	1,150,106	-
Depreciation	2,646,065	813,762
Total Operating Expenses	13,300,948	813,762
Operating income	9,468,378	341,764
Non-Operating Revenues (Expenses)		
Intergovernmental	30,849	-
Investment earnings	1,112,541	77,395
Gain on disposal of capital assets	-	32,606
Interest expense	(1,919,622)	-
Bond Issuance Costs	(273,559)	-
Total Non-Operating Revenues (Expenses)	(1,049,791)	110,001
Income before transfers	8,418,587	451,765
Transfers in	-	123,786
Transfers out	(3,600,718)	-
Change in net position	4,817,869	575,551
Net Position - Beginning	63,231,090	4,157,313
Total Net Position - Ending	$ 68,048,959	$ 4,732,864

CITY OF FRIENDSWOOD, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2025

	Business-Type Activities Enterprise Fund	Governmental Activities
	Water and Sewer	Internal Service
Cash Flows from Operating Activities		
Cash received from customers	$ 22,447,971	$ -
Receipts from interfund charges for fleet management	-	1,170,732
Cash payments to suppliers for goods and services	(7,628,038)	-
Cash payments to employees for services	(3,537,033)	-
Net Cash Provided by Operating Activities	11,282,900	1,170,732
Cash Flows from Noncapital Financing Activities		
Transfer in from other funds	-	123,786
Transfers out to other funds	(3,600,718)	-
Operating grants	30,849	-
Net Cash Provided (Used) by Noncapital Financing Activities	(3,569,869)	123,786
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of property, plant and equipment	(10,004,904)	(733,651)
Disposal of capital assets	-	32,606
Proceeds from issuance of bonds	22,188,239	-
Repayment of debt	(3,485,000)	-
Interest paid on debt	(2,552,981)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	6,145,354	(701,045)
Cash Flows from Investing Activities		
Sale (purchase) of investments	2,074,867	(469,345)
Investment earnings	1,110,771	75,566
Net Cash Provided (Used) by Investing Activities	3,185,638	(393,779)
Net increase (decrease) in cash and cash equivalents	17,044,023	199,694
Cash and Cash Equivalents, Beginning	9,383,923	507,052
Cash and Cash Equivalents, Ending	$ 26,427,946	$ 706,746
Reconciliation of Total Cash and Cash Equivalents		
Current assets - cash and cash equivalents	$ 3,819,373	$ 706,746
Restricted assets - cash and cash equivalents	22,608,573	-
	$ 26,427,946	$ 706,746

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2025

	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	$ 9,468,378	$ 341,764
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,646,065	813,762
Change in assets, deferred inflows and outflows, and liabilities:		
Decrease (increase) in customer receivable	(287,680)	-
Decrease (increase) in prepaids and other assets	(3,357)	-
Decrease (increase) in working capital deposit	(17,886)	
Decrease (increase) in deferred outflow for pensions	(291,602)	-
Decrease (increase) in deferred outflow for OPEB	(23,888)	
Increase (decrease) in accounts payable	(523,803)	15,206
Increase (decrease) in accrued liabilities	26,562	-
Increase (decrease) in customer deposits	(33,675)	-
Increase (decrease) in deferred inflows for pensions	701,908	-
Increase (decrease) in deferred inflows for OPEB	(10,653)	-
Increase (decrease) in total OPEB liability	42,155	-
Increase (decrease) in net pension liability	(419,533)	-
Increase (decrease) in compensated absences	9,909	-
Total Adjustments	1,814,522	828,968
Net Cash Provided by Operating Activities	$ 11,282,900	$ 1,170,732

City of
Friendswood
Texas

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.

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.

The Friendswood City Center Public Improvement District (the "PID") was created by Resolution No. R2024-01 of the City Council of the City on January 8, 2024 pursuant to Chapter 372 of the Texas Local Government Code for the purpose of providing public improvements and services within the defined boundaries of the district. The PID is considered a component unit of the City because the City Council serves as the PID's governing body and the City can impose its will on the PID. Additionally, the PID provides services that are exclusively for the benefit of the City. Accordingly, the PID is included in the City's financial reporting entity as a blended component unit in accordance with GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB Statements No. 39 and No. 61. Because the PID is blended, its financial activities are reported as part of the City's governmental funds and governmental activities. Separate financial statements for the PID are not presented. The PID is authorized to levy special assessments and issue debt to finance public improvements within the district. Debt issued by the PID is payable solely from the revenues of the PID and does not constitute a general obligation of the City. PID revenues and expenditures are reported within the appropriate governmental funds of the City.

Reinvestment Zone Number One, City of Friendswood (the "Zone") was created by Ordinance No. 2023-31 of the City Council of the City on December 4, 2023, pursuant to Chapter 311 of the Texas Tax Code for the purpose of promoting development and redevelopment within a designated geographic area of the City. The Zone is considered a component unit of the City because the City Council appoints the members of the Zone board and has the ability to impose its will on the Zone. In addition, the activities of the Zone are intended to benefit the City. Accordingly, the Zone is included in the City's financial reporting entity as a blended component unit in accordance with GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB Statements No. 39 and No. 61. Because the Zone is blended, its financial activities are reported as part of the City's governmental funds and governmental activities. Separate financial statements for the Zone are not presented. The Zone is authorized to finance eligible project costs through tax increment revenues generated from increases in the assessed value of property within the zone. Debt issued by the Zone, if any, is payable solely from tax increment revenues and does not constitute a general obligation of the City. Revenues and expenditures of the Zone are reported within the appropriate governmental funds of the City. The Zone's termination will be December 31, 2053 or the date that all bonds, notes and other obligations, including interest thereon, of the Zone have been paid in full.

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.

Note 1. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

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.

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 *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.

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

The ***Friendswood CC PID Fund*** is used to account for special assessments collected and costs related to the Friendswood City Center Public Improvement District.

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.

Note 1. Summary of Significant Accounting Policies (continued)

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

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.

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.

Note 1. Summary of Significant Accounting Policies (continued)

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

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 $0.514172 per $100 of assessed valuation that were prorated between operations and debt service in the amounts of $0.404140 and $0.110032, respectively. The resulting tax levies were approximately $21.9 and $6.0 million for operations and debt service, respectively, based on a total taxable valuation of approximately $5.4 billion for the 2024 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, 2025, the District levied an ad valorem tax at the rate of $0.1425 per $100 of assessed valuation, which resulted in tax levy of $1.2 million on the taxable valuation of approximately $865.8 million for the 2024 tax year.

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.

Note 1. Summary of Significant Accounting Policies (continued)

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

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. West Ranch Management District's fiscal year ended July 31, 2025.

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.

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	Subscription Term
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.

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.

Note 1. Summary of Significant Accounting Policies (continued)

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

Leases (continued)

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.

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.

Compensated Absences

The City recognizes liabilities for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. 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. The liability for compensated absences includes salary-related benefits, where applicable.

Bonds Payable

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.

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.

Note 1. Summary of Significant Accounting Policies (continued)

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

Subscription-Based Information Technology Arrangements (continued)

- 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.

- 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.

Note 1. Summary of Significant Accounting Policies (continued)

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

Deferred Outflows/Inflows of Resources (continued)

- Deferred inflows of resources for 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.

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.

Note 1. Summary of Significant Accounting Policies (continued)

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

Fund Balance

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

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

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

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

Assigned – includes fund balance amounts that are self-imposed by the City to be used for particular purpose. Fund balance can be assigned by the City Council or the City Manager, pursuant to the City's fund balance policy. At September 30, 2025, the City's assigned fund balance included amounts assigned for encumbrances and capital projects.

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

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

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

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.

Note 1. Summary of Significant Accounting Policies (continued)

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

Net Position (continued)

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

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

Use of Estimates

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

E. Implementation of New Accounting Standards

The following GASB pronouncements were effective during fiscal year 2025.

GASB issued Statement No. 101, *Compensated Absences,* was issued in June 2022. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2025 and did not have a material impact on the financial statements.

GASB issued Statement No. 102, *Certain Risk Disclosures,* in December 2023. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2025 and did not have a material impact on the financial statements.

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.

Note 2. Cash and Investments (continued)

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, 2025, the carrying amount of the City and Friendswood Downtown Economic Development Corporation's deposits was $28,825,026 and the bank balance of $28,945,133.

As of September 30, 2025, the City and Friendswood Downtown Economic Development Corporation held the following investments.

	Reported Value of Investments	Weighted Average Maturity (Days)
Investment Pools:		
TexPool	$ 13,085,869	44
Texas CLASS	1,588,081	43
Texas CLASS Government	61,482,339	17
Total Investment Pools	76,156,289	
Debt Securities:		
Federal Agricultural Mortgage Corporation	1,005,590	738
Federal Farm Credit Bank	1,004,858	400
Federal Home Loan Bank	5,013,584	534
Federal Home Loan Mortgage Corporation	995,963	136
Federal National Mortgage Association	500,808	871
United States Treasury Note	493,003	273
Total Debt Securities	9,013,806	
Total Investments	$ 85,170,095	73

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, 2025:

	Fair Value / Amortized Cost	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investment Securities:				
Federal Agricultural Mortgage Corporation	$ 1,005,590	$ -	$ 1,005,590	$ -
Federal Farm Credit Bank	1,004,858	-	1,004,858	-
Federal Home Loan Bank	5,013,584	-	5,013,584	-
Federal Home Loan Mortgage Corp.	995,963	-	995,963	-
Federal National Mortgage Assoc.	500,808	-	500,808	-
United States Treasury Note	493,003	-	493,003	-
Total Investment Securities	$ 9,013,806	$ -	$ 9,013,806	$ -

Note 2. Cash and Investments (continued)

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, 2025, all of the City's cash deposits with financial institutions were collateralized with securities held by the pledging financial institution in the City's name.

Credit Risk

Credit Risk. It is the City's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The City's investments as of September 30, 2025, were rated as follows:

Investment Type:	Credit Quality Rating	Rating Agency
Investment Pools:		
Texas CLASS	AAAm	Standard & Poor's
Texas CLASS Government	AAAm	Standard & Poor's
TexPool	AAAm	Standard & Poor's
Debt Securities:		
Federal Agricultural Mortgage Corporation	Aaa	Moody's Investor Service
Federal Farm Credit Bank	Aaa	Moody's Investor Service
Federal Home Loan Bank	Aaa	Moody's Investor Service
Federal Home Loan Mortgage Corporation	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, 2025 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	Debt Service	Nonmajor	Water and Sewer	Total
Receivables:					
Property taxes	$ 411,526	$ 105,053	$ -	$ -	$ 516,579
Penalties and interest	198,977	43,347	-	-	242,324
Sales tax	1,952,953	-	485,023	-	2,437,976
Franchise taxes	548,483	-	-	-	548,483
Customer accounts	427,589	-	2,920	4,770,369	5,200,878
Court fines	993,400	-	-	-	993,400
Leases	942,384	-	-	-	942,384
Other	27,542	-	3,573	-	31,115
Gross receivables	5,502,854	148,400	491,516	4,770,369	10,913,139
Less: allowance for uncollectibles	(1,026,076)	(44,770)	-	(279,159)	(1,350,005)
Net Total Receivables	$ 4,476,778	$ 103,630	$ 491,516	$ 4,491,210	$ 9,563,134

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	$ 372,787
Property tax penalties and interest	100,990
Court fines	198,680
Grants	8,000
Leases	898,730
Miscellaneous	8,166
Total General Fund	1,587,353
Debt Service Fund:	
Delinquent property taxes	101,692
Property tax penalties and interest	15,631
Total Debt Service Fund	117,323
Nonmajor Funds:	
Court fines	3,756
Total Nonmajor Funds	3,756
Total Governmental Funds	$ 1,708,432

Note 4. Capital Assets

Capital assets activity for the primary government for the fiscal year ended September 30, 2025, is as follows:

Governmental Activities	Beginning Balance	Increases	Reclassification/ Decreases	Ending Balance
Capital Assets, Not Being Depreciated/Amortized:				
Land	$ 32,720,334	$ -	$ -	$ 32,720,334
Construction in progress	17,194,302	32,231,267	(7,837,840)	41,587,729
Total Capital Assets, Not Being Depreciated/Amortized	49,914,636	32,231,267	(7,837,840)	74,308,063
Capital Assets, Being Depreciated/Amortized:				
Buildings and improvements	54,709,051	-	7,323,467	62,032,518
Machinery and equipment	25,621,532	1,680,804	447,636	27,749,972
Infrastructure	114,229,235	61,800	-	114,291,035
Right-to-use SBITA asset	212,999	213,310	-	426,309
Total Capital Assets, Being Depreciated/Amortized	194,772,817	1,955,914	7,771,103	204,499,834
Less Accumulated Depreciation/Amortization for:				
Buildings & improvements	(26,188,184)	(1,512,492)	-	(27,700,676)
Machinery and equipment	(17,402,799)	(2,470,195)	66,737	(19,806,257)
Infrastructure	(67,458,010)	(2,931,236)	-	(70,389,246)
Right-to-use SBITA asset	(57,985)	(100,647)	-	(158,632)
Total Accumulated Depreciation/Amortization	(111,106,978)	(7,014,570)	66,737	(118,054,811)
Total Capital Assets - Being Depreciated/Amortized	83,665,839	(5,058,656)	7,837,840	86,445,023
Governmental Capital Assets, Net	$ 133,580,475	$ 27,172,611	$ -	$ 160,753,086

Business-type Activities	Beginning Balance	Increases	Reclassification/ Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 1,152,271	$ -	$ -	$ 1,152,271
Water rights	19,716,695	-	-	19,716,695
Construction in progress	26,713,693	9,466,779	(8,857,019)	27,323,453
Total Capital Assets, Not Being Depreciated	47,582,659	9,466,779	(8,857,019)	48,192,419
Capital Assets, Being Depreciated:				
Buildings and improvements	775,906	-	2,803,644	3,579,550
Machinery and equipment	17,177,742	261,186	(16,618)	17,422,310
Water and sewer system	76,058,499	-	6,053,375	82,111,874
Total Capital Assets, Being Depreciated	94,012,147	261,186	8,840,401	103,113,734
Less Accumulated Depreciation for:				
Buildings and improvements	(404,571)	(22,057)	-	(426,628)
Machinery and equipment	(5,768,104)	(906,028)	16,618	(6,657,514)
Water and sewer system	(42,663,557)	(1,717,980)	-	(44,381,537)
Total Accumulated Depreciation	(48,836,232)	(2,646,065)	16,618	(51,465,679)
Total Capital Assets - Being Depreciated	45,175,915	(2,384,879)	8,857,019	51,648,055
Business-type Capital Assets, Net	$ 92,758,574	$ 7,081,900	$ -	$ 99,840,474

Note 4. Capital Assets (continued)

Capital assets activity for the discretely presented component units for the fiscal year ended September 30, 2025, is as follows:

Component Unit	Beginning Balance	Increases	Reclassification/ Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 7,695,748	$ -	$ -	$ 7,695,748
Construction in progress	1,868,603	859,626	(2,625,774)	102,455
Total Capital Assets, Not Being Depreciated	9,564,351	859,626	(2,625,774)	7,798,203
Capital Assets, Being Depreciated:				
Machinery and equipment	-	152,389	2,625,774	2,778,163
Water production and distribution facilities	483,467	-	-	483,467
Total Capital Assets, Being Depreciated	483,467	152,389	2,625,774	3,261,630
Less Accumulated Depreciation for:				
Machinery and equipment	-	(10,159)	-	(10,159)
Water production and distribution facilities	(148,773)	(10,745)	-	(159,518)
Total Accumulated Depreciation	(148,773)	(20,904)	-	(169,677)
Total Capital Assets - Being Depreciated	334,694	131,485	2,625,774	3,091,953
Component Unit Capital Assets, Net	$ 9,899,045	$ 991,111	$ -	$ 10,890,156

Depreciation/Amortization

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

	Depreciation/ Amortization Expense
Primary Government	
Governmental activities:	
General government	$ 667,423
Public safety	1,548,234
Public works	3,312,689
Community development	19,323
Parks and recreation	653,139
Capital assets held by the City's internal service fund are charged to the various functions based on their usage	813,762
Total Governmental activities	7,014,570
Business-type activities:	
Water and sewer	2,646,065
Total Business-type activities:	2,646,065
Total Primary Government	$ 9,660,635

Note 4. Capital Assets (continued)

Construction Commitments

The City has active construction projects as of September 30, 2025. At year end, the City's commitments with contractors were as follows:

Projects	Construction Commitment	Construction in Progress	Remaining Commitment
Governmental Funds:			
Blackhawk Blvd Reconstruction	$ 1,514,828	$ 1,447,594	$ 67,234
Utility Relocation at Clear Creek Utility Bridge	1,750,952	538,351	1,212,601
Deepwood Flood Control	434,369	426,193	8,176
Friendswood Regional Detention Basin	8,000,000	8,000,000	-
Whitcomb Terracing & Detention	2,850,000	2,850,000	-
Access Control Project	87,575	71,250	16,325
Annalea Neighborhood IMP CDBG-MIT	418,874	119,316	299,558
Ground Water Storage Tank @WP#4 CDBT-MIT	401,400	137,778	263,622
Blackhawk Phase II Pkg C	459,974	243,823	216,151
Council Chamber Upgrade	84,008	31,162	52,846
CD Comprehensive Plan	242,910	26,507	216,403
Library Kiosk	69,400	34,700	34,700
Master Drainage Plan	1,348,448	686,834	661,614
Water Systems Improvements	10,003,026	2,435,892	7,567,134
Friendswood City Center Public Improvement District	50,435,757	24,538,329	25,897,428
	78,101,521	41,587,729	36,513,792
Enterprise Funds:			
Southeast Transmission Water Line Settlement	$ 20,489,887	$ 15,849,969	$ 4,639,918
Lift Station Mitigation Program	771,741	715,868	55,873
Lift Station Improvement Program	785,091	350,019	435,072
Lift Station Rehabilitation Program	436,000	365,000	71,000
Water Systems Improvements	2,006,846	1,942,703	64,143
24" Water Line Installation Phase II	1,209,692	185,250	1,024,442
Wastewater Master Plan	710,000	514,699	195,301
Blackhawk WWTP Aeration	6,997,920	6,997,920	-
Blackhawk Boulevard Phase II-B Utilities	311,647	311,647	-
Blackhawk Boulevard Phase II-C Utilities	130,766	90,378	40,388
	33,849,590	27,323,453	6,526,137
Component Unit:			
FDEDC - Median Signage	$ 36,253	$ 18,127	$ 18,126
West Ranch Management District - Amenity Enhancements	84,328	84,328	-
	120,581	102,455	18,126
Total	$ 112,071,692	$ 69,013,637	$ 43,058,055

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 $1,956,528 for General Fund.

Note 4. Capital Assets (continued)

The calculation of Net Investment in Capital Assets is as follows:

	Governmental Activities	Business-type Activities	Total
Capital Assets, Net of Depreciation/Amortization	$ 160,753,086	$ 99,840,474	$ 260,593,560
Less:			
General obligation bonds	(66,000,000)	(13,310,000)	(79,310,000)
Revenue bonds	-	(51,250,000)	(51,250,000)
Special assessment revenue bonds	(36,907,000)	-	(36,907,000)
Bond issuance premiums/discounts	(2,629,554)	(5,803,598)	(8,433,152)
Deferred gain on refunding	(42,934)	(18,196)	(61,130)
Notes payable	(1,166,981)	-	(1,166,981)
Subscriptions payable	(264,852)	-	(264,852)
Capital-related payables	(3,131,048)	(24,838)	(3,155,886)
Plus:			
Deferred loss on refunding	35,197	395,601	430,798
Unspent bond funds	32,301,034	22,608,573	54,909,607
Net Investment in Capital Assets	$ 82,946,948	$ 52,438,016	$ 135,384,964

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.

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.

Note 5. Long-term Debt (continued)

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, 2025:

General Obligation Bonds:	Amount	Maturity	Rates	Activities	Activities
2014 General Obligation Refunding	$ 8,805,000	2028	2.0% - 4.0%	$ 450,000	$ 2,100,000
2015 General Obligation Refunding	9,595,000	2030	2.0% - 3.0%	4,890,000	-
2016 General Obligation Permanent Improvement and Refunding	19,095,000	2031	2.0% - 5.0%	6,250,000	5,520,000
2016A General Obligation Refunding	9,765,000	2034	2.0% - 4.0%	-	5,690,000
2017 General Obligation Bonds	5,605,000	2031	2.0% - 4.0%	3,030,000	-
2020 General Obligation and Refunding Bonds	10,465,000	2050	2.0% - 4.0%	8,745,000	-
2021 General Obligation and Refunding Bonds	16,235,000	2051	2.375% - 4.0%	13,125,000	-
2023 General Obligation Bonds	29,775,000	2053	4.0% - 5.0%	29,510,000	-
Total General Obligation Bonds				66,000,000	13,310,000
Revenue Bonds:					
2016 Waterworks and Sewer System	5,735,000	2036	2.0% - 4.0%	-	3,595,000
2018 Waterworks and Sewer System	20,170,000	2038	4.0% - 5.0%	-	15,615,000
2021 Waterworks and Sewer System	13,690,000	2041	3.0% - 4.0%	-	11,690,000
2025 Waterworks and Sewer System	20,350,000	2050	4.25% - 6.0%	-	20,350,000
Total Revenue Bonds				-	51,250,000
Special Assessment Revenue Bonds:					
2024 Special Assessment Revenue Bonds	36,907,000	2054	5.0% - 6.0%	36,907,000	-
Total Special Assessment Revenue Bonds				36,907,000	-
Total Bonds				$ 102,907,000	$ 64,560,000

In November 2024, the City issued $36,907,000 of Special Assessment Revenue Bonds, Series 2024, to finance a portion of the Initial Major Improvements within the City's public improvement district and to pay costs of issuance. The Bonds are limited and special obligations payable solely from Special Assessments levied on the benefited parcels and other pledged revenues as defined in the Indenture. Neither the faith and credit nor the taxing power of the City is pledged, and the City has no obligation for repayment of the Bonds.

In March 2025, $20,350,000 of City of Friendswood, Texas, Waterworks and Sewer System Revenue Bonds, Series 2025, were issued and sold for the purpose of making certain extensions and improvements to the System, to fund a deposit to the Reserve Fund, and to pay the costs of issuance of the Bonds.

Note 5. Long-term Debt (continued)

Bonds Payable and Certificates of Obligation (continued)

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

	Governmental Activities		Business-type Activities		
Fiscal Year	Principal	Interest	Principal	Interest	Total
2026	$ 2,965,000	$ 2,555,988	$ 3,790,000	$ 2,708,276	$ 12,019,264
2027	3,085,000	2,438,997	3,960,000	2,539,176	12,023,173
2028	3,210,000	2,312,388	4,135,000	2,361,251	12,018,639
2029	3,345,000	2,179,613	4,330,000	2,169,976	12,024,589
2030	3,485,000	2,039,594	4,530,000	1,966,276	12,020,870
2031-2035	12,220,000	8,317,295	18,045,000	7,404,505	45,986,800
2036-2040	10,890,000	6,096,864	14,010,000	3,910,705	34,907,569
2041-2045	9,635,000	4,224,382	6,610,000	1,828,980	22,298,362
2046-2050	11,590,000	2,273,078	5,150,000	565,676	19,578,754
2051-2055	5,575,000	340,542	-	-	5,915,542
	$ 66,000,000	$ 32,778,741	$ 64,560,000	$ 25,454,821	$ 188,793,562

Annual debt service requirements for the special assessment revenue bonds are as follows:

	Governmental Activities	
Fiscal Year	Principal	Interest
2026	$ -	$ 2,583,490
2027	468,000	2,583,490
2028	499,000	2,550,730
2029	533,000	2,515,800
2030	570,000	2,478,490
2031-2035	3,489,000	11,736,690
2036-2040	4,861,000	10,336,480
2041-2045	6,784,000	8,384,040
2046-2050	9,474,000	5,658,380
2051-2055	10,229,000	1,850,030
	$ 36,907,000	$ 50,677,620

Note 5. Long-term Debt (continued)

Bonds Payable and Certificates of Obligation (continued)

Changes in the City's long-term liability activity for the year ended September 30, 2025, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities:					
Special assessment revenue bonds	$ -	$ 36,907,000	$ -	$ 36,907,000	$ -
General obligation bonds	68,840,000	-	(2,840,000)	66,000,000	2,965,000
Premium on bond issuance	2,998,048	-	(368,494)	2,629,554	-
Notes payable	1,752,620	-	(585,639)	1,166,981	573,838
SBITA payable	152,509	213,310	(100,967)	264,852	97,316
Compensated absences	2,019,914	-	(60,702)	1,959,212	391,842
Governmental Activity Long-term Liabilities	$ 75,763,091	$ 37,120,310	$ (3,955,802)	$ 108,927,599	$ 4,027,996

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Revenue bonds	$ 32,545,000	$ 20,350,000	$ (1,645,000)	$ 51,250,000	$ 1,820,000
General obligation bonds	15,150,000	-	(1,840,000)	13,310,000	1,970,000
Premium on bond issuance	4,459,526	1,838,239	(494,167)	5,803,598	-
Compensated absences	190,515	9,909	-	200,424	40,085
Business-type Activity Long-term Liabilities	$ 52,345,041	$ 22,198,148	$ (3,979,167)	$ 70,564,022	$ 3,830,085
Total Primary Government	$ 128,108,132	$ 59,318,458	$ (7,934,969)	$ 179,491,621	$ 7,858,081

The compensated absences 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, 2025:

General Obligation Bonds:	Amounts Outstanding	Interest Rates	Range of Maturities	Callable Date *
Road Series 2014	$ 1,640,000	2.50% - 3.75%	2023-2040	September 1, 2022
Series 2015	2,745,000	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	280,000	2.00% - 4.00%	2023-2026	September 1, 2024
Series 2020	8,220,000	2.00% - 4.00%	2023-2040	September 1, 2025
Refunding Series 2016	1,390,000	2.00% - 4.00%	2023-2040	September 1, 2025
Total General Obligation Bonds	$ 16,355,000			

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

Note 5. Long-term Debt (continued)

West Ranch Management District (continued)

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

Fiscal Year	Principal	Interest	Total
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	1,110,000	361,152	1,471,152
2030	1,140,000	327,550	1,467,550
2031-2035	4,820,000	1,201,344	6,021,344
2036-2040	5,135,000	541,279	5,676,279
2041	1,110,000	16,384	1,126,384
	$ 16,355,000	$ 3,729,149	$ 20,084,149

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.

Changes in the discretely presented component units' long-term liabilities for the year end July 31, 2025, are as follows:

West Ranch Management District	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Component Unit					
General obligation bonds	$ 17,285,000	$ -	$ (930,000)	$ 16,355,000	$ 970,000
Discount on bonds	(189,762)	-	11,681	(178,081)	-
Premium on bonds	48,422	-	(9,854)	38,568	-
Total	$ 17,143,660	$ -	$ (928,173)	$ 16,215,487	$ 970,000

At July 31, 2025, 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.

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, 2025, the City has no bonds considered defeased that were outstanding.

Note 5. Long-term Debt (continued)

Notes Payable

The City has multiple agreements for the acquisition and use of various machinery and equipment.

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

Fiscal Year	Principal	Interest
2026	$ 573,838	$ 39,093
2027	593,143	19,888
Total	$ 1,166,981	$ 58,981

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. On March 3, 2025, the City issued $20,350,000 in Waterwork and Sewer System Revenue Bonds, Series 2025. 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, March 1, 2041 for the 2021 bonds, and March 1, 2050 for the 2025 bonds. The City will commit revenues each year the bonds are outstanding. At September 30, 2025, the remaining principal on the series 2016, 2018, 2021, and 2025 bonds was $3,595,000, $15,615,000, $11,690,000, and $20,350,000, respectively. Principal and interest payments for the fiscal year were $1,645,000 and $1,238,625 respectively. Net pledged revenue in 2025 produced 390 percent of the current debt service requirement.

Note 6. Interfund Balances and Transfers

Due to/from Other Funds

The City had interfund receivable and payable balances at September 30, 2025 as follows:

Due To	Due From	Amount	Purpose
General Fund	CDBG - DR Galveston County	$ 215,402	Expenditures funded by General Fund pending grant reimbursement.
General Fund	CDBG - MIT	47,682	Expenditures funded by General Fund pending grant reimbursement.
General Fund	HMGP-DR4485 Master Drainage Plan	445,848	Expenditures funded by General Fund pending grant reimbursement.
General Fund	2025 CDBG - MIT RCP GRANT	26,506	Expenditures funded by General Fund pending grant reimbursement.
		$ 735,438	

Note 6. Interfund Balances and Transfers (continued)

Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2025, were as follows:

Transfer In	Transfers Out	Amount	Purpose
General Fund	Water and Sewer Fund	$ 3,476,932	Budget annual transfers for indirect water and sewer costs ($3,196,181); Reimbursement for shared expenditures ($280,751)
General Fund	CDBG - DR Galveston County	30,000	Reimbursement of Prior Year Grant Expenditure
Debt Service Fund	Bond Construction Fund	6,485	Closed fund 256 2020 GP bonds/transferred remaining interest to pay down debt
Capital Maintenance Fund	General Fund	877,577	Creation of Capital Maintenance Fund and funds to cover deferred maintenance items at the end of the fiscal year
Street Improvements Fund	General Fund	86,150	Settlement proceeds related to bond performance against a contractor
Vehicle Replacement Fund	Water and Sewer Fund	123,786	Additional funds needed to cover shortfall on vehicles lost after Hurricane Harvey
		$ 4,600,930	

Note 7. 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 $27,847 in interest revenue during the current fiscal year related to these leases. As of September 30, 2025, the City's receivable for lease payments was $942,384. 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, 2025, the balance of the deferred inflow of resources was $898,730.

Note 8. SBITA Liabilities

The City is under contract for noncancellable SBITAs that convey control of the right-to-use software. The SBITA liabilities outstanding as of September 30, 2025, are as follows:

				Subscription Liability		Subscription Asset		
Subscription Software Type	Start Date	End Date	Interest Rate	Original Amount	Liability as of September 30, 2025	Original Amount	Accumulated Amortization September 30, 2025	Net Amount September 30, 2025
Governmental	10/1/2023	9/30/2026	3.25%	$ 115,390	$ 38,450	$ 115,390	$ (76,927)	$ 38,463
Governmental	10/1/2023	9/30/2028	3.25%	97,609	58,525	97,609	(39,043)	58,566
Governmental	11/1/2024	10/31/2029	3.25%	213,310	167,877	213,310	(42,662)	170,648
				$ 426,309	$ 264,852	$ 426,309	$ (158,632)	$ 267,677

All amounts paid were previously included in the measurement of the subscription liability and there were no other related outflows of resources for the period such as variable payments or termination penalties. In addition, there were no commitments incurred prior to commencement of any SBITA term and there were no impairment losses related to SBITA assets.

Note 8. SBITA Liabilities (continued)

The future principal and interest SBITA payments as of September 30, 2025, were as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 97,316	$ 8,608	$ 105,924
2027	60,779	5,445	66,224
2028	62,754	3,469	66,223
2029	44,003	1,430	45,433
	$ 264,852	$ 18,952	$ 283,804

Note 9. Employee Retirement System

Texas Municipal Retirement System

Plan Description and Provisions

The City participates as one of 935 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).

Note 9. Employee Retirement System (continued)

Texas Municipal Retirement System (continued)

Benefits Provided (continued)

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

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	187
Inactive employees entitled to but not yet receiving benefits	146
Active employees	250
Total	583

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 17.06% and 16.46% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $3,704,933 and were equal to the required contributions.

Note 9. Employee Retirement System (continued)

Texas Municipal Retirement System (continued)

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024 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:	21 years (longest amortization ladder)
Asset valuation method:	10 year smoothed market; 12% soft corridor
Inflation:	2.50%
Salary increases:	3.60% to 11.85% including inflation
Investment rate of return:	6.75%

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 MP-2021 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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

These actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for annuity purchase rates is based on the Mortality Experience Investigation Study completed in 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.

Note 9. Employee Retirement System (continued)

Texas Municipal Retirement System (continued)

Actuarial Assumptions (continued)

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 2024 are summarized in the table below:

	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.10%
Core Fixed Income	6.0%	5.00%
Non-Core Fixed Income	6.0%	6.80%
Hedge Funds	5.0%	6.40%
Private Equity	13.0%	8.50%
Private Debt	13.0%	8.20%
Real Estate	12.0%	6.70%
Infrastructure	6.0%	6.00%
Other Private Markets	4.0%	7.30%
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 statue. 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.

Note 9. 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 12/31/2023	$ 108,441,563	$ 94,726,517	$ 13,715,046
Changes for the Year:			
Service Cost	3,711,926	-	3,711,926
Interest (on the Total Pension Liability)	7,271,918	-	7,271,918
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(198,705)	-	(198,705)
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(5,130,819)	(5,130,819)	-
Contributions – employer	-	3,335,029	(3,335,029)
Contributions – employee	-	1,426,787	(1,426,787)
Net investment income	-	9,843,965	(9,843,965)
Administrative Expense	-	(63,124)	63,124
Other	-	(1,476)	1,476
Balance at 12/31/2024	$ 114,095,883	$ 104,136,879	$ 9,959,004

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 (asset)	$ 25,529,082	$ 9,959,004	$ (2,866,641)

Pension Plan Fiduciary Net Position

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

Note 9. 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, 2025, the City recognized a pension expense of $3,560,798.

At September 30, 2025, 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	$ 658,726	$ (148,779)
Changes in actuarial assumptions	-	(207,155)
Difference between projected and actual investment earnings	5,154,459	(6,247,678)
Contributions subsequent to the measurement date	2,742,467	-
Total	$ 8,555,652	$ (6,603,612)

The $2,742,467 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, 2026. 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
2026	$ 383,763
2027	1,085,771
2028	(1,569,978)
2029	(689,983)
Total	$ (790,427)

Note 10. 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, 2024 was as follows:

Inactive employees currently receiving benefits	129
Inactive employees entitled to but not yet receiving benefits	32
Active employees	250
Total	411

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 0.24% 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 4.08% based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

Note 10. 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, 2024 and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

Valuation Date: December 31, 2024

Methods and Assumptions:

Inflation:	2.50%
Salary Increases:	3.60% to 11.85%, including inflation
Discount rate *:	4.08%
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 by most recent Scale MP-2021 (with immediate convergence).
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 MP-2021 (with immediate convergence) 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 31,2024.

Note: The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period December 31, 2022.

Changes in the Total OPEB Liability

Service cost	$	28,522
Interest		26,626
Changes of benefit terms		-
Difference between expected and actual experience		(10,085)
Changes of assumptions		(37,106)
Benefit payments		(20,373)
Net change in total OPEB liability		(12,416)
Total OPEB Liability - Beginning		702,196
Total OPEB Liability - Ending	$	689,780

Ending total OPEB liability is $689,780 as of December 31, 2024. Changes of assumptions reflect a change in the discount rate from 3.77% as of December 31, 2023 to 4.08% as of December 31, 2024.

Note 10. 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 4.08%, 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 (3.08%) or 1 percentage point higher (5.08%) than the current rate. Note that the healthcare cost trend rate does not affect the total OPEB liability, so sensitivity to the healthcare cost trend rate is not shown.

1% Decrease to 3.08%	Current Discount Rate Assumption 4.08%	1% Increase to 5.08%
$ 819,850	$ 689,780	$ 587,478

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

For the year ended September 30, 2025, the City recognized OPEB expense of $19,973 related to the TMRS Supplemental Death Benefit Fund and OPEB expense of $115,545 related to the City's retiree healthcare plan for total OPEB expense of $135,518. As of September 30, 2025, 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	$ 1,678	$ (23,984)
Changes in assumptions and other inputs	61,119	(196,106)
Contributions made subsequent to the measurement date	16,661	-
Total	$ 79,458	$ (220,090)

The $16,661 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, 2026. 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
2026	$ (39,288)
2027	(50,457)
2028	(54,892)
2029	(7,092)
2030	(5,564)
Total	$ (157,293)

Note 10. 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, 2024, the following employees were covered by the benefit terms:

Retirees and beneficiaries	5
Inactive, nonretired members	0
Active members	242
Total	247

Total OPEB Liability

The City's total OPEB liability of $1,299,497 is based on an actuarial valuation performed as of December 31, 2024 and a measurement date of December 31, 2024.

Note 10. 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, 2024. The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	December 31, 2024
Measurement Date:	December 31, 2024
Methods and Assumptions:	
Actuarial Cost Method:	Individual Entry-Age Normal
Discount Rate:	4.08% as of December 31, 2024
Inflation:	2.50%
Salary Increases:	3.60% to 11.85%, including inflation
Demographic Assumptions:	Based on the 2023 experience study 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-2021 table to account for future mortality improvement.
Health Care Trend Rates:	Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 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.
Other Information:	
Notes:	The discount rate changed from 3.77% as of December 31, 2023 to 4.08% as of December 31, 2024. Additionally, the health care trend was updated to reflect the plans anticipated experience.

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 4.08% (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 3.77% 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.

Note 10. Post Employee Benefits Other Than Pensions (continued)

Retiree Health Care Plan (RHCP) (continued)

Changes in the Total OPEB Liability

Service cost	$	88,590
Interest		38,642
Changes of benefit terms		-
Difference between expected and actual experience		165,669
Changes of assumptions		53,350
Benefit payments		(54,884)
Net change in total OPEB liability		291,367
Total OPEB Liability - Beginning		1,008,130
Total OPEB Liability - Ending	$	1,299,497

The ending Total OPEB Liability was $1,299,497 as of December 31, 2024.

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 4.08%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

1% Decrease to 3.08%	Current Discount Rate Assumption 4.08%	1% Increase to 5.08%
$ 1,421,835	$ 1,299,497	$ 1,189,269

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

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

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
$ 1,159,617	$ 1,299,497	$ 1,463,597

Note 10. 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, 2025, the City recognized OPEB expense of $19,973 related to the TMRS Supplemental Death Benefit Fund and OPEB expense of $115,545 related to the City's retiree healthcare plan for total OPEB expense of $135,518. As of September 30, 2025, 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	$ 219,710	$ (107,298)
Changes assumptions	127,137	(238,330)
Contributions subsequent to the measurement date	36,053	-
Total	$ 382,900	$ (345,628)

The $36,053 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, 2026. 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
2026	$ (11,687)
2027	(13,329)
2028	(7,528)
2029	(378)
2030	(4,829)
Thereafter	38,970
Total	$ 1,219

Note 11. 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 production costs is 6 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 fiscal year, the City of Houston computes the total operation and maintenance expenses for the fiscal year 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.

Note 11. Commitments and Contingencies (continued)

Blackhawk Regional Wastewater Treatment Facility

On December 12, 1974, the City entered into an agreement with Gulf Coast 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 59.45% or 5.499 MGD of its capacity.

As a part of the contract with Gulf Coast 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 59.45% 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 and various deductibles. During the year ended September 30, 2025, the City paid premiums to TML for provision of various liability, property and casualty insurance. In addition, the City purchased windstorm insurance from a highly rated private carrier to cover city property for that specific loss.

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, 2025, the City believed the amounts paid on workers' compensation would not change significantly from the amounts recorded.

During the year ended September 30, 2025, 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 12. Agreements Entered Into by the City

Friendswood City Center Public Improvement District

The Friendswood City Center Public Improvement District Reimbursement Agreement, effective August 5, 2024, by and between (i) Madison Development Corp., LLC (the "Developer") and (ii) the City was entered into by the City to reimburse the Developer for the cost of public improvements plus interest as set for in and pursuant to the approved Friendswood City Center Public Improvement District (the “PID”) Service and Assessment Plan (the "SAP"). Such agreement is specifically authorized pursuant to Section 372.023(d)(1) of the Texas Local Government Code.

Pursuant to the agreement, revenue received and collected by the City from the collection of the PID assessments and annual installments after deducting certain collection and administrative expenses, will be deposited first for the payment of debt service on any bonds issued by the City and second into an assessment fund and accounts therein, that is segregated from all other funds of the City. The funds deposited into such fund shall be used to reimburse the Developer for the actual cost of the public improvements paid by the Developer in accordance with the SAP. This proposed agreement details the timing and collection of the assessments on property within the PID as well as the timing and distribution of the assessments to reimburse the Developer for the costs of the Authorized Improvements plus interest as forth in and pursuant to the approved Service and Assessment Plan.

Reinvestment Zone Number One, City of Friendswood

The TIRZ Development Agreement, effective November 13, 2024, by and between (i) Madison Development Corp., LLC (the "Developer"), (ii) Reinvestment Zone Number One, City of Friendswood (the "Zone"), and (iii) the City was entered into for the development and financing of certain public improvements associated with the development within the Zone.

Under the agreement, Developer will:

1. Design and construct the Project consisting of the Friendswood City Center mixed-use commercial development within the Zone, consisting of (i) approximately 500 multi-family units; (ii) approximately 191,000 square feet of medical/office use; (iii) a maximum 150-room hotel and approximately 5,000 square foot conference facility; (iv) approximately 63,800 square feet of restaurant and retail space; (v) approximately 52 acres of public parks and approximately 5.2 miles of public trails; (vi) a maximum of 300 condominium units; and (vii) a minimum 2,188-space parking garage (the “Project”);
2. Construct certain public improvements, including streets, detention, storm drainage, water, sanitary sewer, sanitary lift station, landscaping, amenities, parks, school playing fields for Brookside Intermediate School, and a fire station;
3. Maintain the public improvements until the same are accepted by the City (or, as to the playing fields, the Clear Creek Independent School District) as being in compliance with the approved plans and specifications;
4. Not protest Harris County Appraisal District's assessed tax values;
5. Convey all necessary easements pertaining to the public improvements; and
6. Pay all permit and impact fees applicable to the Project.
7. Reimburse the Developer for certain public improvements costs advanced by the Developer on behalf of the City from tax increment generated by the Project; and
8. Provide an economic development grant to Developer pursuant to Chapter 380 of the Texas Local Government Code to support the development of the Project, subject to Developer's completion of the public improvements .

City of
Friendswood
Texas

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (WITH VARIANCES)
GENERAL FUND
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Property taxes	$ 21,879,396	$ 21,879,396	$ 21,846,276	$ (33,120)
Sales and mixed drink taxes	9,379,200	9,379,200	11,152,101	1,772,901
Franchise taxes	2,090,697	2,090,697	2,130,281	39,584
Fines and forfeitures	965,598	965,598	923,117	(42,481)
Permits and fees	2,866,787	2,923,637	3,692,677	769,040
Intergovernmental	657,838	4,199,589	4,369,352	169,763
Investment earnings	681,925	681,925	708,213	26,288
Donations	20,000	250,664	260,126	9,462
Miscellaneous	33,689	139,168	320,809	181,641
Total Revenues	38,575,130	42,509,874	45,402,952	2,893,078
Expenditures				
General Government:				
Mayor and Council - Governing Body:				
Supplies and maintenance	12,980	11,996	7,773	4,223
Other services and charges	78,739	79,823	48,602	31,221
Total Governing Body	91,719	91,819	56,375	35,444
City Attorney:				
Personnel services	403,778	403,778	396,294	7,484
Supplies	1,215	1,215	368	847
Other services and charges	73,809	126,568	104,080	22,488
Total City Attorney	478,802	531,561	500,742	30,819
City Manager - Administration:				
Personnel services	1,109,695	1,109,695	1,107,139	2,556
Supplies	17,380	12,380	10,238	2,142
Other services and charges	43,895	39,899	22,487	17,412
Total Administration	1,170,970	1,161,974	1,139,864	22,110
City Manager - Economic Development:				
Supplies	1,000	1,000	581	419
Other services and charges	38,460	660,932	653,621	7,311
Total Economic Development	39,460	661,932	654,202	7,730
City Secretary - Municipal Clerk:				
Personnel services	279,251	311,776	334,733	(22,957)
Supplies	6,950	13,826	13,487	339
Other services and charges	144,640	151,964	93,098	58,866
Total Municipal Clerk	430,841	477,566	441,318	36,248

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (WITH VARIANCES)
GENERAL FUND
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures (continued)				
General Government (continued):				
Finance:				
Personnel services	$ 963,101	$ 963,101	$ 969,080	$ (5,979)
Supplies	8,050	12,555	11,063	1,492
Other services and charges	452,756	461,104	390,519	70,585
Total Finance	1,423,907	1,436,760	1,370,662	66,098
Municipal Court:				
Personnel services	477,243	477,243	481,475	(4,232)
Supplies	13,080	13,080	9,388	3,692
Other services and charges	39,765	39,765	28,447	11,318
Total Municipal Court	530,088	530,088	519,310	10,778
Human Resources - Administration:				
Personnel services	468,670	468,670	484,958	(16,288)
Supplies	14,000	14,000	6,520	7,480
Other services and charges	106,215	160,836	121,835	39,001
Total Administration	588,885	643,506	613,313	30,193
Human Resources - Insurance:				
Other services and charges	400,006	400,006	427,641	(27,635)
Total Insurance	400,006	400,006	427,641	(27,635)
Human resources - Risk Management:				
Personnel services	169,784	169,784	167,819	1,965
Supplies	26,285	26,285	20,817	5,468
Other services and charges	42,420	36,420	14,349	22,071
Total Risk Management	238,489	232,489	202,985	29,504
Information Technology - Administration:				
Personnel services	925,747	925,747	959,778	(34,031)
Supplies	73,700	79,138	50,177	28,961
Repairs and maintenance	68,130	68,130	45,875	22,255
Other services and charges	1,241,708	1,278,375	1,001,765	276,610
Total Administration	2,309,285	2,351,390	2,057,595	293,795
Communication - Administration:				
Personnel services	436,590	436,590	438,154	(1,564)
Supplies	25,800	23,030	19,403	3,627
Other services and charges	19,165	35,665	23,990	11,675
Total Administration	481,555	495,285	481,547	13,738
Total General Government	8,184,007	9,014,376	8,465,554	548,822

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (WITH VARIANCES)
GENERAL FUND
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures (continued)				
Public Safety:				
Police Department - Administration:				
Personnel services	$ 1,008,104	$ 1,009,581	$ 1,025,278	$ (15,697)
Supplies	32,260	25,655	17,378	8,277
Repairs and maintenance	49,500	43,930	18,533	25,397
Other services and charges	188,613	292,973	184,769	108,204
Total Administration	1,278,477	1,372,139	1,245,958	126,181
Police Department - Communications:				
Personnel services	1,481,328	1,481,328	1,441,311	40,017
Supplies	12,300	16,300	9,748	6,552
Repairs and maintenance	26,500	22,400	20,051	2,349
Other services and charges	32,100	30,000	11,256	18,744
Total Communications	1,552,228	1,550,028	1,482,366	67,662
Police Department - Patrol:				
Personnel services	7,548,547	7,535,483	7,564,152	(28,669)
Supplies	387,980	388,024	326,452	61,572
Repairs and maintenance	340,750	308,394	271,343	37,051
Other services and charges	826,441	841,666	806,627	35,039
Total Patrol	9,103,718	9,073,567	8,968,574	104,993
Police Department - Patrol - DOT Program:				
Personnel services	118,105	122,557	142,839	(20,282)
Supplies	11,560	7,060	5,145	1,915
Repairs and maintenance	5,500	3,000	2,960	40
Other services and charges	27,358	24,358	21,502	2,856
Total Patrol - DOT Program	162,523	156,975	172,446	(15,471)
Police Department - Criminal Investigation:				
Personnel services	1,798,772	1,805,907	1,870,710	(64,803)
Supplies	73,300	74,306	57,684	16,622
Repairs and maintenance	55,500	38,200	35,648	2,552
Other services and charges	261,438	296,013	265,985	30,028
Total Criminal Investigation	2,189,010	2,214,426	2,230,027	(15,601)
Police Department - Animal Control:				
Personnel services	400,728	400,728	337,909	62,819
Supplies	50,450	50,998	39,002	11,996
Repairs and maintenance	16,500	16,500	9,239	7,261
Other services and charges	82,866	82,866	56,922	25,944
Total Animal Services	550,544	551,092	443,072	108,020

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (WITH VARIANCES)
GENERAL FUND
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures (continued)				
Public Safety (continued):				
Fire Marshal - Administration:				
Personnel services	$ 348,329	$ 348,329	$ 351,699	$ (3,370)
Supplies	21,000	24,000	20,844	3,156
Repairs and maintenance	1,720	2,020	1,909	111
Other services and charges	258,102	252,919	197,383	55,536
Total Administration	629,151	627,268	571,835	55,433
Fire Marshal - Fire Prevention:				
Personnel services	549,875	549,875	528,375	21,500
Supplies	13,100	13,161	13,062	99
Repairs and maintenance	-	-	-	-
Other services and charges	48,230	52,202	48,419	3,783
Total Emergency Management	611,205	615,238	589,856	25,382
Fire Marshal - Emergency Medical Services:				
Personnel services	2,476,937	2,476,937	2,174,635	302,302
Supplies	210,080	218,413	205,233	13,180
Repairs and maintenance	36,145	61,827	58,759	3,068
Other services and charges	239,843	213,661	197,679	15,982
Total Emergency Management	2,963,005	2,970,838	2,636,306	334,532
Fire Marshal - Emergency Management:				
Personnel services	324,986	324,986	331,479	(6,493)
Supplies	19,900	10,477	6,621	3,856
Repairs and maintenance	9,820	3,720	3,714	6
Other services and charges	40,340	39,540	26,942	12,598
Total Emergency Management	395,046	378,723	368,756	9,967
Fire Marshal - Fire/EMS Administration:				
Other services and charges	1,113,518	1,113,518	1,113,518	-
Total Fire/EMS Administration	1,113,518	1,113,518	1,113,518	-
Fire Marshal - Storm:				
Personnel services	-	-	132,274	(132,274)
Other services and charges	-	407,507	8,751	398,756
Total Storm	-	407,507	141,025	266,482
Total Public Safety	20,548,425	21,031,319	19,963,739	1,067,580
Public Works:				
Administration:				
Personnel services	289,845	289,845	278,782	11,063
Supplies	5,870	7,114	5,916	1,198
Other services and charges	18,943	18,943	7,241	11,702
Total Administration	314,658	315,902	291,939	23,963

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (WITH VARIANCES)
GENERAL FUND
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures (continued)				
Public Works (continued):				
Streets:				
Personnel services	$ 1,006,872	$ 1,006,872	$ 1,003,291	$ 3,581
Supplies	153,815	154,401	132,300	22,101
Repairs and maintenance	182,830	188,641	148,412	40,229
Other services and charges	569,069	816,668	692,726	123,942
Total Streets	1,912,586	2,166,582	1,976,729	189,853
Drainage:				
Personnel services	355,840	355,840	365,543	(9,703)
Supplies	18,940	20,915	16,623	4,292
Repairs and maintenance	66,000	201,468	196,032	5,436
Other services and charges	16,199	14,199	12,879	1,320
Total Drainage	456,979	592,422	591,077	1,345
Total Public Works	2,684,223	3,074,906	2,859,745	215,161
Engineering:				
Capital Projects Administration:				
Personnel services	574,274	574,274	554,254	20,020
Supplies	16,484	17,484	12,696	4,788
Repairs and maintenance	4,800	5,298	5,076	222
Other services and charges	98,085	117,699	78,716	38,983
Total Capital Projects Administration:	693,643	714,755	650,742	64,013
Total Engineering	693,643	714,755	650,742	64,013
Community Development:				
Administration:				
Personnel services	444,050	444,050	454,492	(10,442)
Supplies	5,650	6,450	5,268	1,182
Other services and charges	22,500	21,700	8,823	12,877
Total Administration	472,200	472,200	468,583	3,617
Planning and Zoning:				
Personnel services	241,013	241,013	256,275	(15,262)
Supplies	2,475	2,475	2,140	335
Other services and charges	40,875	40,875	34,870	6,005
Total Planning and Zoning	284,363	284,363	293,285	(8,922)
Inspection and Code Enforcement:				
Personnel services	470,595	470,595	457,324	13,271
Supplies	12,340	12,340	9,700	2,640
Repairs and maintenance	3,150	3,150	1,473	1,677
Other services and charges	55,404	55,404	42,818	12,586
Total Inspection and Code Enforcement	541,489	541,489	511,315	30,174

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (WITH VARIANCES)
GENERAL FUND
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures (continued)				
Community Development(continued):				
Geographic Information System:				
Personnel services	$ 170,333	$ 170,333	$ 137,529	$ 32,804
Supplies	240	240	219	21
Other services and charges	13,085	13,085	10,826	2,259
Total Geographic Information System	183,658	183,658	148,574	35,084
Total Community Development	1,481,710	1,481,710	1,421,757	59,953
Parks and Recreation:				
Administration:				
Personnel services	315,520	315,520	324,009	(8,489)
Supplies	5,450	6,498	6,499	(1)
Repairs and maintenance	38,760	36,262	33,956	2,306
Total Administration	359,730	358,280	364,464	(6,184)
Recreation Programs:				
Personnel services	443,149	443,149	468,972	(25,823)
Supplies	29,075	69,052	70,588	(1,536)
Other services and charges	156,545	196,043	186,531	9,512
Total Recreation programs	628,769	708,244	726,091	(17,847)
July 4th Program:				
Personnel services	34,545	34,545	26,394	8,151
Supplies	6,500	6,800	6,751	49
Other services and charges	125,677	130,377	118,353	12,024
Total July 4th Program	166,722	171,722	151,498	20,224
Summer Day Camp Program:				
Personnel services	139,684	139,684	110,975	28,709
Supplies	22,300	22,755	21,878	877
Other services and charges	66,124	65,669	46,151	19,518
Total Summer Day Camp Program	228,108	228,108	179,004	49,104
Keep Friendswood Beautiful committee:				
Supplies	13,700	19,282	18,733	549
Repairs and maintenance	2,500	4,984	2,634	2,350
Other services and charges	38,514	36,314	33,156	3,158
Total Keep Friendswood Beautiful committee	54,714	60,580	54,523	6,057
Stevenson Park pool:				
Personnel services	79,993	79,993	86,867	(6,874)
Supplies	36,600	43,854	43,215	639
Repairs and maintenance	11,300	10,748	9,746	1,002
Other services and charges	26,030	23,730	20,465	3,265
Total Stevenson park pool	153,923	158,325	160,293	(1,968)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (WITH VARIANCES)
GENERAL FUND
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures (continued)				
Parks and Recreation (continued):				
Senior Activity Center:				
Personnel services	$ 225,918	$ 225,918	$ 225,922	$ (4)
Supplies	11,600	11,002	11,141	(139)
Repairs and maintenance	4,000	10,003	9,485	518
Other services and charges	49,290	61,530	60,829	701
Total Senior Activity Center	290,808	308,453	307,377	1,076
Park Operations:				
Personnel services	1,092,611	1,092,611	1,037,390	55,221
Supplies	135,900	139,456	136,167	3,289
Repairs and maintenance	325,000	376,739	349,644	27,095
Other services and charges	1,094,125	1,140,254	1,020,489	119,765
Total Park Operations	2,647,636	2,749,060	2,543,690	205,370
Facility Operations:				
Supplies	50,000	41,800	42,499	(699)
Repairs and maintenance	340,051	482,571	386,583	95,988
Other services and charges	1,514,979	948,349	927,081	21,268
Total Facility Operations	1,905,030	1,472,720	1,356,163	116,557
Total Parks and Recreation	6,435,440	6,215,492	5,843,103	372,389
Library:				
Administration:				
Personnel services	1,302,416	1,302,416	1,328,921	(26,505)
Supplies	159,972	163,794	133,191	30,603
Repairs and maintenance	2,482	2,482	309	2,173
Other services and charges	30,568	45,706	40,956	4,750
Total Administration	1,495,438	1,514,398	1,503,377	11,021
Total Library	1,495,438	1,514,398	1,503,377	11,021

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (WITH VARIANCES)
GENERAL FUND
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Expenditures (continued)				
Capital Improvements:				
Capital outlay	$ 248,425	$ 4,195,817	$ 2,062,457	$ 2,133,360
Total Capital Improvements	248,425	4,195,817	2,062,457	2,133,360
Debt Service:				
Principal on long-term debt	-	-	100,967	(100,967)
Total Debt Service	-	-	100,967	(100,967)
Total Expenditures	41,771,311	47,242,773	42,871,441	4,371,332
Excess (deficiency) of revenues over expenditures	(3,196,181)	(4,732,899)	2,531,511	7,264,410
Other Financing Sources (Uses)				
Issuance of SBITAs	-	-	213,310	213,310
Insurance recoveries	-	431,971	553,013	121,042
Transfers in	3,196,181	3,506,932	3,506,932	-
Sale of capital assets	-	-	5,025	5,025
Transfers out	-	(963,727)	(963,727)	-
Total Other Financing Sources (Uses)	3,196,181	2,975,176	3,314,553	339,377
Net change in fund balances	-	(1,757,723)	5,846,064	7,603,787
Fund Balances - Beginning	13,296,573	13,296,573	13,296,573	-
Fund Balances - Ending	$ 13,296,573	$ 11,538,850	$ 19,142,637	$ 7,603,787

City of
Friendswood
Texas

CITY OF FRIENDSWOOD, TEXAS

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, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental	$ 10,003,026	$ 10,003,027	$ 2,316,055	$ (7,686,972)
Investment earnings	203,064	203,064	410,549	207,485
Total Revenues	10,206,090	10,206,091	2,726,604	(7,479,487)
Expenditures				
Current:				
Public works	-	288,600	89,466	199,134
Capital outlay	10,988,278	10,003,027	2,435,892	7,567,135
Total Expenditures	10,988,278	10,291,627	2,525,358	7,766,269
Net change in fund balances	(782,188)	(85,536)	201,246	286,782
Fund Balances - Beginning	823,382	823,382	823,382	-
Fund Balances - Ending	$ 41,194	$ 737,846	$ 1,024,628	$ 286,782

Budgetary Basis of Accounting

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

Budgetary Information

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

Content

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

1) Tax levies, rates and collections for the preceding five years.

2) The amount required for interest on the City's debts, for sinking fund and for maturing serial bonds.

3) The total amount of outstanding City debts, with a schedule of maturities on bond issues.

4) Anticipated net surplus of deficit for the ensuing fiscal year of each utility owned or operated by the City and the proposed method of its disposition, subsidiary budgets for each such utility giving detailed income and expenditure information shall be attached as appendices to the budget.

5) A capital program, which may be revised and extended each year to indicate capital improvements pending or in process of construction or acquisition, and shall include the following items which shall be attached as appendices to the budget:

    a) A summary of proposed programs;

    b) A list of all capital improvements which are proposed to be undertaken during the five fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements;

    c) Cost estimates, method of financing and recommended time schedules from each such improvement; and

    d) The estimated annual cost of operating and maintaining the facilities to bid constructed or acquired.

6) Such other information as may be required by the Council.

Submission

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

Public Notice and Hearing

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

1) The times and places where copies of the message and budget are available for inspection by the public; and

2) The time and place, not less than ten nor more than 30 days after such publication, for a public hearing on the budget.

Amendment Before Adoption

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

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

Amendments After Adoption

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

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

City of
Friendswood
Texas

Excess of Expenditures over Appropriations

For the year ended September 30, 2025, expenditures exceeded appropriations in the following departments (the legal level of budgetary control):

General Fund	
Debt service	$100,967
Police Investigation	
Public safety	$2,055
Fires/EMS Donation	
Capital outlay	$57
CDBG - DR Galveston County	
Capital outlay	$188,743
CDBG - MIT	
Capital outlay	$43,861
HMGP-DR4485 Master Drainage Plan	
Public works	$6,400
Capital outlay	$439,446
Street Improvements Fund	
Public works	$38,000

CITY OF FRIENDSWOOD, TEXAS

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

	2024	2023	2022	2021	2020
A. Total Pension Liability					
1. Service Cost	$ 3,711,926	$ 3,411,163	$ 3,205,331	$ 3,032,100	$ 2,979,569
2. Interest (on the Total Pension Liability)	7,271,918	6,902,765	6,508,227	6,110,807	5,780,980
3. Change in benefit terms including substantively automatic status	-	(1,146,762)	-	-	-
4. Difference between expected and actual experience	(198,705)	230,086	1,493,003	788,166	(146,825)
5. Changes of assumptions	-	(390,479)	-	-	-
6. Benefit payments, including refunds of employee contributions	(5,130,819)	(4,539,143)	(4,096,292)	(4,163,654)	(3,343,679)
7. Net change in total pension liability	5,654,320	4,467,630	7,110,269	5,767,419	5,270,045
8. Total pension liability – beginning	108,441,563	103,973,933	96,863,664	91,096,245	85,826,200
9. Total pension liability – ending	114,095,883	108,441,563	103,973,933	96,863,664	91,096,245
B. Plan Fiduciary Net Position					
1. Contributions – employer	3,335,029	3,106,763	2,879,665	2,777,049	2,620,564
2. Contributions – employee	1,426,787	1,331,742	1,238,946	1,174,582	1,158,078
3. Net investment income	9,843,965	9,846,822	(6,696,002)	10,611,017	5,713,369
4. Benefit payments, including refunds of employee contributions	(5,130,819)	(4,539,143)	(4,096,292)	(4,163,654)	(3,343,679)
5. Administrative Expense	(63,124)	(62,618)	(57,928)	(49,073)	(36,958)
6. Other	(1,476)	(437)	69,125	337	(1,442)
7. Net change in plan fiduciary net position	9,410,362	9,683,129	(6,662,486)	10,350,258	6,109,932
8. Plan fiduciary net position – beginning	94,726,517	85,043,388	91,705,874	81,355,616	75,245,684
9. Plan fiduciary net position – ending	104,136,879	94,726,517	85,043,388	91,705,874	81,355,616
C. Net Pension Liability (A.9 – B.9)	$ 9,959,004	$ 13,715,046	$ 18,930,545	$ 5,157,790	$ 9,740,629
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.27%	87.35%	81.79%	94.68%	89.31%
E. Covered Payroll	$ 20,372,809	$ 19,024,889	$ 17,699,233	$ 16,779,748	$ 16,543,970
F. Net Position Liability as a Percentage of Covered Payroll	48.88%	72.09%	106.96%	30.74%	58.88%

CITY OF FRIENDSWOOD, TEXAS

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

	2019	2018	2017	2016	2015
A. Total Pension Liability					
1. Service Cost	$ 2,738,906	$ 2,626,099	$ 2,505,392	$ 2,334,817	$ 2,204,299
2. Interest (on the Total Pension Liability)	5,345,140	5,044,613	4,755,782	4,435,987	4,317,394
3. Change in benefit terms including substantively automatic status	-	-	-	-	-
4. Difference between expected and actual experience	1,150,459	59,617	(60,180)	366,687	(1,032,789)
5. Changes of assumptions	378,973	-	-	-	847,469
6. Benefit payments, including refunds of employee contributions	(3,210,157)	(3,458,824)	(2,505,921)	(2,464,107)	(2,256,734)
7. Net change in total pension liability	6,403,321	4,271,505	4,695,073	4,673,384	4,079,639
8. Total pension liability – beginning	79,422,879	75,151,374	70,456,304	65,782,920	61,703,281
9. Total pension liability – ending	85,826,200	79,422,879	75,151,377	70,456,304	65,782,920
B. Plan Fiduciary Net Position					
1. Contributions – employer	2,395,398	2,305,344	2,182,093	2,037,849	1,998,038
2. Contributions – employee	1,068,692	1,025,248	987,399	923,896	886,669
3. Net investment income	10,053,454	(2,013,270)	8,104,390	3,672,583	79,202
4. Benefit payments, including refunds of employee contributions	(3,210,157)	(3,458,824)	(2,505,921)	(2,464,107)	(2,256,734)
5. Administrative Expense	(56,778)	(38,892)	(41,987)	(41,467)	(48,239)
6. Other	(1,704)	(2,032)	(2,127)	(2,234)	(2,383)
7. Net change in plan fiduciary net position	10,248,905	(2,182,426)	8,723,847	4,126,520	656,553
8. Plan fiduciary net position – beginning	64,996,779	67,179,205	58,455,358	54,328,838	53,672,285
9. Plan fiduciary net position – ending	75,245,684	64,996,779	67,179,205	58,455,358	54,328,838
C. Net Pension Liability (A.9 – B.9)	$ 10,580,516	$ 14,426,100	$ 7,972,172	$ 12,000,946	$ 11,454,082
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.67%	81.84%	89.39%	82.97%	82.59%
E. Covered Payroll	$ 15,267,034	$ 14,646,398	$ 14,098,997	$ 13,198,512	$ 12,653,842
F. Net Position Liability as a Percentage of Covered Payroll	69.30%	98.50%	56.54%	90.93%	90.52%

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF CITY CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Actuarially required contributions	$ 3,704,933	$ 3,247,842	$ 3,039,855	$ 2,844,852	$ 2,721,688
Contributions in relation to the actuarially required contributions	3,704,933	3,247,842	3,039,855	2,844,852	2,721,688
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 22,540,856	$ 19,853,304	$ 18,633,414	$ 17,404,825	$ 16,639,755
Contributions as a Percentage of Covered Payroll	16.44%	16.36%	16.31%	16.35%	16.36%

	2020	2019	2018	2017	2016
Actuarially required contributions	$ 2,485,117	$ 2,376,185	$ 2,255,270	$ 2,161,617	$ 2,100,698
Contributions in relation to the actuarially required contributions	2,485,117	2,376,185	2,255,270	2,161,617	2,100,698
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered Payroll	$ 15,724,041	$ 15,133,171	$ 14,385,208	$ 13,986,135	$ 13,525,613
Contributions as a Percentage of Covered Payroll	15.80%	15.70%	15.68%	15.46%	15.53%

CITY OF FRIENDSWOOD, TEXAS

NOTES TO SCHEDULE OF CONTRIBUTIONS

For the Year Ended September 30, 2025

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	21 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study for the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other Information:	
Notes	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 Eight Measurement Years

	2024	2023	2022	2021
Service cost	$ 28,522	$ 24,732	$ 51,328	$ 45,305
Interest	26,626	25,773	16,968	17,025
Difference between expected and actual experience	(10,085)	2,419	122	(9,842)
Changes of assumptions	(37,106)	33,836	(326,179)	29,168
Benefit payments **	(20,373)	(17,122)	(12,389)	(15,102)
Net change in total OPEB liability	(12,416)	69,638	(270,150)	66,554
Total OPEB Liability - Beginning	702,196	632,558	902,708	836,154
Total OPEB Liability - Ending	$ 689,780	$ 702,196	$ 632,558	$ 902,708
Covered-Employee Payroll	$ 20,372,809	$ 19,024,889	$ 17,699,233	$ 16,779,748
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.39%	3.69%	3.57%	5.38%

	2020	2019	2018	2017
Service cost	$ 36,397	$ 27,481	$ 30,757	$ 26,788
Interest	20,150	23,199	20,933	20,384
Difference between expected and actual experience	(48,181)	(60,356)	(7,425)	-
Changes of assumptions	115,737	118,183	(43,775)	49,777
Benefit payments **	(4,963)	(6,107)	(5,859)	(5,640)
Net change in total OPEB liability	119,140	102,400	(5,369)	91,309
Total OPEB Liability - Beginning	717,014	614,614	619,983	528,674
Total OPEB Liability - Ending	$ 836,154	$ 717,014	$ 614,614	$ 619,983
Covered-Employee Payroll	$ 16,543,970	$ 15,267,034	$ 14,646,398	$ 14,098,997
Total OPEB Liability as a Percentage of Covered-Employee Payroll	5.05%	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.

Amounts presented are for each measurement year, which end the preceding December 31 of the City's fiscal year end. Total OPEB liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 75.

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

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:

2024	4.08%
2023	3.77%
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 Eight Measurement Years

	2024	2023	2022	2021
Service cost	$ 88,590	$ 73,690	$ 89,471	$ 60,759
Interest	38,642	38,719	19,387	22,218
Difference between expected and actual experience	165,669	12,216	74,496	11,967
Changes of assumptions	53,350	(16,953)	(230,413)	(111,991)
Benefit payments	(54,884)	(37,419)	(47,887)	(61,339)
Net change in total OPEB liability	291,367	70,253	(94,946)	(78,386)
Total OPEB Liability - Beginning	1,008,130	937,877	1,032,823	1,111,209
Total OPEB Liability - Ending	$ 1,299,497	$ 1,008,130	$ 937,877	$ 1,032,823
Covered-Employee Payroll	$ 20,374,832	$ 19,029,976	$ 17,701,249	$ 16,779,752
Total OPEB Liability as a Percentage of Covered-Employee Payroll	6.38%	5.30%	5.30%	6.16%

	2020	2019	2018	2017
Service cost	$ 60,972	$ 46,995	$ 53,919	$ 44,637
Interest	30,484	36,314	37,843	39,497
Difference between expected and actual experience	(104,038)	8,768	(214,124)	4,573
Changes of assumptions	75,401	86,718	7,071	51,765
Benefit payments	(59,267)	(52,896)	(38,566)	(38,414)
Net change in total OPEB liability	3,552	125,899	(153,857)	102,058
Total OPEB Liability - Beginning	1,107,657	981,758	1,135,615	1,033,557
Total OPEB Liability - Ending	$ 1,111,209	$ 1,107,657	$ 981,758	$ 1,135,615
Covered-Employee Payroll	$ 16,543,973	$ 15,267,037	$ 14,646,402	$ 12,035,859
Total OPEB Liability as a Percentage of Covered-Employee Payroll	6.72%	7.26%	6.70%	9.44%

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

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

Notes to Required Supplementary Information:

Methods and Assumptions Used to Determine Contribution Rates:

The demographic assumptions are based on the assumptions that were developed for the defined benefit plan in which the City participates (TMRS). The assumptions are based on the experience study covering the four year period ending December 31, 2022 as conducted for the Texas Municipal Retirement System (TMRS).

Changes of assumptions:

2024 – The health care trend assumption was modified.
2023 – The demographic and salary increase assumptions were updated to reflect the 2023 TMRS experience study.
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:

2024	4.08%
2023	3.77%
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

City of
Friendswood
Texas

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.

FVFD Donation Fund – This fund accounts for revenues that are restricted for fire 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) 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.

Community Development Block Grant (CDBG) – Mitigation – This fund is used to account for revenues that are restricted to assist areas impacted by recent disasters to carry out strategic and high-impact activities to mitigate disaster risks and reduce future losses.

Hazard Mitigation Grant Program (HMGP) – DR4485 Master Drainage Plan – This fund is used to account for federal grant funds related to the Master Drainage Plan project. The fund will be closed out at the completion of the project.

2025 Community Development Block Grant (CDBG) MIT RCP Grant – This fund is used to account for federal grant funds related to the Resilient Communities Program project. The fund will be closed out at the completion of the project.

Blended Component Units account for activities that are governmental in nature and for which the City exercises significant financial and operational control, and because these activities are so intertwined with the City's operations, they are reported as part of the City's governmental funds and governmental activities rather than as discretely presented entities.

Friendswood TIRZ #1 - This fund is used to account for the TIRZ in the Friendswood City Center area of the City. The proposed uses of the property include retail, mixed-use commercial, multi-family, office/ medical, and hotel.

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.

City of
Friendswood
Texas

NONMAJOR
GOVERNMENTAL FUNDS (continued)

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

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

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

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

Capital Maintenance Fund - This fund is used to account for capital improvements including repairs and maintenance and is funded primarily through transfers from the General Fund. The Capital Maintenance Fund excludes maintenance of assets owned by the Enterprise Fund (Water and Sewer Fund).

MAJOR
GOVERNMENTAL FUNDS

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

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

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

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

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

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

Blended Component Units account for activities that are governmental in nature and for which the City exercises significant financial and operational control, and because these activities are so intertwined with the City's operations, they are reported as part of the City's governmental funds and governmental activities rather than as discretely presented entities.

Friendswood CC PID Fund - This fund is used to account for the proceeds of the Special Assessment Revenue Bonds in the amount of $36,907,000 for the purpose of paying a portion of the costs of authorized improvements within the Friendswood City Center Public Improvement District, initial major improvements project.

CITY OF FRIENDSWOOD, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Special Revenue Funds			
	Police Investigation	FVFD Donation	Municipal Court	CDBG - DR Galveston County
Assets				
Cash and cash equivalents	$ 44,574	$ 60,699	$ 58,983	$ 50,245
Investments	109,558	152,619	148,305	126,335
Receivables, net of allowance:				
Taxes	-	-	-	-
Customer accounts	-	2,920	-	-
Other receivables	-	-	3,573	-
Accrued interest	282	448	379	-
Due from other governments	-	-	-	259,491
Total Assets	$ 154,414	$ 216,686	$ 211,240	$ 436,071
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$ 11,086	$ -	$ 5,255	$ 68,249
Accrued liabilities	-	-	1,802	-
Retainage payable	-	-	-	14,900
Due to other funds	-	-	-	215,402
Total Liabilities	11,086	-	7,057	298,551
Deferred Inflows of Resources:				
Unavailable revenue	-	-	3,756	-
Total Deferred Inflows of Resources	-	-	3,756	-
Fund Balances:				
Nonspendable:				
Permanent fund	-	-	-	-
Restricted:				
Municipal court operations	-	-	200,427	-
Public safety	143,328	216,686	-	-
Capital projects	-	-	-	137,520
Total Fund Balances	143,328	216,686	200,427	137,520
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 154,414	$ 216,686	$ 211,240	$ 436,071

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Special Revenue Funds			Blended Component Unit
	CDBG - MIT	HMGP-DR4485 Master Drainage Plan	2025 CDBG - MIT RCP Grant	Friendswood TIRZ #1
Assets				
Cash and cash equivalents	$ 13,568	$ 43,656	$ 7,542	$ 232
Investments	34,114	109,768	18,964	-
Receivables, net of allowance:				
Taxes	-	-	-	-
Customer accounts	-	-	-	-
Other receivables	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	43,862	445,847	26,506	-
Total Assets	$ 91,544	$ 599,271	$ 53,012	$ 232
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$ 43,862	$ 153,423	$ 26,506	$ -
Accrued liabilities	-	-	-	-
Retainage payable	-	-	-	-
Due to other funds	47,682	445,848	26,506	-
Total Liabilities	91,544	599,271	53,012	-
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Permanent fund	-	-	-	-
Restricted:				
Municipal court operations	-	-	-	-
Public safety	-	-	-	-
Capital projects	-	-	-	232
Total Fund Balances	-	-	-	232
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 91,544	$ 599,271	$ 53,012	$ 232

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Permanent	Capital Projects Funds		
	1776 Park Fund	Sidewalk Installation Fund	Park Land Dedication Fund	Street Improvement Fund
Assets				
Cash and cash equivalents	$ 3,541	$ 1,882	$ 51,264	$ 2,851,585
Investments	8,903	4,734	128,897	7,169,918
Receivables, net of allowance:				
Taxes	-	-	-	485,023
Customer accounts	-	-	-	-
Other receivables	-	-	-	-
Accrued interest	23	12	317	17,377
Due from other governments	-	-	-	-
Total Assets	$ 12,467	$ 6,628	$ 180,478	$ 10,523,903
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 21,034
Accrued liabilities	-	-	-	-
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	21,034
Deferred Inflows of Resources:				
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Permanent fund	12,467	-	-	-
Restricted:				
Municipal court operations	-	-	-	-
Public safety	-	-	-	-
Capital projects	-	6,628	180,478	10,502,869
Total Fund Balances	12,467	6,628	180,478	10,502,869
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 12,467	$ 6,628	$ 180,478	$ 10,523,903

CITY OF FRIENDSWOOD, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	Capital Projects Funds	
	Capital Maintenance Fund	Total Nonmajor Governmental Funds
Assets		
Cash and cash equivalents	$ 253,850	$ 3,441,621
Investments	638,271	8,650,386
Receivables, net of allowance:		
Taxes	-	485,023
Customer accounts	-	2,920
Other receivables	-	3,573
Accrued interest	1,151	19,989
Due from other governments	-	775,706
Total Assets	$ 893,272	$ 13,379,218
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities:		
Accounts payable	$ 11,785	$ 341,200
Accrued liabilities	-	1,802
Retainage payable	-	14,900
Due to other funds	-	735,438
Total Liabilities	11,785	1,093,340
Deferred Inflows of Resources:		
Unavailable revenue	-	3,756
Total Deferred Inflows of Resources	-	3,756
Fund Balances:		
Nonspendable:		
Permanent fund	-	12,467
Restricted:		
Municipal court operations	-	200,427
Public safety	-	360,014
Capital projects	881,487	11,709,214
Total Fund Balances	881,487	12,282,122
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 893,272	$ 13,379,218

CITY OF FRIENDSWOOD, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Special Revenue Funds			
	Police Investigation	FVFD Donation	Municipal Court	CDBG - DR Galveston County
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-
Fines and forfeitures	7,256	-	62,929	-
Permits and fees	-	-	-	-
Intergovernmental	-	-	-	682,633
Miscellaneous	-	25,000	-	-
Donations	-	160,414	-	-
Investment earnings	4,847	10,077	7,617	-
Total Revenues	12,103	195,491	70,546	682,633
Expenditures				
Current:				
General government	-	-	89,743	-
Public safety	3,667	-	-	-
Public works	-	-	-	7,480
Debt Service:				
Principal	-	194,607	-	-
Interest and other charges	-	17,035	-	-
Capital Outlay	-	25,057	5,075	525,607
Total Expenditures	3,667	236,699	94,818	533,087
Excess (deficiency) of revenues over (under) expenditures	8,436	(41,208)	(24,272)	149,546
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(30,000)
Total Other Financing Sources (Uses)	-	-	-	(30,000)
Net change in fund balances	8,436	(41,208)	(24,272)	119,546
Fund Balances - Beginning	134,892	257,894	224,699	17,974
Fund Balances - Ending	$ 143,328	$ 216,686	$ 200,427	$ 137,520

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Special Revenue Funds			Blended Component Unit
	CDBG - MIT	HMGP-DR4485 Master Drainage Plan	2025 CDBG - MIT RCP Grant	Friendswood TIRZ #1
Revenues				
Property taxes	$ -	$ -	$ -	$ 232
Sales taxes	-	-	-	-
Fines and forfeitures	-	-	-	-
Permits and fees	-	-	-	-
Intergovernmental	179,034	609,125	26,506	-
Miscellaneous	-	-	-	-
Donations	-	-	-	-
Investment earnings	-	-	-	-
Total Revenues	179,034	609,125	26,506	232
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	12,600	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital Outlay	179,034	596,525	26,506	-
Total Expenditures	179,034	609,125	26,506	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	232
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	-	-	-	232
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	$ -	$ -	$ -	$ 232

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Permanent	Capital Projects Funds		
	1776 Park Fund	Sidewalk Installation Fund	Park Land Dedication Fund	Street Improvement Fund
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	2,768,087
Fines and forfeitures	-	-	-	-
Permits and fees	-	-	65,400	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	32,628
Donations	-	-	-	-
Investment earnings	461	244	5,796	324,157
Total Revenues	461	244	71,196	3,124,872
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	38,000
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital Outlay	-	-	-	107,940
Total Expenditures	-	-	-	145,940
Excess (deficiency) of revenues over (under) expenditures	461	244	71,196	2,978,932
Other Financing Sources (Uses)				
Transfers in	-	-	-	86,150
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	86,150
Net change in fund balances	461	244	71,196	3,065,082
Fund Balances - Beginning	12,006	6,384	109,282	7,437,787
Fund Balances - Ending	$ 12,467	$ 6,628	$ 180,478	$ 10,502,869

CITY OF FRIENDSWOOD, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Capital Projects Funds	
	Capital Maintenance Fund	Total Nonmajor Governmental Funds
Revenues		
Property taxes	$ -	$ 232
Sales taxes	-	2,768,087
Fines and forfeitures	-	70,185
Permits and fees	-	65,400
Intergovernmental	-	1,497,298
Miscellaneous	-	57,628
Donations	-	160,414
Investment earnings	15,695	368,894
Total Revenues	15,695	4,988,138
Expenditures		
Current:		
General government	-	89,743
Public safety	-	3,667
Public works	11,785	69,865
Debt Service:		
Principal	-	194,607
Interest and other charges	-	17,035
Capital Outlay	-	1,465,744
Total Expenditures	11,785	1,840,661
Excess (deficiency) of revenues over (under) expenditures	3,910	3,143,567
Other Financing Sources (Uses)		
Transfers in	877,577	963,727
Transfers out	-	(30,000)
Total Other Financing Sources (Uses)	877,577	933,727
Net change in fund balances	881,487	4,081,204
Fund Balances - Beginning	-	8,200,918
Fund Balances - Ending	$ 881,487	$ 12,282,122

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
POLICE INVESTIGATION
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Fines and forfeitures	$ -	$ -	$ 7,256	$ 7,256
Investment earnings	4,448	4,448	4,847	399
Total Revenues	4,448	4,448	12,103	7,655
Expenditures				
Current:				
Public safety	-	1,612	3,667	(2,055)
Total Expenditures	-	1,612	3,667	(2,055)
Net change in fund balances	4,448	2,836	8,436	5,600
Fund Balances - Beginning	134,892	134,892	134,892	-
Fund Balances - Ending	$ 139,340	$ 137,728	$ 143,328	$ 5,600

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FVFD DONATION
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Donations	$ 150,000	$ 150,000	$ 160,414	$ 10,414
Investment earnings	11,257	11,257	10,077	(1,180)
Miscellaneous	-	25,000	25,000	-
Total Revenues	161,257	186,257	195,491	9,234
Expenditures				
Debt service:				
Principal	195,209	195,209	194,607	602
Interest and other charges	17,036	17,036	17,035	1
Capital outlay	-	25,000	25,057	(57)
Total Expenditures	212,245	237,245	236,699	546
Net change in fund balances	(50,988)	(50,988)	(41,208)	9,780
Fund Balances - Beginning	257,894	257,894	257,894	-
Fund Balances - Ending	$ 206,906	$ 206,906	$ 216,686	$ 9,780

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MUNICIPAL COURT
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Fines and forfeitures	$ 56,400	$ 56,400	$ 62,929	$ 6,529
Investment earnings	7,000	7,000	7,617	617
Total Revenues	63,400	63,400	70,546	7,146
Expenditures				
Current:				
General government	62,803	102,185	89,743	12,442
Capital outlay	-	10,150	5,075	5,075
Total Expenditures	62,803	112,335	94,818	17,517
Net change in fund balances	597	(48,935)	(24,272)	24,663
Fund Balances - Beginning	224,699	224,699	224,699	-
Fund Balances - Ending	$ 225,296	$ 175,764	$ 200,427	$ 24,663

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, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental	$ 2,189,277	$ 374,344	$ 682,633	$ 308,289
Total Revenues	2,189,277	374,344	682,633	308,289
Expenditures				
Current:				
Public works	7,480	7,480	7,480	-
Capital outlay	2,181,797	336,864	525,607	(188,743)
Total Expenditures	2,189,277	344,344	533,087	(188,743)
Excess (deficiency) of revenues over expenditures	-	30,000	149,546	119,546
Other Financing Sources (Uses)				
Transfers out	-	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	-	(30,000)	(30,000)	-
Net change in fund balances	-	-	119,546	119,546
Fund Balances - Beginning	17,974	17,974	17,974	-
Fund Balances - Ending	$ 17,974	$ 17,974	$ 137,520	$ 119,546

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CDBG - MIT
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental	$ -	$ 135,173	$ 179,034	$ 43,861
Total Revenues	-	135,173	179,034	43,861
Expenditures				
Capital outlay	-	135,173	179,034	(43,861)
Total Expenditures	-	135,173	179,034	(43,861)
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
HMGP-DR4485 MASTER DRAINAGE PLAN
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Intergovernmental	$ -	$ 163,279	$ 609,125	$ 445,846
Total Revenues	-	163,279	609,125	445,846
Expenditures				
Current:				
Public works	-	6,200	12,600	(6,400)
Capital outlay	-	157,079	596,525	(439,446)
Total Expenditures	-	163,279	609,125	(445,846)
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
1776 PARK
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Investment earnings	$ 459	$ 459	$ 461	$ 2
Total Revenues	459	459	461	2
Expenditures				
Current	-	-	-	-
Total Expenditures	-	-	-	-
Net change in fund balances	459	459	461	2
Fund Balances - Beginning	12,006	12,006	12,006	-
Fund Balances - Ending	$ 12,465	$ 12,465	$ 12,467	$ 2

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SIDEWALK INSTALLATION
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Investment earnings	$ 122	$ 122	$ 244	$ 122
Total Revenues	122	122	244	122
Expenditures				
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Net change in fund balances	122	122	244	122
Fund Balances - Beginning	6,384	6,384	6,384	-
Fund Balances - Ending	$ 6,506	$ 6,506	$ 6,628	$ 122

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, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Permit and fees	$ 50,000	$ 50,000	$ 65,400	$ 15,400
Investment earnings	3,137	3,137	5,796	2,659
Total Revenues	53,137	53,137	71,196	18,059
Expenditures				
Capital outlay	-	62,604	-	62,604
Total Expenditures	-	62,604	-	62,604
Net change in fund balances	53,137	(9,467)	71,196	80,663
Fund Balances - Beginning	109,282	109,282	109,282	-
Fund Balances - Ending	$ 162,419	$ 99,815	$ 180,478	$ 80,663

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
STREET IMPROVEMENT
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Sales taxes	$ 2,322,980	$ 2,322,980	$ 2,768,087	$ 445,107
Investment earnings	223,970	223,970	324,157	100,187
Miscellaneous	-	-	32,628	32,628
Total Revenues	2,546,950	2,546,950	3,124,872	577,922
Expenditures				
Current:				
Public works	-	-	38,000	(38,000)
Capital outlay	3,727,555	328,702	107,940	220,762
Total Expenditures	3,727,555	328,702	145,940	182,762
Excess (deficiency) of revenues over expenditures	(1,180,605)	2,218,248	2,978,932	760,684
Other Financing Sources (Uses)				
Transfers in	-	86,150	86,150	-
Total Other Financing Sources (Uses)	-	86,150	86,150	-
Net change in fund balances	(1,180,605)	2,304,398	3,065,082	760,684
Fund Balances - Beginning	7,437,787	7,437,787	7,437,787	-
Fund Balances - Ending	$ 6,257,182	$ 9,742,185	$ 10,502,869	$ 760,684

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL MAINTENANCE FUND
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Investment earnings	$ -	$ -	$ 15,695	$ 15,695
Total Revenues	-	-	15,695	15,695
Expenditures				
Current:				
Public works	-	11,785	11,785	-
Total Expenditures	-	11,785	11,785	-
Excess (deficiency) of revenues over expenditures	-	(11,785)	3,910	15,695
Other Financing Sources (Uses)				
Transfers in	-	877,577	877,577	-
Total Other Financing Sources (Uses)	-	877,577	877,577	-
Net change in fund balances	-	865,792	881,487	15,695
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	$ -	$ 865,792	$ 881,487	$ 15,695

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, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	$ 5,958,302	$ 5,958,302	$ 5,948,481	$ (9,821)
Investment earnings	73,930	73,930	64,025	(9,905)
Total Revenues	6,032,232	6,032,232	6,012,506	(19,726)
Expenditures				
Debt service:				
Principal	3,231,032	3,231,032	3,231,032	-
Interest and other charges	2,712,270	2,717,182	2,714,604	2,578
Total Expenditures	5,943,302	5,948,214	5,945,636	2,578
Excess (deficiency) of revenues over expenditures	88,930	84,018	66,870	(17,148)
Other Financing Sources (Uses)				
Transfers in	-	-	6,485	6,485
Total Other Financing Sources	-	-	6,485	6,485
Net change in fund balances	88,930	84,018	73,355	(10,663)
Fund Balances - Beginning	201,449	201,449	201,449	-
Fund Balances - Ending	$ 290,379	$ 285,467	$ 274,804	$ (10,663)

CITY OF FRIENDSWOOD, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BOND CONSTRUCTION
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Investment earnings	$ 300,000	$ 300,000	$ 940,963	$ 640,963
Miscellaneous	-	-	11,673	11,673
Total Revenues	300,000	300,000	952,636	652,636
Expenditures				
Current:				
Public works	359,820	359,820	85,759	274,061
Capital outlay	18,458,445	5,888,939	2,951,106	2,937,833
Total Expenditures	18,818,265	6,248,759	3,036,865	3,211,894
Excess (deficiency) of revenues over expenditures	(18,518,265)	(5,948,759)	(2,084,229)	3,864,530
Other Financing Sources (Uses)				
Transfers out	-	-	(6,485)	(6,485)
Total Other Financing Sources (Uses)	-	-	(6,485)	(6,485)
Net change in fund balances	(18,518,265)	(5,948,759)	(2,090,714)	3,858,045
Fund Balances - Beginning	22,747,390	22,747,390	22,747,390	-
Fund Balances - Ending	$ 4,229,125	$ 16,798,631	$ 20,656,676	$ 3,858,045

STATISTICAL SECTION
(Unaudited)

City of
Friendswood
Texas

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

Financial Trends 130

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 140

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 145

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.

Demographic and Economic Information 150

This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 154

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)

	2025	2024	2023	2022	2021
Governmental Activities					
Net investment in capital assets	$ 82,946,948	$ 82,579,164	$ 79,714,165	$ 74,006,329	$ 72,240,727
Restricted	14,017,673	9,817,854	7,105,294	5,059,835	3,491,974
Unrestricted	10,542,632	3,808,116	6,302,252	8,668,866	6,886,085
Total Governmental Activities Net Position	$ 107,507,253	$ 96,205,134	$ 93,121,711	$ 87,735,030	$ 82,618,786
Business-Type Activities					
Net investment in capital assets	$ 52,438,016	$ 45,357,858	$ 40,075,768	$ 35,999,342	$ 32,910,959
Restricted	4,031,652	3,514,443	2,839,232	2,897,578	2,721,465
Unrestricted	11,579,291	14,358,789	14,978,447	11,776,833	9,984,251
Total Business-Type Activities Net Position	$ 68,048,959	$ 63,231,090	$ 57,893,447	$ 50,673,753	$ 45,616,675
Primary Government					
Net investment in capital assets	$ 135,384,964	$ 127,937,022	$ 119,789,933	$ 110,005,671	$ 105,151,686
Restricted	18,049,325	13,332,297	9,944,526	7,957,413	6,213,439
Unrestricted	22,121,923	18,166,905	21,280,699	20,445,699	16,870,336
Total Primary Government Net Positions	$ 175,556,212	$ 159,436,224	$ 151,015,158	$ 138,408,783	$ 128,235,461

CITY OF FRIENDSWOOD, TEXAS

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2020	2019	2018	2017	2016
Governmental Activities					
Net investment in capital assets	$ 68,990,597	$ 66,823,023	$ 68,320,682	$ 72,631,192	$ 73,588,484
Restricted	4,606,124	4,003,468	4,085,999	2,534,312	1,405,907
Unrestricted	2,563,947	5,402,312	6,248,751	5,532,198	5,579,677
Total Governmental Activities Net Position	$ 76,160,668	$ 76,228,803	$ 78,655,432	$ 80,697,702	$ 80,574,068
Business-Type Activities					
Net investment in capital assets	$ 32,242,803	$ 27,038,046	$ 27,088,280	$ 29,305,429	$ 28,322,718
Restricted	2,186,731	1,982,666	582,697	260,703	99,006
Unrestricted	8,438,509	12,077,564	13,620,211	10,584,764	10,238,993
Total Business-Type Activities Net Position	$ 42,868,043	$ 41,098,276	$ 41,291,188	$ 40,150,896	$ 38,660,717
Primary Government					
Net investment in capital assets	$ 101,233,400	$ 93,861,069	$ 95,408,962	$ 101,936,621	$ 101,911,202
Restricted	6,792,855	5,986,134	4,668,696	2,795,015	1,504,913
Unrestricted	11,002,456	17,479,876	19,868,962	16,116,962	15,818,670
Total Primary Government Net Positions	$ 119,028,711	$ 117,327,079	$ 119,946,620	$ 120,848,598	$ 119,234,785

CITY OF FRIENDSWOOD, TEXAS

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2025	2024	2023	2022	2021
Expenses					
Governmental Activities:					
General government	$ 9,237,393	$ 8,161,621	$ 7,873,719	$ 6,210,336	$ 5,867,654
Public safety	21,119,750	22,158,023	18,526,954	15,655,859	15,645,527
Public works	6,396,649	6,252,727	6,990,046	6,994,042	7,160,229
Engineering	650,742	639,828	640,292	570,098	506,959
Community development	1,426,546	1,339,241	1,406,566	1,017,509	1,035,202
Parks and recreation	6,478,827	6,117,073	5,608,792	4,870,623	4,604,943
Library services	1,471,822	1,429,820	1,485,716	1,283,007	1,221,740
Interest and fiscal charges	7,269,907	2,553,004	1,659,932	1,268,435	1,244,881
Total Government Activities	54,051,636	48,651,337	44,192,017	37,869,909	37,287,135
Business-Type Activities:					
Water and wastewater	13,868,587	11,963,518	12,075,080	11,124,562	11,864,245
Interest and other	1,625,542	1,625,542	1,750,060	1,861,881	1,808,120
Total Business-Type Activities	15,494,129	13,589,060	13,825,140	12,986,443	13,672,365
Total Expenses	$ 69,545,765	$ 62,240,397	$ 58,017,157	$ 50,856,352	$ 50,959,500
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ 1,332,846	$ 939,295	$ 921,752	$ 974,029	$ 871,362
Public safety	2,560,975	1,199,635	1,023,874	1,197,570	1,372,432
Public works	273,800	265,593	241,445	234,103	225,419
Community development	-	-	-	1,238	-
Parks and recreation	528,713	537,448	493,846	441,649	384,489
Library services	-	-	-	-	-
Operating grants and contributions	6,939,865	1,352,869	2,229,755	841,537	3,874,866
Capital grants and contributions	1,489,818	630,315	3,757,860	2,620,495	3,864,589
Total Governmental Activities	13,126,017	4,925,155	8,668,532	6,310,621	10,593,157
Business-Type Activities:					
Charges for services:					
Water and wastewater	22,756,119	20,273,185	21,293,632	19,419,622	17,919,751
Operating grants and contributions	30,849	-	104,354	289,181	-
Total Business-Type Activities	22,786,968	20,273,185	21,397,986	19,708,803	17,919,751
Total Program Revenues	$ 35,912,985	$ 25,198,340	$ 30,066,518	$ 26,019,424	$ 28,512,908
Net (Expense) Revenues					
Governmental activities	$ (40,925,619)	$ (43,726,182)	$ (35,523,485)	$ (31,559,288)	$ (26,693,978)
Business-type activities	7,292,839	6,684,125	7,572,846	6,722,360	4,247,386
Total Primary Government Net Expense	$ (33,632,780)	$ (37,042,057)	$ (27,950,639)	$ (24,836,928)	$ (22,446,592)

	2020	2019	2018	2017	2016
Expenses					
Governmental Activities:					
General government	$ 6,119,806	$ 5,912,467	$ 5,734,611	$ 5,128,399	$ 4,736,867
Public safety	15,501,734	15,134,465	17,538,040	15,861,719	13,101,691
Public works	8,840,113	7,897,373	6,267,824	4,429,664	4,429,482
Engineering	434,976	-	-	-	-
Community development	1,122,506	1,359,878	945,701	1,495,001	1,577,813
Parks and recreation	4,439,511	4,839,076	4,554,114	3,459,053	3,080,453
Library services	1,214,130	1,257,970	1,210,207	1,215,683	1,134,859
Interest and fiscal charges	1,055,889	923,350	953,509	953,146	862,654
Total Government Activities	38,728,665	37,324,579	37,204,006	32,542,665	28,923,819
Business-Type Activities:					
Water and wastewater	12,071,159	11,507,880	9,019,197	8,502,218	7,975,920
Interest and other	1,733,123	1,579,182	1,029,715	1,086,278	1,642,723
Total Business-Type Activities	13,804,282	13,087,062	10,048,912	9,588,496	9,618,643
Total Expenses	$ 52,532,947	$ 50,411,641	$ 47,252,918	$ 42,131,161	$ 38,542,462
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ 930,686	$ 751,112	$ 861,271	$ 1,004,968	$ 1,002,022
Public safety	871,714	811,768	868,761	35,007	28,760
Public works	222,337	236,352	213,042	242,184	174,568
Community development	9,275	6,841	-	1,036,741	949,011
Parks and recreation	181,709	341,560	344,064	387,915	286,727
Library services	-	-	-	30,600	27,532
Operating grants and contributions	3,430,645	1,842,704	4,924,228	2,591,025	800,151
Capital grants and contributions	708,306	-	-	219,808	318,657
Total Governmental Activities	6,354,672	3,990,337	7,211,366	5,548,248	3,587,428
Business-Type Activities:					
Charges for services:					
Water and wastewater	16,638,758	13,669,552	12,183,711	12,295,441	11,319,801
Operating grants and contributions	22,602	-	-	-	-
Total Business-Type Activities	16,661,360	13,669,552	12,183,711	12,295,441	11,319,801
Total Program Revenues	$ 23,016,032	$ 17,659,889	$ 19,395,077	$ 17,843,689	$ 14,907,229
Net (Expense) Revenues					
Governmental activities	$ (32,373,993)	$ (33,334,242)	$ (29,992,640)	$ (26,994,417)	$ (25,336,391)
Business-type activities	2,857,078	582,490	2,134,799	2,706,945	1,701,158
Total Primary Government Net Expense	$ (29,516,915)	$ (32,751,752)	$ (27,857,841)	$ (24,287,472)	$ (23,635,233)

	2025	2024	2023	2022	2021
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	$ 27,869,643	$ 25,729,032	$ 22,731,678	$ 20,845,938	$ 19,163,858
Sales taxes	13,920,188	12,628,949	12,126,784	11,176,190	9,915,046
Franchise and other taxes	2,130,281	2,105,924	2,235,689	2,170,152	2,090,001
Investment earnings	3,488,328	3,141,648	1,726,549	49,151	50,805
Gain (loss) on disposal of capital assets	-	-	-	-	-
Miscellaneous	1,218,580	504,667	285,666	638,418	390,533
Transfers	3,600,718	2,699,385	1,803,800	1,795,683	1,541,853
Total Governmental Activities	52,227,738	46,809,605	40,910,166	36,675,532	33,152,096
Business-Type Activities:					
Investment earnings	1,112,541	1,352,903	1,450,648	130,401	43,099
Gain (loss) on disposal of capital assets	-	-	-	-	-
Miscellaneous	13,207	-	-	-	-
Transfers	(3,600,718)	(2,699,385)	(1,803,800)	(1,795,683)	(1,541,853)
Total Business-Type Activities	(2,474,970)	(1,346,482)	(353,152)	(1,665,282)	(1,498,754)
Total General Revenues and Other Changes in Net Position	49,752,768	45,463,123	40,557,014	35,010,250	31,653,342
Change in Net Position					
Governmental activities	11,302,119	3,083,423	5,386,681	5,116,244	6,458,118
Business-type activities	4,817,869	5,337,643	7,219,694	5,057,078	2,748,632
Total Primary Government	$ 16,119,988	$ 8,421,066	$ 12,606,375	$ 10,173,322	$ 9,206,750

	2020	2019	2018	2017	2016
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	$ 18,731,549	$ 18,111,247	$ 17,608,094	$ 17,270,647	$ 16,350,101
Sales taxes	8,846,359	8,407,249	7,965,662	6,482,367	5,393,920
Franchise and other taxes	2,142,660	2,054,395	1,617,121	1,661,654	1,779,234
Investment earnings	880,606	526,867	321,468	187,001	149,003
Gain (loss) on disposal of capital assets	-	-	-	25,999	19,564
Miscellaneous	269,855	351,165	263,245	131,639	128,813
Transfers	1,434,829	1,456,690	1,554,849	1,358,744	1,397,065
Total Governmental Activities	32,305,858	30,907,613	29,330,439	27,118,051	25,217,700
Business-Type Activities:					
Investment earnings	347,518	681,288	200,449	141,978	95,825
Gain (loss) on disposal of capital assets	-	-	-	-	7,569
Miscellaneous	-	-	-	-	-
Transfers	(1,434,829)	(1,456,690)	(1,554,849)	(1,358,744)	(1,397,065)
Total Business-Type Activities	(1,087,311)	(775,402)	(1,354,400)	(1,216,766)	(1,293,671)
Total General Revenues and Other Changes in Net Position	31,218,547	30,132,211	27,976,039	25,901,285	23,924,029
Change in Net Position					
Governmental activities	(68,135)	(2,426,629)	(662,201)	123,634	(118,691)
Business-type activities	1,769,767	(192,912)	780,399	1,490,179	407,487
Total Primary Government	$ 1,701,632	$ (2,619,541)	$ 118,198	$ 1,613,813	$ 288,796

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

	2025	2024	2023	2022	2021
General Fund					
Nonspendable	$ 530,164	$ 437,344	$ 430,134	$ 260,066	$ 355,011
Restricted	710,923	592,105	566,041	460,154	597,908
Committed	-	-	-	-	-
Assigned	2,296,127	3,192,822	4,630,982	4,667,500	4,320,912
Unassigned	15,605,423	9,074,302	11,111,696	11,997,367	11,953,314
Total General Fund	19,142,637	13,296,573	16,738,853	17,385,087	17,227,145
All Other Governmental Funds					
Nonspendable	12,467	12,006	11,801	11,484	11,101
Restricted	42,739,073	31,961,133	40,068,218	12,740,909	18,106,088
Unassigned	-	-	-	(179,413)	(165,886)
Total Other Governmental Funds	42,751,540	31,973,139	40,080,019	12,572,980	17,951,303
Total Fund Balances of Governmental Funds	$ 61,894,177	$ 45,269,712	$ 56,818,872	$ 29,958,067	$ 35,178,448

	2020	2019	2018	2017	2016
General Fund					
Nonspendable	$ 255,796	$ 378,736	$ 371,610	$ 434,750	$ 646,778
Restricted	650,424	727,704	631,971	667,271	626,229
Committed	-	-	-	-	3,612
Assigned	2,591,745	2,508,234	4,229,725	2,893,697	2,706,897
Unassigned	13,374,059	10,608,815	9,052,000	9,547,039	9,776,031
Total General Fund	16,872,024	14,223,489	14,285,306	13,542,757	13,759,547
All Other Governmental Funds					
Nonspendable	11,070	24,738	24,307	31,869	31,721
Restricted	4,757,183	5,568,395	9,304,724	8,464,859	8,165,349
Unassigned	(1,826,743)	-	-	-	(193,750)
Total Other Governmental Funds	2,941,510	5,593,133	9,329,031	8,496,728	8,003,320
Total Fund Balances of Governmental Funds	$ 19,813,534	$ 19,816,622	$ 23,614,337	$ 22,039,485	$ 21,762,867

	2025	2024	2023	2022	2021
Revenues					
Taxes	$ 43,845,458	$ 40,281,183	$ 37,087,960	$ 34,192,280	$ 30,974,155
Fines and forfeitures	993,302	1,085,502	895,577	1,052,940	1,219,096
Permits and fees	3,758,077	1,946,951	1,861,325	1,847,985	1,669,033
Intergovernmental	8,182,705	1,732,764	5,730,985	3,215,269	7,495,971
Investment earnings	3,385,933	3,082,336	1,691,972	49,580	48,609
Donations	420,540	255,811	295,968	255,638	264,938
Miscellaneous	390,110	296,269	350,095	345,364	124,627
Total Revenues	60,976,125	48,680,816	47,913,882	40,959,056	41,796,429
Expenditures					
General government	8,555,297	7,365,192	6,936,378	6,040,832	5,591,248
Public safety	19,967,406	21,121,093	16,640,299	15,370,261	14,897,465
Public works	3,147,489	2,849,812	3,572,326	5,765,313	4,612,796
Engineering	650,742	639,828	641,204	571,010	507,933
Community development	1,421,757	1,387,457	1,293,280	1,187,413	1,131,498
Parks and recreation	5,843,103	5,646,466	4,918,338	4,312,856	3,715,517
Library services	1,503,377	1,443,794	1,401,299	1,336,185	1,223,726
Capital outlay	33,453,530	16,292,302	13,487,123	10,277,134	7,037,490
Debt principal payment	3,526,606	3,530,993	3,377,350	2,840,720	2,556,282
Interest and other charges	7,437,633	2,938,851	1,908,811	1,624,891	1,567,472
Total Expenditures	85,506,940	63,215,788	54,176,408	49,326,615	42,841,427
Excess of revenues over (under) expenditures	(24,530,815)	(14,534,972)	(6,262,526)	(8,367,559)	(1,044,998)
Other Financing Sources (Uses)					
Sale of capital assets	5,025	19,040	18,181	32,029	21,270
Insurance recoveries	553,013	71,342	69,683	74,126	175,351
Issuance of capital related debt	36,907,000	-	29,775,000	-	13,185,000
Issuance of notes payable	-	-	925,000	1,457,640	-
Issuance of capital lease	-	-	-	-	306,329
Issuance of SBITAs	213,310	212,999	-	-	-
Refunding bonds issued	-	-	-	-	3,050,000
Payment to refunding escrow agent	-	-	-	-	(3,321,347)
Premium on issuance of debt	-	-	541,134	-	1,451,456
Transfers in	4,477,144	2,682,431	1,810,668	1,708,331	1,751,915
Transfers out	(1,000,212)	-	(16,335)	(124,948)	(210,062)
Total Other Financing Sources (Uses)	41,155,280	2,985,812	33,123,331	3,147,178	16,409,912
Net Change in Fund Balances	$ 16,624,465	$ (11,549,160)	$ 26,860,805	$ (5,220,381)	$ 15,364,914
Debt service as a percentage of noncapital expenditures	21.1%	13.8%	13.0%	12.1%	11.7%

	2020	2019	2018	2017	2016
Revenues					
Taxes	$ 29,712,771	$ 28,389,651	$ 27,247,421	$ 25,509,760	$ 23,533,294
Fines and forfeitures	780,717	866,812	957,671	1,023,556	873,872
Permits and fees	1,504,555	1,483,554	1,566,656	1,708,357	1,450,939
Intergovernmental	3,828,898	1,576,838	4,398,836	1,763,974	664,427
Investment earnings	274,405	518,221	313,793	184,127	147,403
Donations	274,945	290,069	396,010	434,164	257,724
Miscellaneous	719,721	18,777	181,017	165,619	79,435
Total Revenues	37,096,012	33,143,922	35,061,404	30,789,557	27,007,094
Expenditures					
General government	5,690,428	5,336,269	5,440,888	4,975,926	4,385,321
Public safety	14,306,864	13,545,539	16,868,931	14,751,381	12,135,956
Public works	6,021,313	4,127,539	2,157,277	2,160,152	2,118,572
Engineering	434,976	-	-	-	-
Community development	1,139,566	1,099,154	985,309	893,663	954,103
Parks and recreation	3,426,521	3,796,589	3,511,146	3,339,864	3,032,979
Library services	1,182,289	1,204,415	1,200,512	1,172,245	1,096,614
Capital outlay	12,865,475	6,219,243	2,615,538	8,429,200	9,332,400
Debt principal payment	2,221,257	2,168,876	2,137,284	1,813,130	1,570,176
Interest and other charges	1,285,807	1,112,127	1,145,400	1,170,958	921,982
Total Expenditures	48,574,496	38,609,751	36,062,285	38,706,519	35,548,103
Excess of revenues over (under) expenditures	(11,478,484)	(5,465,829)	(1,000,881)	(7,916,962)	(8,541,009)
Other Financing Sources (Uses)					
Sale of capital assets	72,568	6,614	9,135	12,757	2,743
Insurance recoveries	8,548	235,443	725,304	25,999	19,564
Issuance of capital related debt	7,795,000	-	485,305	5,605,000	7,345,000
Issuance of notes payable	-	-	-	-	-
Issuance of capital lease	1,791,015	-	-	756,006	-
Issuance of SBITAs	-	-	-	-	-
Refunding bonds issued	2,065,000	-	-	-	-
Payment to refunding escrow agent	(2,372,262)	-	-	-	-
Premium on issuance of debt	753,840	-	-	435,074	1,484,593
Transfers in	1,584,985	1,473,591	1,402,989	1,364,399	1,503,442
Transfers out	(223,298)	(47,534)	(47,000)	(5,655)	(182,503)
Total Other Financing Sources (Uses)	11,475,396	1,668,114	2,575,733	8,193,580	10,172,839
Net Change in Fund Balances	$ (3,088)	$ (3,797,715)	$ 1,574,852	$ 276,618	$ 1,631,830
Debt service as a percentage of noncapital expenditures	9.9%	10.1%	9.8%	9.9%	9.2%

Fiscal Year	Tax Year	Residential Property	Commercial and Industrial Property	Other Property	Total Assessed Value
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
2024	2023	6,205,039,336	443,706,520	649,954,492	7,298,700,348
2025	2024	6,514,540,079	453,671,503	690,356,100	7,658,567,682

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)

Fiscal Year	Tax Year	Less: Exemptions and Tax Exempt Property	Total Taxable Value	Total Direct Tax Rate
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
2024	2023	2,275,365,672	5,023,334,676	0.50073
2025	2024	2,257,130,063	5,401,437,619	0.51472

CITY OF FRIENDSWOOD, TEXAS

Table 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Unaudited)
(rate per $100 of assessed value)

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
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	0.4321	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	0.3885	0.0988	0.4873	1.2094	1.1146	0.1298	0.3676	0.53548
2024	0.3794	0.1213	0.5007	1.0800	0.9746	0.1186	0.3341	0.53509
2025	0.4041	0.1100	0.5142	1.0400	0.9690	0.1120	0.3335	0.60869

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 *Table 7*

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
(Unaudited)

	2025			2016		
Taxpayer	**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	$ 38,478,459	1	0.71%	$ 25,406,546	1	0.87%
Texas-New Mexico Power Co.	31,412,170	2	0.58%	16,687,804	2	0.57%
Bellevue at Clear Creek LP	22,171,718	3	0.41%			
1715 Friendswood LLC	21,400,000	4	0.40%			
The Beldon Friendswood LLC	16,155,440	5	0.30%			
Frontier Land PLL	14,500,000	6	0.27%			
A-S 108 Friendswood Crossing LP	13,194,850	7	0.24%	6,796,870	7	0.23%
Bay Meadows LLP	12,539,041	8	0.23%			
Maxi-Ban LTD	11,250,000	9	0.21%			
Gardens at Friendswood Lakes LP	11,107,200	10	0.21%			
Kroger Co.				12,965,039	3	0.44%
LSREF3 Bravo Houston LLC				12,378,326	4	0.42%
Autumn Creek Dev LTD				8,024,200	5	0.27%
HSRE Friendswood LLC				8,000,000	6	0.27%
H E Butt Grocery Company				5,950,240	8	0.20%
HCP Friendswood LLC				5,855,990	9	0.20%
Timber Creek Holdings LP				5,614,359	10	0.19%
Total	192,208,878		3.56%	107,679,374		3.66%
All other taxpayers	5,209,228,741		96.44%	2,813,118,663		96.31%
	$ 5,401,437,619		100.00%	$ 2,920,798,037		99.97%

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

CITY OF FRIENDSWOOD, TEXAS

Table 8

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

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
2016	$ 16,431,153	$ 16,264,080	98.98%	$ 157,473	$ 16,421,553	99.94%
2017	17,014,685	16,922,419	99.46%	82,539	17,004,958	99.94%
2018	17,633,192	17,554,220	99.55%	67,868	17,622,088	99.94%
2019	17,952,134	17,756,864	98.91%	183,045	17,939,909	99.93%
2020	18,682,563	18,605,868	99.59%	61,481	18,667,349	99.92%
2021	18,879,840	18,877,842	99.99%	(17,531)	18,860,311	99.90%
2022	20,843,713	20,793,321	99.76%	23,965	20,817,286	99.87%
2023	22,761,758	22,713,172	99.79%	4,991	22,718,163	99.81%
2024	25,695,130	25,591,518	99.60%	16,707	25,608,225	99.66%
2025	27,883,681	27,787,368	99.65%	-	27,787,368	99.65%

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

CITY OF FRIENDSWOOD, TEXAS

Table 9

RATIOS OF OUTSTANDING DEBT BT TYPE
LAST TEN FISCAL YEARS
(Unaudited)

	Governmental Activities				Business-Type Activities				
Fiscal Year	General Obligation Bonds	Special Assessment Revenue Bonds	Notes Payable	SBITAs Payable	General Obligation Bonds	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
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%	2,173
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
2024	71,838,048	-	1,752,620	152,509	16,792,283	35,362,243	125,897,703	0.54%	2,922
2025	68,629,554	36,907,000	1,166,981	264,852	14,529,735	55,833,863	177,331,985	0.71%	4,084

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: General Obligation Bonds *	Less Debt Service Funds	Net General Bonded Debt	Percentage of Taxable Value Property	Per Capita
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
2024	43,083	5,023,334,676	88,630,331	201,449	88,428,882	1.76%	2,053
2025	43,423	5,401,437,619	83,159,289	274,804	82,884,485	1.53%	1,909

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

Table 11

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2025
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Friendswood Independent School District	$ 180,565,000	100.00%	$ 180,565,000
Clear Creek Independent School District	1,270,631,096	3.149%	40,008,624
Galveston County	159,620,000	6.659%	10,629,198
Harris County	4,285,422,000	0.144%	6,178,488
Subtotal, overlapping debt			237,381,311
City Direct Debt			70,061,387
Total Direct and Overlapping Debt			$ 307,442,698

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 However, this does not imply that every taxpayer is a resident--and therefore responsible for repaying the debt--of each overlapping government.

CITY OF FRIENDSWOOD, TEXAS *Table 12*

LEGAL DEBT MARGIN INFORMATION

(UNAUDITED)

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, 2025 is $0.5142 per $100 of assessed valuation with assessed valuation being 100% of market value.

CITY OF FRIENDSWOOD, TEXAS

Table 13

PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Waterworks and Sewer Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2024	20,273,185	9,837,680	10,435,505	1,575,000	1,097,433	3.90
2025	22,769,326	10,654,883	12,114,443	1,645,000	1,459,213	3.90

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 *Table 14*

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(Unaudited)

Calendar Year	Estimated Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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	41,637	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%
2024	43,083	23,359,344,000	64,574	3.6%
2025	43,423	24,901,911,000	67,777	4.2%

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 *Table 15*

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2025			2016	
Employer	**Estimated Employees**	**Percentage of Total Employment**	**Rank**	**Estimated Employees**	**Rank**
Friendswood ISD	802	3.64%	1	711	1
HEB	453	2.05%	2	304	2
City of Friendswood	308	1.40%	3	222	4
Kroger	216	0.98%	4	293	3
Clear Creek ISD	202	0.92%	5	180	5
Friendship Haven Nursing Home	123	0.56%	6	154	6
McDonalds	104	0.47%	7	76	7
U.S. Post Office	73	0.33%	8	67	9
Morada (formerly Brookdale)	65	0.29%	9	65	10
UTMB	65	0.29%	10	-	
Friendswood Healthcare (Autumn Hills)	-	-		72	8
Total	2,411	10.93%		2,144	

Source: City Manager's Office

Note: Percentage of total employment is based on total City employed 16+ of 22,056 for 2025.
Total City employment for 2016 is not available.

	Full-time Equivalent Employees as of September 30				
	2025	2024	2023	2022	2021
Function/Program					
General Government:					
City Attorney	2.20	3.20	2.15	2.15	2.10
City Manager	4.00	4.00	4.00	4.00	6.00
City Secretary	3.00	3.00	4.00	4.00	4.00
Administrative Services	-	-	16.60	16.60	18.60
Finance	11.00	5.00	-	-	-
Human Resources	5.00	11.00	5.00	5.00	5.00
Information Technology	7.50	7.50	6.00	6.00	5.00
Municipal Court	4.60	4.60	-	-	-
Communications	3.00	3.00	-	-	-
Public Safety:					
Police	89.60	91.00	90.40	90.38	90.38
Emergency services	27.99	8.45	7.38	7.38	7.20
Public Works	25.00	25.00	24.00	23.00	23.00
Community Development	12.50	12.50	11.70	11.18	10.70
Engineering	9.45	9.45	8.45	7.45	7.00
Parks and Recreation	26.60	25.60	25.30	25.30	24.90
Library	15.32	15.32	15.62	15.62	14.97
Water	13.00	12.00	11.30	11.30	9.30
Sewer	12.00	10.00	11.00	11.00	11.00
Total City Employees:	271.76	250.62	242.90	240.36	239.15

Source: City of Friendswood Budget Documents

Notes:

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.

In fiscal year 2024, Administrative Services was renamed to Finance and Municipal Court became its own department. In addition, a Communication department was added and the Fire Marshal's Office was renamed to Emergency Services.

In fiscal year 2025, the Department of Emergency Services (formerly the Fire Marshal's Office) onboarded the Emergency Medical Services (EMS) division. The onboarding of this division added 13.0 full-time employees, along with additional part-time personnel.

	Full-time Equivalent Employees as of September 30				
	2020	2019	2018	2017	2016
Function/Program					
General Government:					
City Attorney	2.10	2.10	2.10	1.00	1.00
City Manager	6.00	5.00	5.40	5.40	5.40
City Secretary	4.00	5.00	5.00	5.00	5.00
Administrative Services	18.60	27.60	27.60	27.70	27.70
Finance	-	-	-	-	-
Human Resources	5.00	-	-	-	-
Information Technology	5.00	-	-	-	-
Municipal Court	-	-	-	-	-
Communications	-	-	-	-	-
Public Safety:					
Police	90.38	90.38	87.72	88.72	86.72
Emergency services	7.20	7.20	6.60	6.60	6.60
Public Works	23.00	23.00	27.00	26.00	29.00
Community Development	10.70	10.70	10.70	11.70	11.70
Engineering	7.00	6.00	-	-	-
Parks and Recreation	24.50	23.10	21.90	20.90	19.63
Library	14.97	14.97	14.97	14.97	14.62
Water	9.30	9.30	9.30	8.30	8.30
Sewer	11.00	11.00	10.00	11.00	8.00
Total City Employees:	238.75	235.35	228.29	227.29	223.67

Source: City of Friendswood Budget Documents

Notes:

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.

In fiscal year 2024, Administrative Services was renamed to Finance and Municipal Court became its own department. In addition, a Communication department was added and the Fire Marshal's Office was renamed to Emergency Services.

In fiscal year 2025, the Department of Emergency Services (formerly the Fire Marshal's Office) onboarded the Emergency Medical Services (EMS) division. The onboarding of this division added 13.0 full-time employees, along with additional part-time personnel.

CITY OF FRIENDSWOOD, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN CALENDAR YEARS
(Unaudited)

	Fiscal Year				
	2025	**2024**	**2023**	**2022**	**2021**
Function/Program					
Community Development:					
Building permits issued	1,869	1,779	1,582	1,682	1,658
Building inspections conducted	11,242	10,254	9,297	9,325	9,998
Police:					
Physical arrests	1,132	1,153	100	1,051	1,368
Parking violations	5	4	6	11	36
Traffic violations	5,138	6,080	4,856	9,952	11,081
Fire Marshal:					
Inspections	839	1,060	983	1,315	1,730
Fire:					
Emergency responses	4,537	4,625	4,199	4,458	4,405
Fires extinguished	79	66	82	129	92
Parks and Recreation:					
Recreation participants	24,029	21,354	20,356	36,861	16,907
Facility reservations	6,154	6,597	3,060	5,356	1,033
Library:					
Volumes in collection	95,743	94,998	94,162	95,470	101,061
Total volumes borrowed	368,745	333,029	350,419	349,814	340,478
Water:					
New connections	162	119	87	136	92
Water main breaks	104	90	201	126	49
Average daily consumption (thousands of gallons)	5,263	4,831	6,217	5,714	5,064
Peak daily consumption	10,606	9,294	12,801	11,166	14,041
Sewer:					
Average daily sewage treatment (thousands of gallons)	2,908	2,940	3,072	2,840	3,255
Maximum daily flow (thousands of gallons)	5,499	9,854	11,558	8,369	11,006

Source: Various City departments and prior year ACFRs

	Fiscal Year				
	2020	2019	2018	2017	2016
Function/Program					
Community Development:					
Building permits issued	1,605	1,465	2,788	2,177	1,865
Building inspections conducted	9,124	9,251	14,157	12,134	11,026
Police:					
Physical arrests	847	1,190	1,145	903	1,464
Parking violations	17	26	15	61	44
Traffic violations	8,807	4,468	6,785	3,669	5,001
Fire Marshal:					
Inspections	1,146	1,448	1,139	1,233	1,354
Fire:					
Emergency responses	3,650	3,655	3,720	3,599	3,303
Fires extinguished	65	80	80	75	76
Parks and Recreation:					
Recreation participants	6,027	19,657	18,299	20,556	21,369
Facility reservations	3,166	3,293	2,123	1,004	1,444
Library:					
Volumes in collection	99,930	101,532	102,852	100,678	147,726
Total volumes borrowed	271,078	342,592	348,554	341,048	301,158
Water:					
New connections	185	169	125	137	183
Water main breaks	41	84	116	44	46
Average daily consumption (thousands of gallons)	5,319	5,129	5,455	5,282	4,963
Peak daily consumption	9,927	9,390	9,475	10,110	10,472
Sewer:					
Average daily sewage treatment (thousands of gallons)	3,113	3,345	3,117	3,286	3,382
Maximum daily flow (thousands of gallons)	10,520	12,491	10,370	12,766	12,188

Source: Various City departments and prior year ACFRs

	Fiscal Year				
	2025	2024	2023	2022	2021
Function/Program					
Police:					
Stations	1	1	1	1	1
Patrol units	45	41	48	29	38
Fire:					
Stations	4	4	4	4	4
Public Works:					
Streets - paved (miles)	227	225	223	221	221
Streets - unpaved (miles)	2	2	2	2	2
Traffic signals	3	3	3	3	3
Parks and Recreation:					
Acreage	343	343	343	320	273
Parks	11	11	11	11	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)	290	285	227	222	222
Fire hydrants	1,903	1,847	1,821	1,755	1,747
Connections	14,696	14,534	14,415	14,328	14,192
Storage capacity (thousands of gallons)	7,850	7,850	7,850	7,850	7,850
Sewer:					
Sanitary sewers (miles)	188	185	184	182	182
Connections	13,587	13,435	13,324	13,241	13,132
Storm sewers (miles)	132	123	120	117	117
Treatment capacity (thousands of gallons)	5,499	5,499	9,250	9,250	9,250

Source: Various City departments and prior year ACFRs.

	Fiscal Year				
	2020	2019	2018	2017	2016
Function/Program					
Police:					
Stations	1	1	1	1	1
Patrol units	31	33	34	32	31
Fire:					
Stations	4	4	4	4	4
Public Works:					
Streets - paved (miles)	185	176	176	174	172
Streets - unpaved (miles)	2	2	2	2	2
Traffic signals	3	3	3	3	3
Parks and Recreation:					
Acreage	266	266	266	266	266
Parks	10	10	9	9	9
Swimming pool	1	1	1	1	1
Tennis courts	4	4	4	4	4
Library	1	1	1	1	1
Water:					
Water mains (miles)	216	216	216	214	212
Fire hydrants	1,713	1,707	1,707	1,690	1,672
Connections	14,098	13,913	13,744	13,619	13,482
Storage capacity (thousands of gallons)	7,850	7,850	7,850	7,850	7,850
Sewer:					
Sanitary sewers (miles)	202	202	202	200	198
Connections	13,029	12,870	12,721	12,588	12,378
Storm sewers (miles)	112	112	112	110	109
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

CITY OF FRIENDSWOOD, TEXAS

FEDERAL SINGLE AUDIT REPORT

For the Fiscal Year Ended
September 30, 2025

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, 2025, 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 23, 2026. 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.

Whitley Penn LLP

Houston, Texas
March 23, 2026

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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 Federal Major Program

We have audited City of Friendswood, Texas' (the "City") compliance with the types of compliance requirements identified as subject to audit 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, 2025. 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, 2025.

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.

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.

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated March 23, 2026, 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.

Whitley Penn LLP

Houston, Texas
March 23, 2026

City of
Friendswood
Texas

CITY OF FRIENDSWOOD, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2025

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:

Name of Federal Program or Cluster	Assistance Listing Number (ALN)
U.S. Department of the Treasury	
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027
U.S. Department of Homeland Security	
Disaster Grants - Public Assistance	97.036

Dollar Threshold Considered Between Type A and Type B Federal Programs	$1,000,000
Auditee qualified as low risk auditee?	No

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, 2025

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:			
Community Development Block Grant/State's Program	14.228	20-065-134-C451	$ 598,518
Community Development Block Grant/State's Program	14.228	20-066-045-C444	84,115
Community Development Block Grant/State's Program	14.228	24-065-030-E485	179,034
Community Development Block Grant/State's Program	14.228	23-160-091-F088	26,506
Total ALN 14.228			888,173
Total U.S. Department of Housing and Urban Development			**888,173**
U.S. Department of Justice			
Direct:			
Bulletproof Vest Partnership Program - FY 23	16.607	None	8,348
Passed through the Texas Office of the Governor - Criminal Justice Division:			
VA-Victims of Crime Act Formula Grant Program - Crime Victim	16.575	15POVC-23-GG-00468-ASSI	76,908
Total U.S. Department of Justice			**85,256**
U.S. Department of the Treasury			
Passed through the Texas Office of the Governor - Criminal Justice Division:			
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	2021-CS-21027	2,316,055
Total U.S. Department of the Treasury			**2,316,055**
U.S. Department of Homeland Security			
Passed through the Texas Water Development Board:			
Flood Mitigation Assistance	97.029	EMT-2022-FM-001-0010	2,979
Passed through the Texas Department of Public Safety/TDEM:			
Disaster Grants - Public Assistance	97.036	DR-4798	2,749,614
HMGP - DR-4485, COVID-19	97.039	DR-4485-0223	609,125
Total U.S. Department of Homeland Security			**3,361,718**
Total Expenditures of Federal Awards			**$ 6,651,202**

CITY OF FRIENDSWOOD, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2025

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 15 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, 2025. 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, 2025

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, 2025, 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, 2025

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, 2025, has been prepared to address these requirements.

I. Corrective Action Plan

Not applicable

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CITY OF FRIENDSWOOD, TEXAS

FISCAL YEAR 2025: FINANCIAL STATEMENT AUDIT AND FEDERAL SINGLE AUDIT

HLB WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

THE AUDIT PROCESS

WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

- 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*

WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

AUDITOR'S REPORT ON INTERNAL CONTROL AND COMPLIANCE

- Internal control over financial reporting
  - No material weakness identified
  - No significant deficiencies reported

- No instances of noncompliance material to the financial statements were noted

WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

FEDERAL SINGLE AUDIT REPORT

- **Major Programs:**
  - ARPA - Coronavirus State and Local Fiscal Recovery Funds
  - FEMA - Disaster Grants Public Assistance
- **Unmodified opinion on compliance**
- **No internal control findings related to each major program**
- **No instances of noncompliance or questioned costs were noted**

WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

GOVERNMENT-WIDE STATEMENT OF NET POSITION (P. 21)
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
SEPTEMBER 30, 2025

- **Total Assets and Deferred Outflows: $393.0 million**
  - Cash and investments: $111.1 million
  - Capital assets, net of depreciation: $260.6 million
- **Total Liabilities and Deferred Inflows: $217.4 million**
  - Bonds payable and unamortized premiums: $175.9 million
  - Net pension liability: $10.0 million
- **Net Position: $175.6 million**

WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

LONG-TERM LIABILITIES

Total Primary Government (Governmental and Business-type Activities)	September 30, 2025	September 30, 2024
General obligation bonds	$79,310,000	$83,990,000
Water and sewer revenue bonds (1)	51,250,000	32,545,000
Special assessment revenue bonds (2)	36,907,000	-
Notes payable	1,166,981	1,752,620
Total OPEB liability	1,989,277	1,710,326
Net pension liability	9,959,005	13,715,046
Bond premiums	8,433,152	7,457,574
Compensated absences	2,159,636	2,210,429
Subscription-based IT arrangements	264,852	152,509
Total	**$191,439,903**	**$143,533,504**

(1) $20.4 million Series 2025 bonds sold March 2025
(2) $36.9 million Series 2024 bonds sold November 2024

WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (P. 28)

Year Ended September 30, 2025	General	Coronavirus State Fiscal Recovery	Bond Construction	Debt Service	Friendswood City Center PID	Non-major	Total
Total revenues	$45,402,952	$2,726,604	$952,636	$6,012,506	$893,289	$4,988,138	$60,976,125
Total expenditures	42,871,441	2,525,358	3,036,865	5,945,636	29,286,979	1,840,661	85,506,940
Total other financing sources (uses), net	3,314,553	-	(6,485)	6,485	36,907,000	933,727	41,155,280
Net change in fund balances	5,846,064	201,246	(2,090,714)	73,355	8,513,310	4,081,204	16,624,465
Fund balance – beginning	13,296,573	823,382	22,747,390	201,449	-	8,200,918	45,269,712
Fund balance - ending	$19,142,637	$1,024,628	$20,656,676	$274,804	8,513,310	$12,282,122	$61,894,177

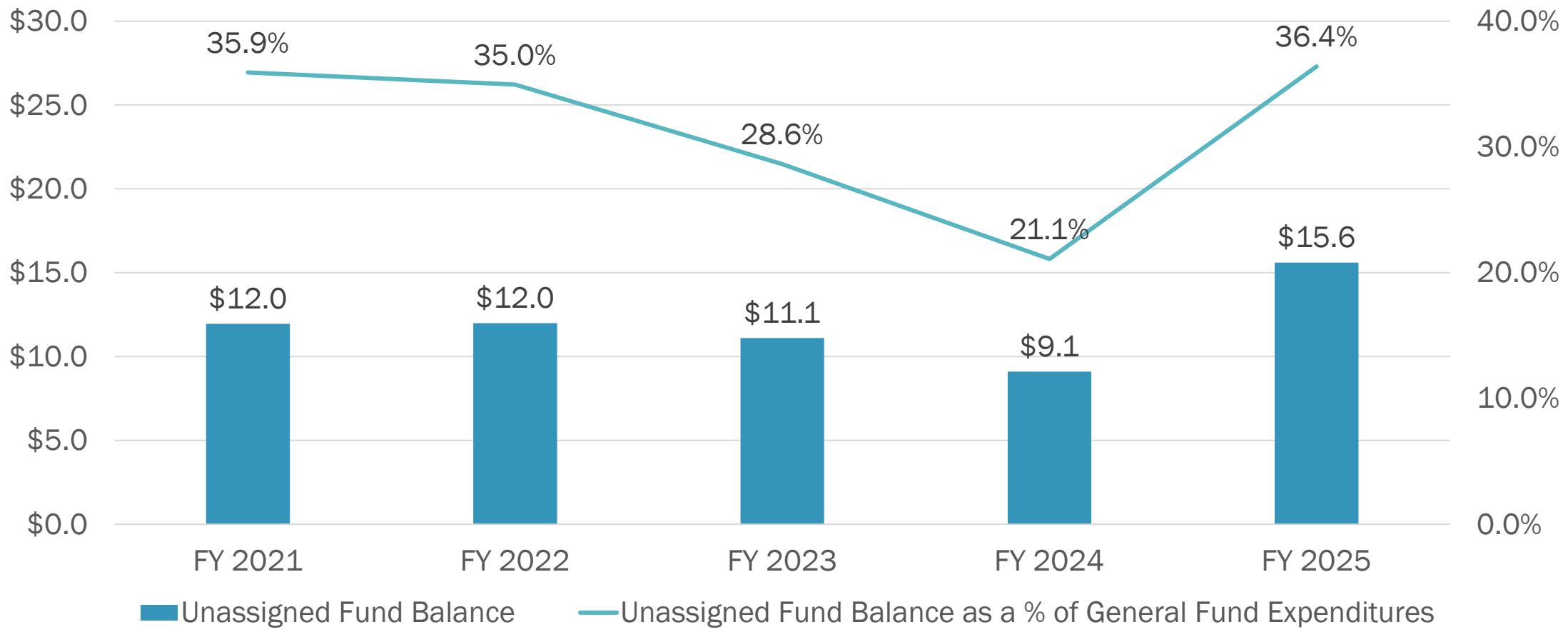
WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

FY 2025 BUDGET AND ACTUAL – GENERAL FUND PP. 80-87

- Actual revenues of $45.4M were greater than final budgeted revenues by $2.9M
- Actual expenditures of $42.9M were less than final budgeted expenditures by $4.4M
- Revenues and other sources exceeded expenditures and other uses by $5.8M (fund balance increased by this amount)
- Fund balance as of September 30, 2025, totaled $19.1M
  - Nonspendable fund balance - $0.5M
  - Restricted fund balance - $0.7M
  - Assigned fund balance - $2.3M
  - Unassigned fund balance - $15.6M

WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

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, 2025, $9.2 million is set aside for this 90-day operating reserve.

WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

WATER AND SEWER FUND (PP. 32-35)

Statement of Revenues, Expenses, and Changes in Net Position	Year Ended September 30, 2025
Operating revenues	$22,769,326
Operating expenses	(13,300,948)
Non-operating revenues (expenses), net	(1,049,791)
Transfers out	(3,600,718)
Change in net position	4,817,869
Net Position - Beginning	63,231,090
Net Position - Ending	$68,048,959

Net Position	September 30, 2025
Net investment in capital assets	$52,438,016
Restricted for capital projects/ debt service	4,031,652
Unrestricted*	11,579,291
Total	$68,048,959

*This balance includes a 90-day operating reserve of $2.7 million, as set forth in the City's financial policies.

WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

REQUIRED COMMUNICATIONS

- Significant Accounting Policies
  - Following current GAAP
- Accounting Estimates
  - Allowances for uncollectible receivables
  - Pension/OPEB
- Difficulties Encountered in Performing the Audit
  - None
- Corrected or Uncorrected Misstatements
  - No material misstatement identified
- Disagreements with Management
  - None
- Management Representations
  - Obtained from management at audit conclusion
- Consultation with Other Accountants
  - None that we are aware
- Major Issues Discussed with Management Prior to Retention
  - None that impaired independence

QUESTIONS?

CITY OF FRIENDSWOOD
CITY SECRETARY'S OFFICE

ACKNOWLEDGMENT OF RECEIPT OF THE CITY OF FRIENDSWOOD'S ANNUAL FINANCIAL STATEMENT AND AUDITOR'S OPINION

I, Raquel Martinez, the City Secretary of the City of Friendswood, hereby acknowledge that the Annual Comprehensive Financial Report for Fiscal Year 2025 (the "Report"), was filed in my office on March 24, 2026, which is within 180 days of the end of the City's 2025 fiscal year. The Report includes the City's annual financial statement and the auditor's opinion on the statement and is a public record, which will be made available by my office upon request in compliance with applicable law.

SIGNED this 24th day of March, 2026.

Raquel Martinez

RAQUEL MARTINEZ, City Secretary

H:\City Secretary\Acknowledgement of Receipt of Annual Financial Statement and Auditor's Opinion.docx

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/09/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Discuss safety awareness for E-Bike riders.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This workshop item was placed on the agenda at the request of Councilmembers Hanks and Matranga.

E-bike safety requires wearing a properly fitted bicycle helmet, obeying all traffic laws, and ensuring visibility with lights and reflectors. Due to higher speeds and weight, riders must practice controlled braking, avoid sidewalks, and never ride distracted. Proper maintenance of brakes, tires, and battery systems is crucial for safe operation. Also, avoid carrying passengers on bikes not designed for them.

With regard to this issue, the City has a variety of options ranging from educating the public, registering e-bikes, and/or regulating them.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

None at this time.

ATTACHMENTS

1. Information Flyer for E-Bikes - What to Know Before Buying

E-Bikes in Texas

The 3 Official Classes to Know Before Buying

1

- Motor Assists **ONLY** when rider is pedaling
- Speed is up to **20 MPH**
- **No** state restriction on age to operate.
- Treated as a **bicycle**

2

- Motor Assists **without** rider pedaling
- Speed is up to **20 MPH**
- **No** state restriction on age to operate.
- Treated as a **bicycle**

3

- Motor Assists **ONLY** when rider is pedaling
- Speed is up to **28 MPH**
- **MUST BE** at least **15 years of age** to operate
- **MUST HAVE SPEEDOMETER**
- Treated as a **bicycle**

Any e-bike that exceeds 28 MPH or 750 watts is treated as a moped or motor-driven cycle which requires:

- Registration
- Class M License
- Liability Insurance
- Required safety equipment: lights, blinkers, speedometer, etc.

FRIENDSWOOD TEXAS POLICE

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/02/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Discuss an update regarding the City of Friendswood Capital Improvement Projects.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the Engineering Department to present the City's quarterly report related to its capital improvement projects.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

This item is for informational purposes only; no action will be required.

ATTACHMENTS

1. PPT Slides - Capital Improvement Project (CIP) Quarterly Update 04. 2026

CITY OF FRIENDSWOOD

Capital Improvement Projects Update

Council Meeting | April 6, 2026

24” Water Line Phase II Project

LOCATION:

From FM 518 to High School Natatorium

STATUS:

Continuation of the previously constructed 24-inch water line terminating at FM 518 and Spreading Oaks

Completes a critical connection between Surface Water Plant No. 2 and Elevated Storage Tank No. 1 near the Friendswood High School football stadium

Improves system reliability, increases conveyance capacity, and enhances water distribution to the central portion of the City

Engineering underway with construction anticipated to begin in early 2027

$8.7M (Construction) – Water/Sewer Bonds

Blackhawk Boulevard Phase II-C

LOCATION:

Blackhawk Boulevard
Pennystone Way to FM 2351
Thursa Lane to FM 528

STATUS:

Competitive Sealed Proposals received March 31, 2026

Contract award anticipated at the May 2026 Council meeting

Completes the remaining segments of Blackhawk Boulevard reconstruction

$9.0M (Construction) - Pct.2 Partnership, Street Improvements (Sales Tax), W/S Working Capital, W/S Bonds

Lift Station #2 Rehabilitation

LOCATION:

Old Public Works Deepwood Facility

STATUS:

Competitive Sealed Proposals received March 26, 2026

Proposals currently under evaluation

Contract award anticipated at the May 2026 Council meeting

Lift Station No. 2 is one of the most critical facilities in the City's system, conveying a majority of the wastewater flow

Existing infrastructure is aging and experiencing deterioration due to a corrosive environment

Current configuration complicates maintenance and repairs

Project will rehabilitate and modernize the facility to ensure long-term reliability and performance

$4.0 M (Construction) – Water/Sewer Bonds

Lift Station Mitigation Packages

LOCATION:

Lift Station No. 1 – FM 2351 @ Clear Creek (Galveston County)
Lift Station No. 17 – FM 2351 @ Clear Creek (Harris County)
Lift Station No. 4 – Polly Ranch

STATUS:

Lift Station Mitigation Package No. 1 includes Lift Stations No. 1 and No. 17

Lift Station Mitigation Package No. 4 includes Lift Station No. 4

Funded through FEMA grant associated with Hurricane Harvey

Improvements include system hardening, pump and motor upgrades, electrical and control system replacements, and installation of standby generators

Electrical equipment elevated above the Harvey flood level and wet wells sealed to improve resilience

Lift Station No. 1 currently operating on bypass pumping due to outdated electrical infrastructure no longer supported by the utility

Projects will improve system reliability and reduce risk during storm events

$1.3 M (Construction) – FEMA Funds, Water/Sewer Bonds

Tank Project at Surface Water Plant #1

LOCATION:

Blackhawk Boulevard near FM 528

STATUS:

750,000-gallon concrete water tank constructed

Coating, piping, and pump room upgrades scheduled to begin

Includes expansion of the existing building

Substantial completion anticipated October 2026

$5.0M (Construction): ARPA Funds

Friendswood Active Transportation Plan

Friendswood Active Transportation Plan led by the Houston-Galveston Area Council

Develops a citywide plan for safe, multimodal connectivity including walking, biking, and rolling

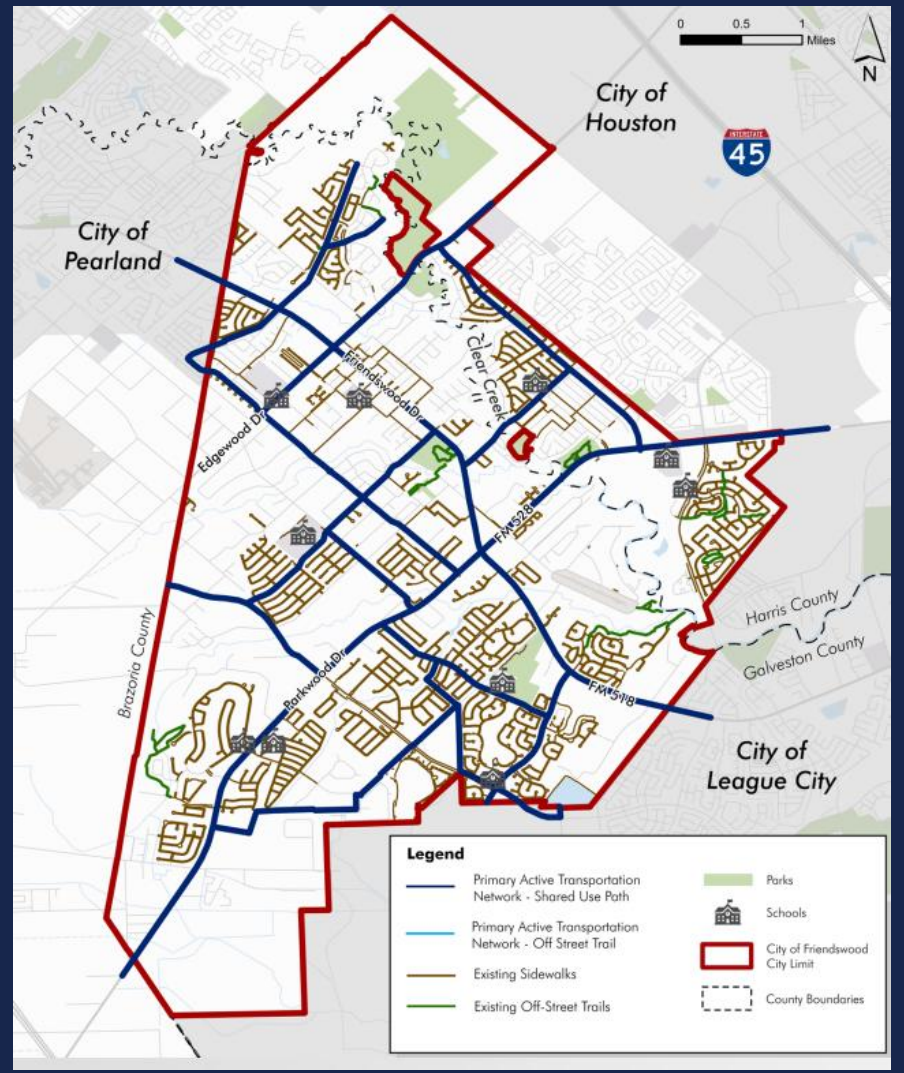
Focused on closing connectivity gaps and improving safety across the network

Establishes project recommendations and a phased implementation strategy

Project list developed based on community input and identified priorities

Includes inventory of sidewalk gaps along the primary active transportation network

Final report anticipated in the near term



Funding: No local match; $250,000 paid for by H-GAC

2024 H-GAC Carry-Over Spend Down Projects

LOCATIONS/STATUS:

TxDOT currently advancing engineering for summer letting:

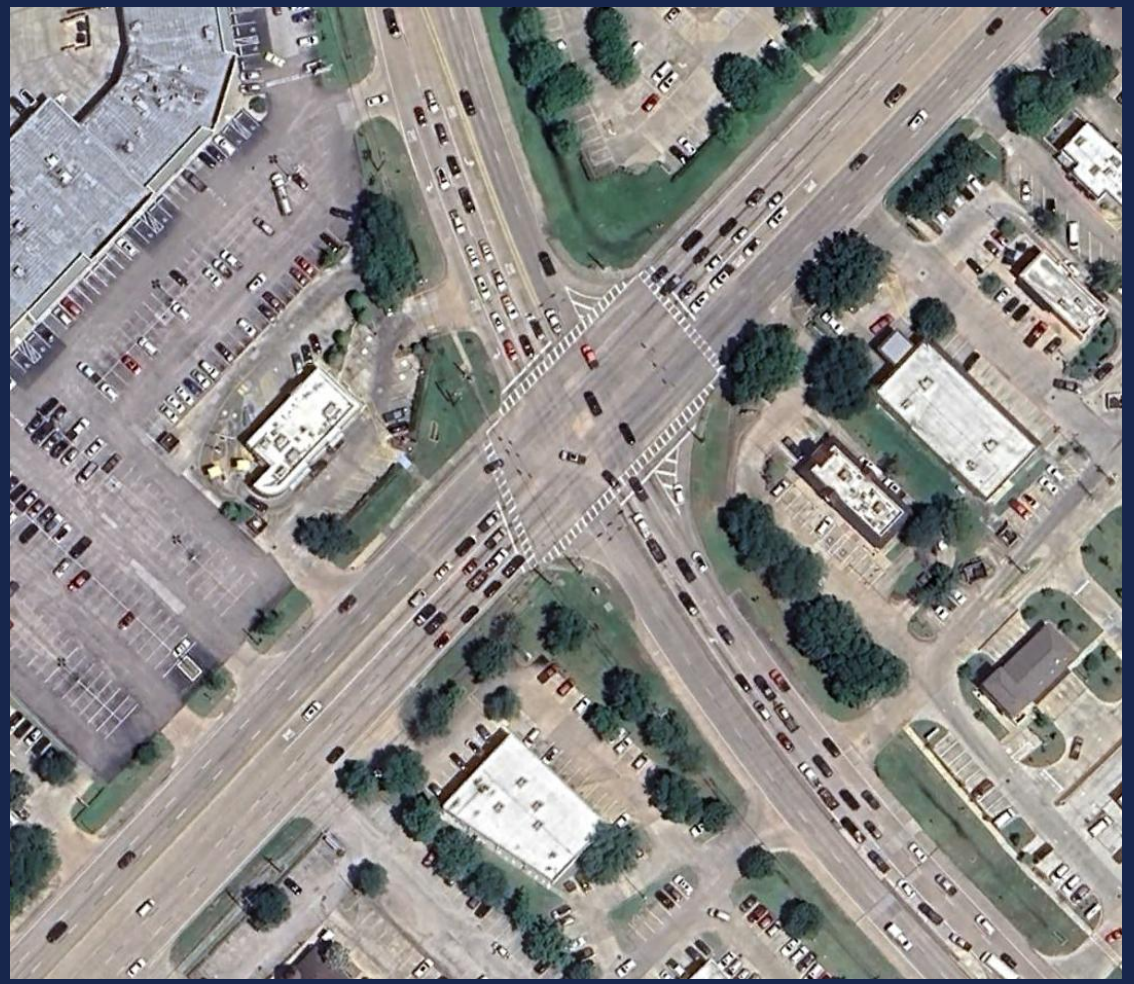
FM 528 at FM 518 - Striping project including dual left turn lanes along FM 528

TxDOT advancing engineering for future letting:

FM 528 at Bay Area Boulevard - Additional lanes within existing right of way to improve turning movements and reduce intersection delay (30 percent plans delivered to TxDOT)

FM 528 at Winding Way - New northbound right turn lane (30 percent plans delivered to TxDOT)

FM 528 at Sunset - Restriping and signal reprogramming to add a second southbound left turn lane (30 percent plans delivered to TxDOT)



$2.6M – Funding: H-GAC Carry-Over Funds (20% local match, half of which can be another transportation project such as annual street maintenance)

2026 H-GAC Carry-Over Spend Down Projects

LOCATIONS/STATUS:

Friendswood Parkway / Pearland Parkway

- Regionally significant mobility project improving east-west connectivity and capacity
- Advance Funding Agreement (AFA) currently under TxDOT internal review
- Awaiting completion of TxDOT review and execution of agreement
- Project will advance to design upon AFA approval

Sunset Drive Signal Improvements

- Traffic signal upgrades to improve operations, safety, and efficiency along the Sunset corridor
- Draft AFA approved by TxDOT and in final signature routing
- Pending remaining TxDOT administrative signatures
- Execution of agreement anticipated in the near term

Funding: H-GAC Carry-Over Funds (No Local Match)

Questions / Comments

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/10/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Recognize Sergeant David Brechtel for his thirty-one years of service and retirement with the City of Friendswood.

Originating Department: City Secretary

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the Council to recognize Sergeant David Brechtel for his thirty-one years of outstanding service to the City of Friendswood and congratulate him on his well-deserved retirement.

Sergeant David Brechtel retired from the Friendswood Police Department on March 19, 2026. Sgt. Brechtel began his law enforcement career in December 1994 after graduating from the Alvin Community College Police Academy and joining the Friendswood Police Department. Over the course of his 31-year career, Sgt. Brechtel earned his Master Peace Officer certification and served in multiple divisions of the department, including Patrol, Criminal Investigations, and Administration. His assignments reflected both his professionalism and the trust placed in him by the department's leadership.

For many years, Sgt. Brechtel served as the department's child abuse investigator, a role requiring exceptional patience, compassion, and investigative skill. These cases often involved the most vulnerable members of the community and demand an investigator capable of working closely with victims, families, medical professionals, and prosecutors while navigating complex and emotionally difficult circumstances. Sgt. Brechtel also served in several specialized assignments, including crisis negotiator, maritime safety officer, and patrol supervisor. Additionally, he played a key role in developing and managing the department's recruiting and hiring efforts. Through this work, he helped shape the future of the Friendswood Police Department by identifying and attracting high-quality candidates who share the department's commitment to service.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

None.

ATTACHMENTS

1. PPT Slide - FPD Brechtel Retirement

FPD Sergeant – David Brechtel

- **Over 31 years of services to the community!!**
- **Holds a Master Peace Officer certification and has served in multiple divisions during his tenure**
- **Thank you for your dedicated service to our community!!**

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/12/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Recognize Andree Calhoun, Finance Budget Manager, for obtaining her Certified Government Finance Officer (CGFO) designation through the Government Finance Officers Association of Texas (GFOAT).

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the City Manager to recognize Andree Calhoun, Finance Budget Manager, for obtaining her Certified Government Finance Officer (CGFO) designation through the Government Finance Officers Association of Texas (GFOAT).

This certification signifies a high level of professional achievement and expertise in governmental finance and reflects a commitment to excellence in public financial management and service to the community. The City's financial team has strengthened its expertise with Andree earning her certification, bringing the total number of Government Finance Officers on staff to four. Andree started with the City of Friendswood in October 2022 as the Financial Analyst and was promoted to the Budget Manager in April 2023.

Congratulations, Andree, and thanks for your continued eagerness to grow professionally!

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

None.

ATTACHMENTS

1. PPT Slide - Andree Calhoun Recognition

Finance Budget Manager – Andree Calhoun

- **Recently obtained her Certified Government Finance Officer (CGFO) designation**
- **Rigorous program that combines years of experience with a multiple examinations**
- **Andree scored a 99 on her final test, which is unheard of!!**

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/09/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Recognize the City of Friendswood Municipal Court as a “New Application Winner” of the 2026 Municipal Traffic Safety Initiatives (MTSI) Awards, presented by the Texas Municipal Courts Education Center (TMCEC).

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City of Friendswood Municipal Court has been recognized as a “New Application Winner” of the 2026 Municipal Traffic Safety Initiatives (MTSI) Awards, as presented by the Texas Municipal Courts Education Center (TMCEC).

The City of Friendswood Municipal Court was recognized as a winner for the 2026 Municipal Traffic Safety Initiatives (MTSI) Awards (recognizing 2025 efforts), presented by the Texas Municipal Courts Education Center (TMCEC). This award honors Texas municipal courts for outstanding contributions to traffic safety, with winners announced in early 2026.

We congratulate Pat Riffel and her team for their excellent work and this outstanding recognition. Ms. Riffel will attend an award luncheon on Thursday, April 2, 2026.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

None.

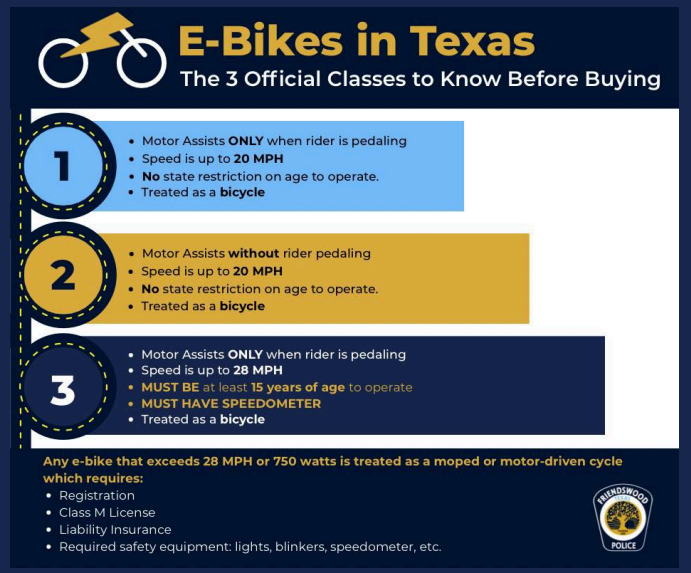
ATTACHMENTS

1. PPT Slide - TMCEC Award for Municipal Court

2026 Municipal Traffic Safety Initiatives Award

- **New Application Winner!!**
- **Presented by the Texas Municipal Courts Education Center**
- **Honors Texas municipal courts for outstanding contributions to traffic safety**
- **Well done Friendswood Municipal Court!!**

TMCEC
Texas Municipal Courts Education Center



FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/19/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Present an update regarding the receipt of a ten-million-dollar Community Development Block (CDR) Grant from the Texas Land General Office for the Lower Clear Creek Drainage Project.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

On March 10, 2026, the Mayor Mike Foreman and Assistant Director of Engineering Michael Medwedeff attended the luncheon to receive a ten-million-dollar Community Development Block (CDR) Grant from the Texas Land General Office for the Lower Clear Creek Drainage Projects (Whitcomb Terracing and Bay Area Detention) from the hands of Commissioner Dawn Buckingham, M.D.

Council may recall, this is the second ten-million-dollar investment by the State [2023 and 2025 Legislative Sessions].

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. GLO Check

DAWN BUCKINGHAM, M.D.
COMMISSIONER OF THE GENERAL LAND OFFICE
TEXAS GENERAL LAND OFFICE
DATE 3/11/2026
PAY TO THE ORDER OF City of Friendswood
$ 10,000,000.00
Ten Million
DOLLARS
FOR CDR Grant
Dawn Buckingham, M.D.
COMMISSIONER
:1234567890: 012345678: 001

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Present an update regarding the upcoming Spring Sparkle Event hosted by the Parks and Recreation Department and Keep Friendswood Beautiful scheduled for Saturday, April 11, 2026.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Spring Sparkle Event is scheduled for Saturday, April 11, 2026, 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

None.

ATTACHMENTS

1. Spring Sparkle 2026

KEEP FRIENDSWOOD BEAUTIFUL'S ANNUAL

SPRING SPARKLE

APRIL 11, 2026

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. In addition, we will be accepting assorted donated items that will be distributed through local partner organizations to help support families and individuals in need throughout our community.

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
Keep FRIENDSWOOD Beautiful
Star Service, Inc
HEATING COOLING
FREEHAULOFF.COM

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Present an update regarding National Library Week, April 19 - 25, 2026.

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 19-25, 2026! Get ready to dive into the excitement with this year's theme: "Find your Joy!"

Be sure to stop by the Library and grab a giveaway while supplies last. These are made possible thanks to the support of the Friends of the Library.

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

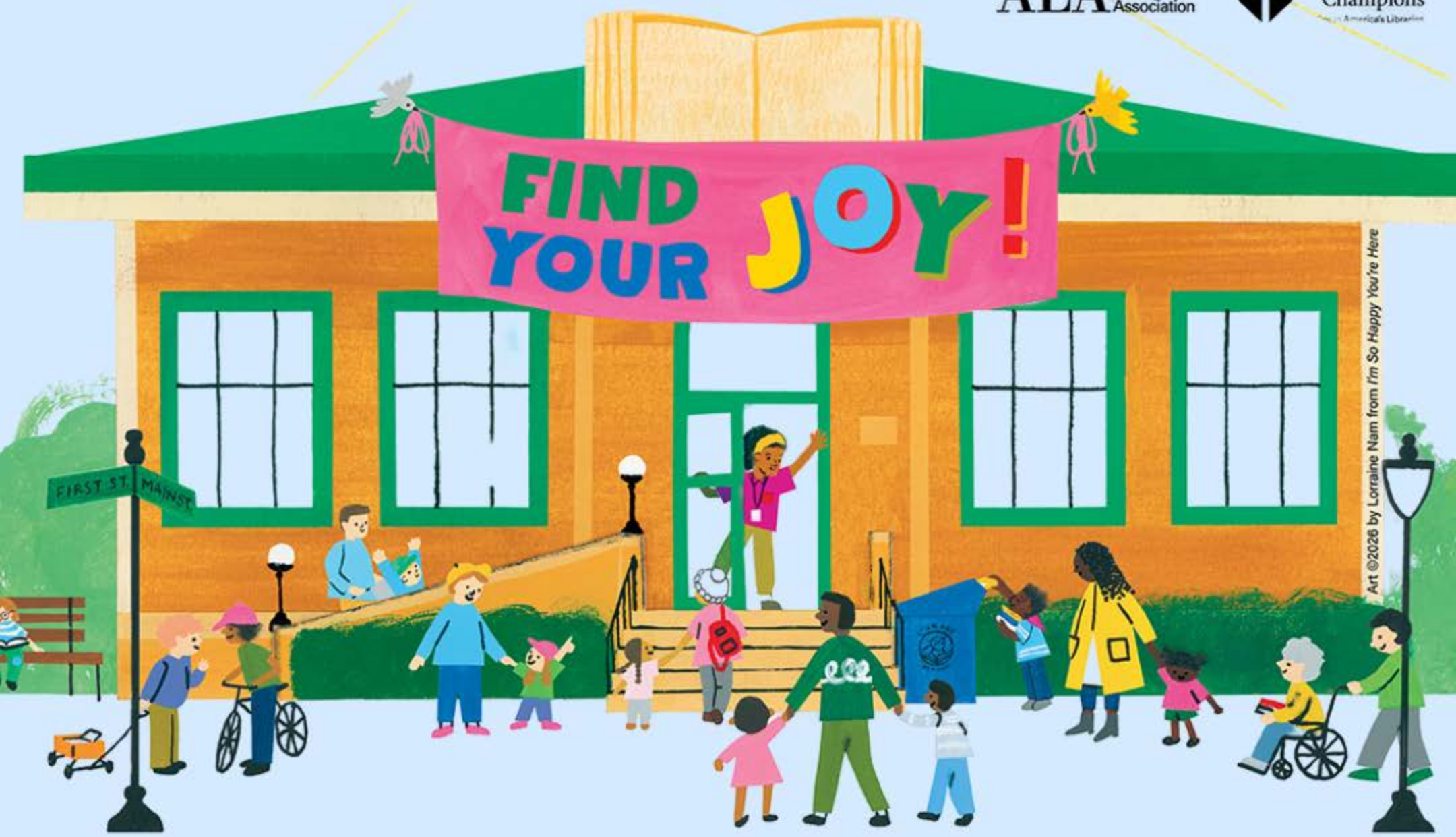
None.

ATTACHMENTS

1. National Libray Week

ALA American Library Association

Library Champions American Library Association



Art ©2026 by Lorraine Nam from *I'm So Happy You're Here*

Celebrate NATIONAL LIBRARY WEEK

April 19–25, 2026

Engage. Educate. Entertain. Empower.

Friendswood Library

FRIENDS of THE FRIENDSWOOD PUBLIC LIBRARY

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/09/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Present an update regarding Small Business Week to be held April 27–May 1, 2026.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Small Business Week will kick-off on Monday, April 27th, with a networking workshop to be held at the Hope Village Education and Commnity Center from 11:00 a.m. to 6:00 p.m. Keynote Speaker, Ryan Walsh, CEO for Harris County-Houston Sports Authority, will conclude the event with his keynote presentation. Events will be held throughout the week to bring recognition to the small businesses that play an important part in Friendswood. The week's events included keynote speakers, opportunities for collaboration along with professional guidance.

These events were planned and presented by a collaboration of the CEDC, Friendswood Rotary Club, HomeTown Bank, The Rowsey Group, Tannos Development Group, Chicago Title and the Chamber of Commerce as well as the Galveston County Small Business Development Center.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

None.

ATTACHMENTS

1. City of Friendswood Small Business Week Save the Date - 04.27.2026
2. Small Business Week 2026 Itinerary

SMALL BUSINESS WEEK

Ryan Walsh
CEO, Harris County-Houston Sports Authority

Small Business Week – April 27-May 1, 2026
Our Goal is to Maximize Yours

Monday, April 27,

11:00am Registration, networking
11:30am Luncheon service begins (box lunch) - Buffalo Catering *(confirmed)*
12:05pm Welcome – Susan Asimakis
12:10pm Introduce luncheon moderator and panel
12:15-1:00pm Luncheon presentation: Opportunity is Knocking: What Do Businesses Need to Know?

- **Brian Freedman, President, Bay Area Houston Economic Partnership *(confirmed)***
- **Adrian Garcia, Harris County Precinct 2 Commissioner *(confirmed)***
- **Hank Dugie, Galveston County Precinct 3 Commissioner *(confirmed)***
- **Dr. Robin Armstrong, Galveston County Precinct 4 Commissioner *(confirmed)***
- **Sally Branson (Moderator), Councilmember, Position 2, City of Friendswood *(confirmed)***

1:00pm Break
1:30-3:30pm Breakout presentations/table talks/actionable takeaways

- **Developing a Comprehensive Marketing Plan – Jess Clements *(confirmed)***
- **The Art of Effective Leadership to Grow Your Business- Brandon Kinsey (*confirmed)***
- **City of Friendswood Permits, Codes & More – Aubrey Harbin (*confirmed)***

3:30-3:45pm Fun break/photos/fan fest
4:00pm Welcome – Susan Asimakis
4:10pm Introduction of Ryan Walsh – Mike Foreman *(confirmed)*
4:15pm-4:45pm Keynote Presentation – Ryan Walsh (*confirmed)*
5:00pm-6:00pm Happy Hour Networking

Sponsors:

HomeTown Bank – Reception

The Rowsey Group – Luncheon

Friendswood Rotary Club – Rotarian Luncheon

Tannos Development Group

Chicago Title

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/25/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Present an update regarding the Mitch and Artha Wright Concert in the Park series.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Friendswood's beloved Mitch and Artha Wright Concert in the Park series returns this May and June, bringing the community together for free, family-friendly live music in Stevenson Park. The series kicks off with a special performance by the Clear Brook and Friendswood High School Jazz Bands, and this year's lineup includes exciting new additions: a 70's and 80's Band and a Prince Tribute Band, sure to be crowd favorites!

Each week features a different band, offering a mix of genres for all ages to enjoy. Concert-goers are encouraged to bring lawn chairs, blankets, and coolers for a relaxing evening under the stars.

Concert dates and full band lineup are on the attached flyer and will be shared via the city's website and social media platforms. All concert events begin at 7:00 p.m.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. Concert in the Park 2026

CITY OF FRIENDSWOOD &
FRIENDSWOOD PARKS & RECREATION PRESENTS

THE MITCH AND ARTHA WRIGHT

CONCERT

- IN THE PARK -

LIVE PERFORMANCES

STEVENSON PARK, 1000 S. FRIENDSWOOD DR. | 7 PM

MAY 1
CLEAR BROOK HS BAND
FRIENDSWOOD HS BAND
Jazz

MAY 8
FUNKSION
R&B

MAY 15
MODULATION
Variety

MAY 22
BAYOU GIPSIES
Rock

MAY 29
TEXAS CITY
REVELATORS
Rock

JUNE 5
HAMILTON LOOMIS
REMEMBERS PRINCE
Prince Tribute

JUNE 12
THE SLAGS
70's & 80's

JUNE 19
ZZ NATION
ZZ Top Tribute

JUNE 26
DOPPELGANGER
Variety

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Present an update regarding the May 2, 2026, Friendswood General 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 General Election to be held on May 2, 2026, from 7:00 a.m. to 7:00 p.m. for the purpose of electing councilmembers for Position Nos. Two (2) and Five (5). 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: Galveston County Records and Election Center 10000 Emmett F. Lowry Expressway #1152 Texas City, TX 77591
Branch EV Polling Locations: First Baptist Friendswood 209 S. Friendswood Drive, Room 209 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 20, and Wednesday — Friday, April 22–April 24, 2026, from 8 a.m. - 5 p.m.* *Tuesday, April 21, 2026 — No Voting due to State Holiday (San Jacinto Day)* *Saturday, April 25, 2026, from 7 a.m. - 7 p.m.* *Sunday, April 26, 2026, from 1 p.m. - 7 p.m.* *Monday, April 27 and Tuesday, April 28, 2026, 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

Election Day is Saturday, May 2, 2026, from 7:00 a.m. to 7:00 p.m., and below are the Election Day polling locations in Friendswood:

GALVESTON COUNTY – COUNTYWIDE POLLING LOCATIONS FOR REGISTERED VOTERS OF FRIENDSWOOD RESIDING IN HARRIS AND GALVESTON COUNTIES For more countywide polling locations in Galveston County visit: https://www.galvestonvotes.org/voter-information/polling-locations
First Baptist Friendswood, Room 209, 209 S. Friendswood Dr., Friendswood, TX 77546

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

The City Secretary's Office will be open on election day from 7:00 a.m. to 7:00 p.m. to assist voters with their questions or concerns.

For more information on this election, please contact the City Secretary at 281-996-3270 or citysecretary@friendswood.com, or visit the website at: https://www.ci.friendswood.tx.us/313/Elections.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

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

RECOMMENDATIONS

None.

ATTACHMENTS

1. PPT Slide - May 2nd EV Locations and Schedule

May 2, 2026 Friendswood General Election

EARLY VOTING BY PERSONAL APPEARANCE POLLING LOCATIONS FOR GALVESTON COUNTY

Main Voting Location
Galveston CO Records and Election Center
10000 Emmett F. Lowry Expressway #1152
Texas City, TX 77591

Monday, April 20, 2026 - 8:00 a.m. to 5:00 p.m.
Tuesday, April 21, 2026 - No Voting as it is a State Holiday (San Jacinto Day)
Wednesday, April 22 through Friday, April 24, 2026 - 8:00 a.m. to 5:00 p.m.
Saturday, April 25th, 2026 - 7:00 a.m. to 7:00 p.m.
Sunday, April 26, 2026, 1:00 p.m. to 7:00 p.m.
Monday, April 27 through Tuesday, April 28, 2026 - 7:00 a.m. to 7:00 p.m.

- **First Baptist Friendswood**
  209 S Friendswood Dr., Room 209
  Friendswood, TX 77546

- **Village on the Park**
  400 E. Parkwood (Town Hall)
  Friendswood, TX 77546

For More Information or Additional EV Locations: Call 409-770-5108 or visit:
https://www.galvestonvotes.org/election-information/current-and-upcoming-elections

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/27/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Consider concurring with the City Manager's appointment of a Director of Library Services.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Pursuant to Section 4.01(d)(2) of the Friendswood Charter, this item allows the City Council to concur with the City Manager's selection of Mrs. Melissa Baker as the City's new Director of Library Sciences.

Mrs. Baker was most recently employed by the Lee County Library System, where she managed the programming and community outreach for a 13-branch public library system, including budgets, operations, staff management, mobile library vehicles, outreach and homebound services, special events and festivals with thousands of attendees, policy writing and strategic planning. She comes to us with more than 20 years of public library experience, including Montgomery County Memorial Library System, Mitchell Library in The Woodlands, Harris County Public Library and Williamson County, Tennessee Public Library. Her resume is attached for your review.

We are excited to welcome Melissa to our Friendswood Team!

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. PPT Slides - Library Director
2. Baker, M - Redacted Resume
3. Memo - Selection of Library Director 2026_Redacted

Director of Library Services Search

- Updated job description to meet industry standards
- Posted 11/13 – 12/31
- Received 57 applications
- 21 applicants met the minimum requirements & sent questionnaire
- 17 questionnaires were received
- Panel of 5 reviewed 17 applicants & selected 5 for in person interviews.
- 5 applicants presented a five-year strategic plan for the library & answered prepared questions.

Director of Library Services – Melissa Baker

- 20 years of public library experience, including Montgomery County Memorial Library System, Mitchell Library in The Woodlands, Harris County Public Library & Williamson County, Tennessee Public Library.
- Lee County Library System, she managed the programming and community outreach for a 13-branches, including:
  - budgets,
  - operations,
  - staff management,
  - mobile library vehicles,
  - outreach and homebound services,
  - special events and festivals with thousands of attendees,
  - policy writing, and
  - strategic planning.

Melissa Ann Baker

[redacted]

WORK EXPERIENCE

Lee County Library System

Senior Manager of Programming & Community Outreach (06/2018-present) Fort Myers, FL

- Coordinate large-scale events and annual celebrations such as Fandom Fest, Vet Fest, grand opening celebrations, summer reading programs and the Southwest Florida Reading Festival.
- Provide leadership and guidance to staff of over 250 as part of the library administrative team, overseeing all programs, outreach, special events, sponsorships and community engagement.
- Manage up to $750,000 in programming, outreach & events budgets for the library system.
- Serve on the library system's senior administrative team and directly supervise 10 employees.
- Supervise Adult and Youth Services Coordinators to plan and oversee programs for all ages.
- Serve as a library PIO and link to County communications, drafting press releases and conducting live and recorded media interviews on behalf of Lee County government.
- Oversee the mobile library operations, community outreach and home borrower services teams, serving senior adults and residents of all ages in a large and diverse community.
- Plan for future library growth, including the design, procurement, and purchase of new library bookmobile vehicles, recently acquiring a brand new novelty outreach vehicle.
- Trained on emergency roles and hurricane shelter preparations through the County E.O.C.
- Develop and maintain relationships with community organizations and County departments.
- Partnered with the Parks and Recreation department to collaborate on the installation of Book Walks at three of the County's biggest and most diverse community parks.
- Strategized ways to adapt to virtual programming and outreach during COVID restrictions.
- Completed a 5-part Leadership Academy management training series for supervisors in 2021.

Plan and implement the Southwest Florida Reading Festival, a major event spanning 26 years, drawing around 10,000 attendees annually to celebrate the power of reading by welcoming more than 25 bestselling authors for all ages to the community. Responsibilities include:

- Providing committee leadership and overseeing all festival operations and fundraisers.
- Garnering sponsorships, grants, and donations supporting the annual reading festival.
- Managing in-kind support and media partnerships through print ads and video PSAs.
- Hosting related fundraisers: Read Between the Wines & An Evening With the Authors.
- Representing the library and festival during live TV and recorded news interviews.
- Distributing thousands of free, new books to every participating child and teen.
- Planned a fully virtual & engaging 2021 event, resuming in person in 2022 and beyond.
- More information available through the festival’s mobile app or at www.ReadFest.org

The Lee County Library System has 13 branches including six regional libraries, two mid-sized libraries, and five community libraries as well as mobile library outreach services and a Talking Books Library. The library currently has a collection of more than 1.5 million items in a variety of formats and circulates about 6 million items per year. Approximately 300,000 Lee County residents are registered users. More info at www.leelibrary.net.

Montgomery County Memorial Library System

Marketing and Program Coordinator (09/2007-04/2018) Library Administration, Conroe, TX

- Coordinated marketing, public relations, and brand identity efforts for the library system.
- Managed up to $70K in programming & promotional budgets for all 7 County libraries.
- Oversaw in-kind and monetary donations totaling more than $500,000 in value annually.
- Coordinated the Loan Star Grant and Texas Commission on the Arts performance grants.
- Planned and implemented biennial Staff Development training day for 160 employees.
- Advertising and graphic design work for the library system, including video production and print: vehicle wrap, banner stand, flyers, brochures, t-shirts, web graphics, & promo items.
- Set up and administered use of the Evanced Room Reserve software, manage internal and external use of library facilities, meeting/study rooms, & provide equipment A/V training.
- Initiated the Little Free Library project to distribute materials to offsite locations in County.
- Established and expanded the library system's social media presence, to include posting regularly on Facebook and Twitter and writing/publishing a monthly email newsletter, in addition to communicating regularly with traditional media outlets through press releases.
- Performed the interim duties of the Outreach Coordinator and trained new hires for the position when vacant, in order to meet the needs of underserved and minority individuals.
- Special art projects, to include a mural painting for a recently renovated library branch.
- Received the Texas Library Association (TLA) Upstart/Highsmith Award grant for innovation in library programming, implementing a countywide health & wellness initiative.

Participated actively on the following committees and teams within and outside of the library:

- Montgomery County Employees' Committee: Chairman in 2014 and 2015 and Vice Chairman in 2013, representing over 2,000 County employees.
- United Way Charitable Giving Campaign Committee - helping to raise record level of annual donations.
- Reading Odyssey Committee - multi-agency task force planning major community events and festivals focused on literacy.
- Montgomery County Government Roles: Family and Consumer Science Committee, Library Policy Committee, User Experience Committee, Administrative Leadership Team.
- Texas Library Association (Professional library association representing approximately 8,000 librarians throughout Texas and surrounding areas):
    - Appointed to the Marketing and Public Relations Committee: 3-year term beginning 2014, Chairman 2015-2017, managing a statewide, multi-year library PR campaign.
    - Annual Conference Local Arrangements Planning Committee, Meeting Room Co-Chair 2015-2016, Events Co-Chair 2012.
    - SMART Round Table Webmaster Position 2014.
    - Selected for and attended the TALL Texans Leadership Development Institute 2013.

Young Adult Librarian (09/2006-09/2007) Mitchell Library, The Woodlands, TX

- Developed and organized year-round programming and services for teens ages 12-18.
- Supervised and coordinated schedules for over 20 volunteers ages 11-18.
- Established partnerships with local schools and business during the annual Teen Book Festival, Children’s Festival, and Library-sponsored Job Fairs.

- Assisted in Spanish language outreach, library services, and collection development.
- Designed and distributed posters, flyers, and brochures for the branch and library system.
- Secured a large-format poster printer and managed its use for all library system staff.

Harris County Public Library

Children's Librarian (03/2006—08/2006) Baldwin Boettcher Branch Library, Humble, TX

- Planned ongoing programs for infants, toddlers, preschoolers, & school-age children.
- Weeded the collection for damaged, outdated, and otherwise inappropriate materials.

Williamson County Public Library

Children's Librarian (06/2005—03/2006) Franklin, TN

- Managed youth services staff in the children's department.
- Conducted monthly Spanish-language family storytimes for children.
- Collection development for juvenile materials in the collection in both English and Spanish.
- Developed a unique color-coding shelving system for the children's picture book collection.

Reference Librarian (11/2004–06/2005) Franklin, TN

- Taught computer classes for adults and seniors: Microsoft Office, Email, Internet, Beginner.
- Provided reference services for all age groups in the adult department.
- Assisted with original cataloging for Spanish-language materials added to the collection.
- Created bilingual English/Spanish "Communicards" to provide visual customer service aids for non-Spanish-speaking staff.

Woodland Art & Frame, *Picture Framing Associate* (01/2000–07/2004) Spring, TX
- Design and construct framing solutions for customers for photography and paintings.

Montgomery County Memorial Library, *Library Assistant II* (12/03-5/04) The Woodlands, TX
- Circulation Staff: South Regional Library circulated on average 45,000 books per month

SKILLS

Bilingual Spanish, Visual Artist, CPR/AED certified, Proficient on both Windows and Mac operating systems: Microsoft Office, Word, Publisher, Excel, and Outlook, Adobe Photoshop, Illustrator, InDesign, Virtual & App Platforms: Zoom, GoTo, TEAMS, EventHub, Aloompa

EDUCATION

University of North Texas, Denton, TX **GPA 4.0/4.0**
Master's Degree in Library Science, ALA Accredited MLS (August 2006)
Graduate Academic Certificates in Youth Librarianship & Storytelling

University of Houston, Houston, TX **GPA 3.91/4.0**
Bachelor's Degree in Fine Arts, BFA Studio Art–Painting (May 2003)
Graduated Summa Cum Laude with Honors and Membership in the Honors College
Summer Study Abroad Programs in Puebla, Mexico (1998) and Glasgow, Scotland (1999)

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/12/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider awarding the 2020 Lift Station Mitigation Package 1 — Lift Station 1 & 17 Construction Services Project to Branch Construction Group, LLC (Bid No. 2026-01).

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City of Friendswood (the "City") sustained severe damage to many of its sanitary sewer lift stations during Hurricane Harvey. Immediate repairs were made to keep the City's sanitary sewer system operational, but eleven (11) lift stations were determined to require additional work to mitigate future flooding.

The mitigation of these lift stations includes raising equipment and electrical components such as generators, transfer switches, electrical services, wiring, etc., to two feet above the Harvey flood elevation. Submersible pumps and piping will replace above-ground pumps where applicable. Wet wells are to be equipped with sealed hatches and eight-foot-tall wooden fences will also be installed.

The eleven lift stations were separated into four packages for bidding. Package 1 includes Lift Stations 1 and 17.

The City recently opened bids for Package 1, having received bids from four interested parties. Branch Construction Group, LLC, was determined to be the lowest qualified bidder with a base bid of $1,432,684 and bid of $177,875 for additional non-mitigation items, or a stipulated price of $1,610,559. A combination of FEMA Funds and Sewer Bond Funds will be used to fund this project.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Standard Agreement - Branch Construction Group
2. TEXAS GOVERNMENT CODE VERIFICATIONS
3. Form 1295
4. Certificate of Insurance - Branch Construction Group
5. Performance Bond
6. Payment Bond

THE STATE OF TEXAS §
§
COUNTY OF GALVESTON §

STANDARD AGREEMENT FOR CONTRACTING SERVICES

THIS AGREEMENT, entered into as of this 6th day of April, 2026, by and between the City of Friendswood, Texas (hereinafter called the "CITY") acting herein by its Mayor, duly authorized by approval of the City Council of the City of Friendswood and Branch Construction Group, LLC, 1621 FM 517 Road East, Suite D, Dickinson, Texas 77539 (hereinafter called the "CONTRACTOR") acting herein by Joe W. Gordin, Chief of Field Operations hereunto duly authorized:

WITNESSETH THAT:

WHEREAS, the CITY and the CONTRACTOR in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE I: WORK

1.1 The Contractor shall complete all the Work as specified in the Contract Documents. The Work is generally described as follows:

2020 Lift Station Mitigation Pkg 1 – Lift Station 1 & 17 Construction Services

1.2 The Project for which the Work under the Contract Documents may be the whole or only a part is generally described as follows:

2020 Lift Station Mitigation Pkg 1 – Lift Station 1 & 17 Construction Services

ARTICLE II: DESIGN PROFESSIONAL

2.1 The Project has been designed by 5ENGINEERING, LLC, 11200 Westheimer Rd., Suite 353, Houston, TX 77042, who is hereinafter called the Design Professional and who is to act as the City's Representative, assume all duties and responsibilities and shall have the rights and authority assigned to the Design Professional in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

ARTICLE III: CONTRACT TIME

3.1 The Work shall be Substantially Complete within THREE HUNDRED AND SIXTY-FIVE (365) CALENDAR Days after the date when the Contract Time commences to run as provided by the General Conditions, except for the

standby generator work which shall be Substantially Complete within SIX HUNDRED (600) CALENDAR Days after the date when the Contract Time commences to run as provided by the General Conditions.

3.2 The Work shall have Final Completion and be ready for Final Payment in accordance with the General Conditions within THREE HUNDRED AND NINETY-FIVE (395) CALENDAR Days after the date when the Contract Time commences to run as provided by the General Conditions, except for the standby generator work which shall have final completion within SIX HUBDERED AND THIRY (630) CALENDAR Days after the date when the Contract Time commences to run as provided by the General Conditions.

ARTICLE IV: LIQUIDATED DAMAGES

4.1 The City and the Contractor recognize that time is of the essence of this Agreement and that the City shall suffer financial loss if the Work is not completed within the time specified in Article 3.1 above, plus any extensions thereof allowed in accordance with the General Conditions. They also recognize the delays, expense and difficulties involved in proving the actual loss suffered by the City if the Work is not completed on time. Accordingly, instead of requiring any such proof, the City and the Contractor agree that as liquidated damages for delay (not as a penalty) the Contractor shall pay the City FIVE HUNDRED Dollars ($500.00) for each day that expires after the time specified in Article 3.1, in this Agreement, for Substantial Completion until the Work is Substantially Complete.

4.2 After Substantial Completion, if the Contractor shall neglect, refuse or fail to complete the remaining Work within the time specified in Article 3.2 for Final Completion and readiness for Final Payment or any proper extension thereof granted by the City, the Contractor shall pay City Five Hundred Dollars ($500.00) for each day that expires after the time specified in Article 3.2, in this Agreement, for Final Completion until the Work is Finally Complete and ready for Final Payment.

4.3 Contractor agrees any assessed liquidated damages may be offset against retainage held by the City.

ARTICLE V: CONTRACT PRICE

5.1 The City shall pay the Contractor for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined pursuant to Document 00145 – Unit Price Form.

5.2 TOTAL AMOUNT OF BID is ONE MILLION SIX HUNDRED TEN THOUSAND FIVE HUNDRED FIFTY-NINE Dollars and NO Cents ($1,610,559.00).

5.3 As provided in the General Conditions estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by the City as provided in the General Conditions. Unit prices have been computed as provided in the General Conditions. Unit prices specified as per lump sum have been computed an accordance with of the General Conditions.

ARTICLE VI: PAYMENT PROCEDURES

6.1 The Contractor shall submit Contractor Payment Application. Payment Applications shall be processed by the City as provided in the General Conditions.

6.2 Progress Payments; The City shall make progress payments on account of the Contract Price on the basis of the Contractor's Payment Application on or about the twentieth (20th) day of each month during construction as provided in Paragraph 6.3 below. All such payments shall be measured by the schedule of value established in Section 01295 – Schedule of Values (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements.

6.3 Prior to Substantial Completion progress payments shall be made equal to the percentage of the Work completed, as established above, and materials and/or equipment not incorporated in the work completed but delivered, suitably stored, and accompanied by suitable documentation satisfactory to the City as provided in the General Conditions. Progress payments shall be made less retainage as indicated in Paragraph 6.4 and 6.5 below, but in each case, less the aggregate of payments previously made less such amounts as the City shall determine or withhold, in accordance with of the General Conditions.

6.4 Retainage prior to Substantial Completion; If the total Contract Price at the time of Contract Execution is Five Hundred Thousand Dollars ($500,000) or more, the agreed retainage until Substantial Completions shall be five percent (5%), otherwise the agreed retainage shall be ten percent (10%).

6.5 Retainage after Substantial Completion: On projects where a long period of time is expected to occur between the Substantial Completion and Final Acceptance, retainage shall be reduced by one-half (1/2). The reduced retainage shall never be less that the expected value of any work requiring correction or unfinished work. A portion of the retainage shall always be held until issuance of a Certification of Final Completion.

ARTICLE VII: INTEREST

7.1 All monies except retainage, not paid when due as provided in the General Conditions shall bear interest at the maximum rate allowed by the law.

ARTICLE VII: CONTRACTOR'S REPRESENTATIONS

In order to induce the City to enter into this Agreement the Contractor makes the following representations:

8.1 The Contractor has examined and carefully studied the Contract Documents (including the Addenda listed in Article IX) and other related data identified in the Documents including "technical data" and performed a constructability review.

8.2 The Contractor has visited the site and become familiar with and is satisfied as to the general local and site conditions, including utilities that may affect cost, progress, performance and furnishing of the Work.

8.3 The Contractor is familiar with and is satisfied as to all federal, state and local Laws and Regulations that may affect cost, progress, performance or furnishing of the Work.

8.4 The Contractor has carefully studied all reports of explorations and tests of subsurface conditions at or contiguous to the site and all drawings if physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in the General Conditions. Contractor accepts the determination set forth in the Supplementary Conditions of the extent of the "technical data" contained in such reports and drawings upon which the Contractor is entitled to rely as provided in the General Conditions. The Contractor acknowledges that such reports and drawings are not Contract Documents and may not be complete for the Contractor's purposes. The Contractor acknowledges that the City and the Design Professional shall not assume responsibility for the accuracy or completeness of information and data shown or indicated in the Contract Documents with respect to Underground Facilities at or contiguous to the site. The Contractor has obtained and carefully studied (or assumes responsibility for having done so) all such additional supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the site or otherwise which may affect cost, progress, performance or furnishing of the Work or which relate to any aspect of the means, methods, techniques, sequences and procedures of construction to be employed by the Contractor and safety precautions and programs incident hereto. The Contractor does not consider that any additional examinations, investigations, explorations, tests, studies or data are

necessary for the performance and furnishing of the Work at the Contract Price, within the Contract Times and in accordance with other terms and conditions of the Contract Documents.

8.5 The Contractor is aware of the general nature of work to be performed by the City and others at the site that relates to the Work as indicated in the Contract Documents.

8.6 The Contractor has correlated the information known to the Contractor, information and observations obtained from visits to the site, reports and drawings identified in the Contract Documents and all examinations, investigations, explorations, tests, studies and data with the Contract Documents.

8.7 The Contractor has given the City written notice of all conflicts, errors, ambiguities or discrepancies that the Contractor has discovered in the Contract Documents and the written resolution thereof by the City is acceptable to the Contractor, and the Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

ARTICLE IX: THE CONTRACT DOCUMENTS

The Contract Documents, which comprise the entire agreement between the FDEDC and the Contractor concerning the Work, consist of those referenced in this article. The Contract Documents are complementary, and what is called for by any one shall be as binding as if called for by all. In case of conflict between any of the Contract Documents, priority of interpretation shall be in the following order:

9.1 Any modification, including Change Orders, duly delivered after Execution of the Agreement

9.2 Addenda as issued, with Acknowledgement of Addenda if applicable

9.3 Federal Contract Required Clauses, including Certification for Contracts, Grants, Loans and Cooperative Agreements

9.4 Standard Agreement for Contracting Services (this agreement)

9.5 General Conditions.

9.6 Supplemental Conditions

9.7 Technical Specifications Divisions 1 through 16

9.8 Request for Proposals (Cover Sheet and numbered sheets)

9.9 Insurance Requirements

9.10 Performance Bond, included herein

9.11 Payment Bond, included herein.

9.12 Texas Workers' Compensation

9.13 Wage Scale

9.14 Affidavit of Insurance, and Certificates of Insurance

9.15 Alcohol and Drug Free Workplace Policy

9.16 Construction Storm Preparation Policy

9.17 Hazardous Communications Program Requirement Agreement.

9.18 Homeland Security Policy

9.19 Child Support Affidavit

9.20 Unit Price Bid Form

9.21 Texas Ethics Commission Form 1295

9.22 Texas Government Code Verification

There are no Contract Documents other than those listed above in this Article IX. The Contract Documents shall only be altered, amended, or repealed by a modification (as defined in the General Conditions).

ARTICLE X: INDEMNIFICATION

CONTRACTOR SHALL PROTECT, DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS OFFICERS, ELECTED OFFICIALS, AGENTS, AND EMPLOYEES, HARMLESS FROM ANY CLAIMS, FINES, DEMANDS, LOSS, DAMAGE, SUIT, AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES, FOR INJURY TO OR DEATH OF ANY PERSON, OR FOR DAMAGE TO ANY PROPERTY, CAUSED BY THE NEGLIGENT, INTENTIONAL OR WILLFUL ACTS OR OMISSIONS OF THE CONTRACTOR, ITS OFFICERS, EMPLOYEES, AGENTS, CONTRACT LABORERS, OR SUBCONTRACTORS IN THE

PERFORMANCE OF THIS AGREEMENT.

CONTRACTOR SHALL COMPLY WITH THE REQUIREMENTS OF ALL APPLICABLE LAWS, RULES, AND REGULATIONS IN CONNECTION WITH THE SERVICES OF CONTRACTOR AND SHALL EXONERATE, INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS AND ALL EMPLOYEES FROM ANY AND ALL LIABILITY, LOSS OR DAMAGE ARISING OUT OF NONCOMPLIANCE WITH SUCH LAWS, RULES AND REGULATIONS, WITHOUT LIMITATION. CONTRACTOR SHALL ASSUME FULL RESPONSIBILITY FOR PAYMENTS OF FEDERAL, STATE AND LOCAL TAXES OR CONTRIBUTIONS IMPOSED OR REQUIRED UNDER THE SOCIAL SECURITY, WORKER'S COMPENSATION, AND INCOME TAX LAWS WITH RESPECT TO CONTRACTOR'S EMPLOYEES. FURTHER, CONTRACTOR SHALL EXONERATE, INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS AND ALL EMPLOYEES FROM ANY AND ALL LIABILITY, LOSS, DAMAGES, EXPENSES OR CLAIMS ARISING OUT OF ANY ACT OR OMISSION, INTENTIONAL TORT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER OF CONTRACTOR, ITS OFFICERS, AGENTS AND EMPLOYEES IN CONNECTION WITH ANY OF THE WORK PERFORMED OR TO BE PERFORMED UNDER THIS CONTRACT BY CONTRACTOR OR AS A RESULT OF CONTRACTOR'S FAILURE TO USE AND EMPLOY REASONABLE SKILL AND CARE BEFITTING THE PROFESSION IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT. FURTHER, CONTRACTOR SHALL EXONERATE, INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, AND ALL EMPLOYEES FROM ANY AND ALL LIABILITY, LOSS, DAMAGES, EXPENSES OR CLAIMS FOR INFRINGEMENT OF ANY INTELLECTUAL PROPERTY ARISING OUT OF THE USE OF ANY PLANS, DESIGN, DRAWINGS, OR SPECIFICATIONS FURNISHED BY CONTRACTOR IN THE PERFORMANCE OF THIS AGREEMENT.

THE FOREGOING INDEMNIFICATION PROVISION SHALL APPLY TO CONTRACTOR REGARDLESS OF WHETHER OR NOT SAID LIABILITY, LOSS, DAMAGES, EXPENSES, OR CLAIMS IS CAUSED IN PART BY A PARTY INDEMNIFIED HEREUNDER.

THE CONTRACTOR SHALL REQUIRE ALL OF ITS APPROVED SUBCONTRACTORS TO INCLUDE IN THEIR SUBCONTRACTS, A

RELEASE AND INDEMNITY IN FAVOR OF THE CITY IN SUBSTANTIALLY THE SAME FORM AS ABOVE.

ARTICLE XI: MISCELLANEOUS

11.1 Terms used in this Agreement which are defined in the General Conditions will have the meanings indicated in the General Conditions.

11.2 Termination. In addition to the termination rights elsewhere in Contract Documents, the City may terminate this Agreement as follows:

a. For Convenience.
The performance of the work may be terminated at any time in whole or in part, by the City for its convenience. Any such termination shall be effected by delivery to the Contractor of a written notice (notice of termination) specifying the extent to which performance of the work is terminated and the date upon which termination becomes effective. If, for whatever reason, this contract is terminated for cause, which is later determined not to exist, the parties agree that the contract will be deemed to be terminated for convenience. In the event of termination for convenience, the Contractor shall only be paid its reimbursable costs incurred prior to the effective date of the termination notice and shall not be entitled to receive any further payment hereunder and shall be further subject to any claim the City may have against the Contractor under other provisions of this Contract or as a matter of law, including the refund of any overpayment of reimbursable costs and/or other payment.

b. For Cause.
Without prejudice to any other legal or equitable right or remedy that the City would otherwise possess hereunder or as a matter of law, the City, upon giving the Contractor ten (10) days' prior written notice, shall be entitled to terminate this Contract in its entirety at any time for the following:
(1) If the Contractor becomes insolvent, commits any act of bankruptcy, makes a general assignment for the benefit of creditors, or becomes the subject of any proceeding commenced under any statute or law for the relief of debtors;
(2) If a receiver, trustee or liquidator of any of the property or income of the Contractor shall be appointed;
(3) If the Contractor shall fail to prosecute the work or any part thereof with diligence necessary to ensure its progress and completion as prescribed by the time schedules;
(4) If within ten (10) calendar days after written notice thereof from the City or the City's Representative, the Contractor shall fail to remedy

any defective work or work that does not conform to the requirements of this Contract, specifications, and other Contract Documents, or any other default under any of the terms, provisions, conditions, or covenants contained in this Contract or any other current agreement between the Contractor and another City for similar construction work on other property; or

(5) If the Contractor shall fail for any reason other than the failure by the City to make payment called upon when due.

In the event of such termination for cause, the Contractor shall only be paid its reimbursable costs incurred prior to the effective date of the termination and shall not be entitled to receive any further payment hereunder and shall be further subject to any claim that the City's Representative or the City may have against the Contractor under the provisions of this Contract or as a matter of law, including the refund of any overpayments of reimbursable costs or other payments.

c. Procedure after Notice of Termination.
After receipt of a notice of termination, whether with or without cause, the Contractor shall, in good faith and to the best of its ability, do all things necessary in light of such notice to assure the efficient and proper close-out of the terminated work (including, but not limited to, the protection of the City's property). Among other things the Contractor shall, except as otherwise directed or approved by the City, do the following:

(1) Stop the work on the date and to the extent specified in the notice of termination;
(2) Place no further orders or subcontracts for services, equipment, or material, except as may be necessary for completion of such portion of the work as is not terminated;
(3) Immediately terminate all orders and subcontracts to the extent that they relate to the performance of the work terminated by the notice of termination;
(4) Assign to the City, in the manner and to the extent directed by it, all of the right, title and interest of the Contractor under the orders or subcontracts so terminated in which case, the City shall have the right to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
(5) With the approval of the City, settle all outstanding liabilities and all claims arising out of such termination, orders and subcontracts;
(6) Deliver to the City, when directed by the City, all documents and all property, which if the work had been completed, the Contractor would have been required to account for or deliver to the City, and transfer title to such property to the City to the extent not already transferred; and/or
(7) Take actions necessary or as otherwise directed by the City's

Representative or the City for the protection and preservation of the work.

In the event of such termination, there shall be an equitable reduction of the Contract Price to reflect the reduction in the work. Costs incurred after the effective date of the notice of termination shall not be treated as reimbursable costs unless they relate to carrying out the unterminated portion or taking close-out measures, approved by the City.

11.3 No assignment by a party hereto of any rights under or interests in the Contract Documents shall be binding on another party hereto without written consent of the party sought to be bound; and specifically but without limitation, monies that may become due and monies that are due but may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment shall release or discharge the assignor from any duty or responsibility under the Contract Documents.

11.3 The City and the Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.

11.4 Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the City and the Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close to expressing the intention of the stricken provision.

11.5 Other Provisions – None.

ARTICLE XII: ADDRESSES FOR GIVING NOTICES

12.1 The City:

City of Friendswood
910 S. Friendswood Drive
Friendswood, Texas 77546

12.2 The Contractor:

Branch Construction Group, LLC
1621 FM 517 Road East, Suite D
Dickinson, TX 77539

ARTICLE XIII: VENUE

13.1 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.

EXECUTED IN on behalf of the Contractor by Joe W. Gordin its Chief of Field Operations shown below, and on behalf of the City by Mike Foreman, its Mayor, thereto duly authorized this _____ day of _____, 2026.

ACCEPTED:

CITY:

CITY OF FRIENDSWOOD, TEXAS

_____
MAYOR

DATE:_____

PROPOSED AND AGREED TO:

CONTRACTOR:

Branch Construction Group, LLC

BY: Joe W. Gordin III
Chief of Field Operations

DATE: 3-19-26

ATTEST:

_____
CITY SECRETARY

ATTEST:

Brian M. Kramm
(OFFICER OR SECRETARY)

APPROVED AS TO FORM:

_____
CITY ATTORNEY

END OF SECTION

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/16/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider ratifying the City's filing of IRS Form 8038-T and the remittance of the associated arbitrage rebate and yield reduction payments in connection with the Waterworks and Sewer System Revenue Bonds, Series 2021.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

As part of ongoing post-issuance compliance, issuers of tax-exempt bonds must evaluate investment earnings on bond proceeds relative to the bond yield to ensure compliance with federal arbitrage restrictions and, where applicable, make required payments to the U.S. Treasury. Arbitrage restrictions are designed to prevent the issuers of tax-exempt bonds from retaining a federal tax benefit arising from investing bond proceeds at a yield higher than the yield on the bonds.

In order to ensure compliance with such restrictions, Willdan Financial Services performed the requisite arbitrage rebate calculations for the City of Friendswood's Waterworks and Sewer System Revenue Bonds, Series 2021, and determined that, due to market conditions, the following two federal payments are required:

Arbitrage Rebate Payment (from 02/04/2021 (delivery date) to 02/04/2026)	$401,646,96
Yield Reduction Payment (from 02/04/2024 (end of three-year temporary period) to 02/04/2026.	$200,747.74
Total	**$602,394,70**

Note that the arbitrage rebate functions like a settling tax on gains above the bond yield, while the yield reduction payment effectively buys down the investment yield to align it with federal requirements, ensuring the continued tax-exempt status of the bonds. The total interest earned to date on this bond issuance is $1,153,521.89.

This item ratifies the City's filing of IRS Form 8038 and payment of $602,394.70 to the U.S. Treasury from bond interest earnings and water and sewer working capital. Additional information concerning the arbitrage rate calculation is attached.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. COF - Form 8038 -T 2021 W&S Revenue Bonds - Signed
2. Friendswood Wtrwrks & Sewer Sys Rev 2021 Mar2026

Form **8038-T**
(Rev. October 2021)
Department of the Treasury
Internal Revenue Service

Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate

▶ Under sections 143(g)(3) and 148(f) and section 103(c)(6)(D) of the Internal Revenue Code of 1954.
▶ Go to *www.irs.gov/Form8038T* for instructions and the latest information.

OMB No. 1545-0047

Part I Reporting Authority

Check box if **Amended Return** ▶ ☐

1 Issuer's name		2 Issuer's employer identification number (EIN)
Friendswood, Texas (City of)		74 1493202
3 Number and street (or P.O. box no. if mail is not delivered to street address)	Room/suite	4 Report number (*For IRS Use Only*)
910 South Friendswood Drive		7
5 City, town, or post office, state, and ZIP code		6 Date of issue
Friendswood, Texas 77546		02/04/2021
7 Name of issue		8 CUSIP number
Waterworks and Sewer System Revenue Bonds, Series 2021		358595 HZ2
9 Name and title of officer of the issuer or other person whom the IRS may call for more information		10 Telephone number of officer or other person
Ms. Rhonda Bloskas, Director of Finance		(281) 996-3216

11 Type of issue ▶ Utilities — Issue price ▶ 11 — 15,838,303.00

Part II Arbitrage Rebate and Yield Reduction Payments

			Amount
12	Computation date to which this payment relates (MM/DD/YYYY) 02/04/2026		
13	Arbitrage rebate payment (see instructions) ☑ check box if less than 100% of rebate amount . . .	13	401,646.96
14	Yield reduction payment (see instructions) ☐ check box if less than 100% of yield reduction amount	14	200,747.74
15	Rebate payment from Qualified Zone Academy Bond (QZAB) defeasance escrow (see instructions) . .	15	

Part III Penalty in Lieu of Arbitrage Rebate

16	Number of months since date of issue: ☐ 6 mos ☐ 12 mos ☐ 18 mos ☐ 24 mos ☐ Other. No. of mos ▶		
17	Penalty in lieu of rebate	17	
18	Date of termination election (MM/DD/YYYY)		
19	Penalty upon termination	19	

Part IV Late Payments

20	Does failure to pay timely qualify for waiver of penalty? See instructions . . . Yes ☐ No ☐		
21	Penalty for failure to pay on time (see instructions)	21	
22	Interest on underpayment (see instructions)	22	

Part V Total Payment

23	**Total payment.** Add lines 13, 14, 15, 17, 19, 21, and 22. Enter total here	23	602,394.70

Part VI Miscellaneous

24	Unspent proceeds as of this computation date	24	1,229,824.84
25	Proceeds used to redeem bonds	25	
26	Gross proceeds used for qualified administrative costs for guaranteed investment contracts (GICs) and defeasance escrows	26	
27	Fees paid for a qualified guarantee	27	

			Yes	No
28	Is the issue a variable rate issue?	28		✔
29	Did the issuer enter into a hedge? Name of provider ____ Term of hedge ____	29		✔
30	Were gross proceeds invested in a GIC? Name of provider ____ Term of GIC ____	30		✔
31	Were any gross proceeds invested beyond an available temporary period?	31	✔	
32	Calculations for filing of this form prepared by: ☐ Issuer ☑ Preparer: **Willdan Financial Services**			

Signature and Consent

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ _____ 03/16/2026 ▶ Morad Kabiri, City Manager
Signature of issuer's authorized representative — Date — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: Flor Iturbe	Preparer's signature	Date: 3/12/2026	Check ☐ if self-employed	PTIN: P0303255
Firm's name ▶ Willdan Financial Services			Firm's EIN ▶	33-0302345
Firm's address ▶ 27368 Via Industria, Suite 200, Temecula, California 92590			Phone no.	951-587-3500

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider an ordinance amending the City's General Budget for Fiscal Year 2025-2026 by approving "Budget Amendment VI" and providing for supplemental appropriation and/or transfer of certain funds.

Originating Department: Finance

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

By its nature, our budget is an estimate of the revenues and expenditures needed to accomplish the City Council and Staff goals for the year.

Throughout the year, events occur that require adjustments to the budget. These adjustments may be needed for various reasons, such as the recognition of extraordinary revenues or expenditures, new projects that are authorized by the Council or providing funding for expenditures resulting from extraordinary events like natural disasters. As the need arises, items for budget appropriations are accumulated and then submitted for approval at the City Council meeting each month. The budget adjustments covered by this ordinance comprise the sixth set for fiscal year 2025-2026.

We have attempted to provide as much explanation of the adjustments as possible through two sets of exhibits. Exhibit A provides a narrative explanation of each budget amendment. Exhibit B provides the details of each accounting transaction.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Ordinance - Budget Amendment No. VI
2. FY26 BA VI Exhibit A 2026-04-06
3. FY26 BA VI Exhibit B 2026-04-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING ORDINANCE NO. 2025-23, PASSED AND APPROVED AUGUST 25, 2025, THE SAME BEING AN ORDINANCE APPROVING AND ADOPTING THE CITY'S GENERAL BUDGET FOR FISCAL YEAR 2025-26, BY APPROVING "BUDGET AMENDMENT VI" THERETO; PROVIDING FOR SUPPLEMENTAL APPROPRIATION AND/OR TRANSFER OF CERTAIN FUNDS; PROVIDING FOR SEVERABILITY; PROVIDING FOR OTHER MATTERS RELATED TO THE SUBJECT; AND PROVIDING FOR THE EFFECTIVE DATE.

****

WHEREAS, by Ordinance No. 2025-23, the City Council of the City of Friendswood, Texas, adopted its "Original General Budget for Fiscal Year 2025-26"; 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 2025-26; 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 2025-26" is hereby amended for municipal purposes as shown on "Budget Amendment VI" to the "Original Budget of the City of Friendswood, Texas, for the Fiscal Year 2025-26" attached hereto. Said Budget Amendment VI shall be attached to and made a part of such Original General Budget by the City Secretary and shall be filed as required by state law. A true and correct copy of said amendment is attached hereto as Exhibits "A" and "B" and is incorporated herein for all intents and purposes.

Section 3. In the event any clause, phrase, provision, sentence, or part of this ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Friendswood, Texas, declares

that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 4. This ordinance shall take effect immediately from and after its passage by the City Council of the City of Friendswood, Texas.

INTRODUCED, READ AND PASSED on first and final reading by the affirmative vote of the City Council of the City of Friendswood on this the 6th day of April, 2026.

_____
MIKE FOREMAN, Mayor

ATTEST:

_____
RAQUEL MARTINEZ, City Secretary

APPROVED AS TO FORM:

_____
KAREN L. HORNER, City Attorney

City of Friendswood
Budget Amendment Summary
Fiscal Year FY2025-2026
Budget Amendment VI
April 6, 2026

1. **Information Technology Department – Server Hardware, $361,563.** Appropriate funds for the purchase of replacement server hardware at the Public Safety Building. The current hardware has reached the end of useful life and must be replaced to ensure continuity of operations. The funding source is unassigned general fund balance.

2. **Capital Maintenance Fund Transfer, $500,000.** Transfer funds from the General Fund to the Capital Maintenance Fund. Funds will be transferred to the Capital Maintenance Fund to accumulate funding for capital improvements including repairs and maintenance.

3. **Police Department – Animal Services Vehicle Upgrade, $52,300.** Appropriate funds to supplement the replacement of an Animal Services truck. The current Animal Services truck will be upgraded to improve safety and operational efficiency when handling larger animals. The funding source will be unassigned general fund balance.

4. **Police Department – Insurance Proceeds, $500.** Appropriate insurance proceeds from TML-IRP for the repair of P332 which was damaged in an accident on November 3, 2025. The funds will be appropriated to the Criminal Investigation division's vehicle maintenance account.

5. **Police Department – Insurance Proceeds, $1,031.** Appropriate insurance proceeds from TML-IRP for the repair of P446 which was damaged in an accident on February 21, 2026. The funds will be appropriated to the Patrol division's vehicle maintenance account.

6. **Emergency Services Department – Insurance Proceeds, $6,973.** Appropriate insurance proceeds from TML-IRP for the repair of A47 which was damaged in an accident on November 8, 2025. The funds will be appropriated to the Emergency Medical Services division's vehicle maintenance account.

7. **Parks and Recreation Department – Sponsorships, $1,500.** Appropriate sponsorships received from Friendswood businesses. A portion of the sponsorships were received in the prior year and will be appropriated from unassigned general fund balance ($500) and the remainder will be appropriated from current fiscal year sponsorships ($1,000). The funds will be appropriated to the Recreation division's community events account.

8. **Parks and Recreation Department – Stevenson Park Playground Surfacing, $189,605.*** Appropriate funds for new playground surfaces in Stevenson Park. The current surfaces and related drainage problems require a complete replacement and upgrade. The funding source will be the capital maintenance fund undesignated fund balance.

9. **Friendswood Downtown Economic Development Corporation – Downtown Banners, $900.** Appropriate funds for new light pole banners in the downtown district. Council approved the banner purchase at the March 2, 2026, City Council meeting. The funding source will be FDEDC undesignated fund balance.

10. **2021 Water and Sewer Bond Arbitrage Rebate and Yield Reduction Payment, $602,395.** Appropriate funds for the arbitrage rebate and yield reduction payment related to the 2021 Water and Sewer Bond. Willdan Financial Services completed their arbitrage installment calculations and determined a positive rebate liability. The funding source will be water and sewer working capital ($300,114) and interest earnings in the 2021 Water and Sewer Bond fund ($302,281).

**Deferred Maintenance*

City of Friendswood
April 6, 2026
2025-2026 Budget Amendment VI - Exhibit B

BA Number	Account Number	Project Number	Description	Amount
1	001-0000-30500		Appropriate unassigned general fund balance for Nutanix Hardware at Public Safety Building	(361,563)
1	001-0716-419.8800		Appropriate unassigned general fund balance for Nutanix Hardware at Public Safety Building	361,563
2	001-0000-30500		Transfer unassigned general fund balance to capital maintenance fund	(500,000)
2	001-9002-491.9138		Transfer unassigned general fund balance to capital maintenance fund	500,000
2	161-0000-39120		Transfer unassigned general fund balance to capital maintenance fund	(500,000)
2	161-0000-30100		Transfer unassigned general fund balance to capital maintenance fund	500,000
3	001-0000-30500		Appropriate unassigned general fund balance for Animal Services vehicle upgrade	(52,300)
3	001-2150-421.8300		Appropriate unassigned general fund balance for Animal Services vehicle upgrade	52,300
4	001-0000-38310		Appropriate TML-IRP Insurance Proceeds for P332 damaged in an accident on 11/03/25	(500)
4	001-2130-421.6300	P332	Appropriate TML-IRP Insurance Proceeds for P332 damaged in an accident on 11/03/25	500
5	001-0000-38310		Appropriate TML-IRP Insurance Proceeds for P446 damaged in an accident on 02/21/26	(1,031)
5	001-2120-421.6300	P446	Appropriate TML-IRP Insurance Proceeds for P446 damaged in an accident on 02/21/26	1,031
6	001-0000-38310		Appropriate TML-IRP Insurance Proceeds for A47 damaged in an accident on 11/8/2025	(6,973)
6	001-2507-422.6300	A47	Appropriate TML-IRP Insurance Proceeds for A47 damaged in an accident on 11/8/2025	6,973
7	001-0000-30500		Appropriate sponsorships received in the prior year for the Flapjack Fun Run	(500)
7	001-0000-34772		Appropriate sponsorships received for the Daddy Daughter Dance	(1,000)
7	001-6420-452.7910	FUNRUNREV	Appropriate sponsorships received for the Flapjack Fun Run	500
7	001-6420-452.7910	DDANCEREV	Appropriate sponsorships received for the Daddy Daughter Dance	1,000
8	161-0000-30100		Appropriate undesignated fund balance for Stevenson Park Playground bonded rubber surfaces and related drainage*	(189,605)
8	161-6430-456.8200		Appropriate undesignated fund balance for Stevenson Park Playground bonded rubber surfaces and related drainage*	189,605
9	175-0000-30100		Appropriate undesignated fund balance for downtown district banner purchase	(900)
9	175-0303-419.5800		Appropriate undesignated fund balance for downtown district banner purchase	900
10	401-0000-30600		Appropriate water and sewer working capital for 2021 Water and Sewer Bond arbitrage rebate and yield reduction payment	(300,114)
10	401-9002-491.9149		Appropriate water and sewer working capital for 2021 Water and Sewer Bond arbitrage rebate and yield reduction payment	300,114
10	490-000-39137		Appropriate water and sewer working capital for 2021 Water and Sewer Bond arbitrage rebate and yield reduction payment	(300,114)
10	490-8101-476.9510		Appropriate water and sewer working capital for 2021 Water and Sewer Bond arbitrage rebate and yield reduction payment	300,114
10	422-0000-30600		Appropriate interest proceeds from 2021 Water and Sewer Bond Fund for arbitrage rebate and yield reduction payment	(302,281)
10	422-9002-491.9167		Appropriate interest proceeds from 2021 Water and Sewer Bond Fund for arbitrage rebate and yield reduction payment	302,281
10	490-0000-39149		Appropriate interest proceeds from 2021 Water and Sewer Bond Fund for arbitrage rebate and yield reduction payment	(302,281)
10	490-8101-476.8510		Appropriate interest proceeds from 2021 Water and Sewer Bond Fund for arbitrage rebate and yield reduction payment	302,281

*Deferred Maintenance

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/03/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider a resolution amending Chapter 7 "Benefits" of the City of Friendswood Personnel Policy Manual to amend Section 7.02 "Holidays" to provide for holiday pay for certain part-time employees and amending City of Friendswood Personnel Policy Manual to add a new section to be numbered and entitled 7.08 "Paid Time Off for Eligible Part-time Employees" for paid time off for such employees.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Currently, part-time employees who work 20 hours but less than 40 hours a week ("Eligible Part-time Employees") do not receive any paid time off for vacation or sick and do not receive holiday pay. This proposed resolution authorizes pay for both. Specifically, under the proposed policies, Eligible Part-time Employees will receive the following:

Holiday Pay

- Fourteen (14) paid holidays.
- No floating holiday.
- Hours per holiday will be based upon the employee's FTE status (e.g., 0.50, 0.60, 0.75).
- Upon separation of service, there is no payout for accumulated holiday leave.

Paid Time Off ("PTO")

- The following shall be earned per pay period:

FTE Status	PTO Hours Earned Per Pay Period	Maximum H
0.50 ≤ FTE < 0.60	4.15	
0.60 ≤ FTE < 0.75	4.98	
0.75 ≤ FTE < 1.00	6.22	

- PTO may be taken for vacation, personal time, short-term illness, and other approved absences.
- PTO leave does not accrue during disability, leave of absence, family and medical leave, parental leave workers' compensation leave, or any other inactive status.
- PTO hours cannot be advanced.

- Upon separation of service, there will be no payout for accumulated PTO leave.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Resolution - Benefits for Certain Part-Time Employees
2. Exhibit A - Holidays for Part-Time Employees1
3. Exhibit B - Paid Time Off for Part-Time Employees
4. Redline - Holidays for Part-Time Employees

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING CHAPTER 7 "BENEFITS" OF THE CITY OF FRIENDSWOOD PERSONNEL POLICY MANUAL TO AMEND SECTION 7.02 "HOLIDAYS" TO PROVIDE FOR HOLIDAY PAY FOR CERTAIN PART-TIME EMPLOYEES; AND AMENDING THE CITY OF FRIENDSWOOD PERSONNEL POLICY MANUAL TO ADD A NEW SECTION TO BE NUMBERED AND ENTITLED 7.08 "PAID TIME OFF FOR ELIGIBLE PART-TIME EMPLOYEES" TO PROVIDE FOR PAID TIME OFF FOR SUCH EMPLOYEES; RENUMBERING THE REMAINING SECTIONS OF SUCH CHAPTER; INCLUDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

****

WHEREAS, on August 7, 2023, the City Council adopted an updated Personnel Policy Manual; and

WHEREAS, the City desires to amend such manual in order to provide for holiday leave and paid time off for certain part-time employees; and

WHEREAS, each employee should read and become familiar with the updated Personnel Policy Manual herein adopted; NOW THEREFORE,

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

Section 1. That the facts and matters set forth in the recitals of this resolution are hereby found to be true and correct.

Section 2. That the following sections in Chapter 7 "Benefits" of the City of Friendswood's Personnel Policy Manual are hereby renumbered as follows:

Current Section	New Section	Title of Section
7.08	7.09	Paid Parental Leave
7.09	7.10	Family and Medical Leave
7.10	7.11	Paid Absences
7.11	7.12	Leave Without Pay
7.12	7.13	On-The-Job Injury Leave
7.13	7.14	Paid Quarantine Leave Policy for Peace Officers and Emergency Medical Technicians
7.14	7.15	Mental Health Leave for Peace Officers and Telecommunicators
7.15	7.16	Education Reimbursement
7.16	7.17	Mandatory Continuing Education
7.17	7.18	Retirement Benefits

Section 3. That the City Council of the City of Friendswood hereby amends Chapter 7 "Benefits," Section 7.02 "Holidays" of the City of Friendswood's Personnel Policy Manual to read as provided in Exhibit "A," which is attached hereto and incorporated herein for all intents and purposes.

Section 4. That the City Council of the City of Friendswood hereby amends Chapter 7 "Benefits" of the City of Friendswood's Personnel Policy Manual to add a new section to be entitled and

numbered Section 7.08 "Paid Time Off for Certain Part-Time Employees," which section shall read as provided in Exhibit "B," which is attached hereto and incorporated herein for all intents and purposes.

Section 5. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this resolution 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 resolution 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 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 6th day of April, 2026.

MIKE FOREMAN, Mayor

ATTEST:

RAQUEL MARTINEZ, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

7.02 Holidays

a. Holidays Recognized

The City provides full-time employees the following paid holidays during the fiscal year as approved by Council:

1. New Year's Day ..... January 1
2. Martin Luther King, Jr.'s Birthday ..... Third Monday in January
3. Presidents' Day ..... Third Monday in February
4. Good Friday ..... Friday before Easter Sunday
5. Memorial Day ..... Last Monday in May
6. Juneteenth National Independence Day ..... June 19
7. Independence Day ..... July 4
8. Labor Day ..... First Monday in September
9. Columbus Day ..... Second Monday in October
10. Veterans Day ..... November 11
11. Thanksgiving Day ..... Fourth Thursday in November
12. Thanksgiving Friday ..... Day following Thanksgiving Day
13. Day before or after Christmas Day ..... December 24 or December 26
14. Christmas Day ..... December 25
15. Floating Holiday ..... One day of employee's choosing.

Eligible part-time employees, as defined in section 7.08, ("PTO eligible part-time employees") will receive all of the above-referenced holidays, other than the floating holiday. Temporary and seasonal employees as well as non-PTO eligible part-time employees shall not be granted paid holidays.

b. Payment and Eligibility

Regular full-time employees will be paid at their base rate for hours equal to one workday for each holiday. PTO eligible part-time employees will be paid at their base rate for hours equal to one workday for each holiday, which workday will be based upon the employee's FTE status as indicated in the City's payroll records.

c. Observance

If the holiday falls on a Saturday, the preceding Friday shall be observed, and if a holiday falls on a Sunday, the following Monday shall be observed. As many employees as possible shall be given each holiday off while providing for the maintenance of essential City functions. Shift personnel will observe official City holidays on the actual day of observance.

Department Directors may revoke or restrict observance of any designated holiday in order to provide necessary municipal services to the public.

d. Eligibility

To be eligible for holiday pay, the employee must work the scheduled hours before and after the holiday unless an excused absence is approved by the Department Director. Employees on unpaid administrative leave will not receive holiday pay.

Employees scheduled to work on an observed holiday, and who fail to work as scheduled without an excused absence, will not be eligible for holiday pay. An employee required to work on an observed holiday will receive the holiday pay plus the overtime rate of one-and one-half times the regular rate of pay for hours worked.

An employee who is terminated for gross misconduct (e.g., positive drugs, theft, destruction of City property, job abandonment, etc.) shall be ineligible for payment of accumulated holiday leave. Similarly, upon separation of service, PTO eligible part-time employees are not entitled to payment for accumulated holiday leave.

e. Floating Holiday

Hours equal to one regular workday will be paid as a floating holiday – a day of the employee's choosing – with supervisor's approval. This holiday is awarded to a new full-time employee upon completion of 90 days of service. All full-time employees employed longer than 90 days will receive floating holiday hours on January 1st of each year. The hours of one Floating Holiday may be carried over from one year to the next, not to exceed hours equivalent to two holidays. A floating holiday may be used in one quarter hour (1/4) increments with a minimum of one hour per event.

7.08 Paid Time Off Leave for Eligible Part-Time Employees

a. Purpose

Paid time off leave is designed to provide part-time employees, who meet the eligibility requirements of this section, flexibility and control in scheduling time away from work for vacations, emergencies, appointments, inclement weather, or other personal needs.

b. Scope

This section applies to eligible part-time employees as defined in subsection c of this section. It does not apply to full-time employees, temporary employees, interns, or seasonal employees.

c. 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:

Biweekly means each pay period in a two-week payroll cycle.

Eligible part-time employee means a person who is classified as a part-time employee with an FTE status of 0.50 or greater as indicated in the City's payroll records.

Full-time equivalent (FTE) means an employee's scheduled weekly hours divided by the standard full-time schedule of 40 hours, rounded as designated by the director of human resources.

Maximum PTO accrual hours means the cap on PTO hours an employee may hold at any time.

PTO means paid time off.

d. PTO Earned per Service Period

Each eligible part-time employee shall earn PTO leave for service at their regular rate of pay as follows:

FTE Status	PTO Hours Earned Per Pay Period Worked	Maximum PTO Accrual Hours
0.50 ≤ FTE < 0.60	4.15	65
0.60 ≤ FTE < 0.75	4.98	75
0.75 ≤ FTE < 1.00	6.22	95

e. Computation

(1) Eligible part-time employees begin accruing PTO leave on (i) the start of the first full biweekly pay period after April 6, 2026, or (ii) their most recent date of hire, whichever is later.

(2) When an employee has reached their maximum PTO accrual hours, each pay period additional accruals will be added to the employee's bank; and if not used during that pay period, the oldest accruals will be deducted to maintain the maximum PTO accrual hours allowed.

(3) Should a paid holiday fall during the eligible part-time employee's PTO leave, the employee will receive holiday pay for those designated hours instead of PTO pay.

(4) Should an eligible part-time employee's scheduled PTO leave be canceled or interrupted by the City for its convenience or due to an emergency, the City Manager may extend the period during which accrued PTO leave may be used.

(5) The accrued PTO hours of an eligible part-time employee being transferred or promoted to a full-time position shall be converted on a 1:1 basis to accrued vacation hours on the date of the transfer or promotion. An eligible part-time employee being transferred or promoted to another part-time position, for which the employee will remain qualified as an eligible part-time employee, shall retain accrued PTO hours. An employee who moves from an eligible part-time position to a part-time position for which the employee no longer qualifies as an eligible part-time employee may use their accrued PTO hours in their new position but will not accrue additional PTO hours.

(6) If an employee's designated FTE status changes, the accrual rate and maximum PTO accrual hours will adjust prospectively effective the first full pay period following approval of the change.

(7) Employees on a leave of absence, other than USERRA leave, are required to use all accrued PTO hours as part of the leave.

(8) Time off without sufficient PTO balance will be unpaid.

f. PTO Usage

(1) PTO may be used for vacation, personal time, short-term illness, and other approved absences, subject to supervisory approval and scheduling needs.

(2) Eligible part-time employees are permitted to use their PTO allotment in increments accepted by timekeeping system.

(3) It is the responsibility of eligible part-time employees to monitor and manage their own balance to allow for adequate reserves for future use.

g. Approval Required

All PTO leave taken must be approved in advance by the employee's supervisor. This approval will necessarily balance the needs of the City and the needs of the employee. When there are conflicting requests from employees, the supervisor will distribute the PTO and vacation leaves fairly among the requesting employees. Except for special circumstances with Department Director approval, not more than 80 hours can be used consecutively.

h. Non-Accrual

PTO hours shall not be accrued for any pay period during which an employee is receiving donated time for more than half of their regularly scheduled work hours. Unless otherwise required by law, PTO hours will not accrue while eligible part-time employees are on disability, leave of absence, family and medical leave, parental leave, workers' compensation leave or any other inactive status. PTO hours may not be advanced before earned.

i. Separation

An employee may not use PTO leave during the two weeks' notice period prescribed by Section 5.01.f. When an employee leaves employment with the City of Friendswood, the employee will not receive payment for any unused PTO hours accrued at the time of separation.

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/19/2026

Prepared by: Karen Horner, City Attorney

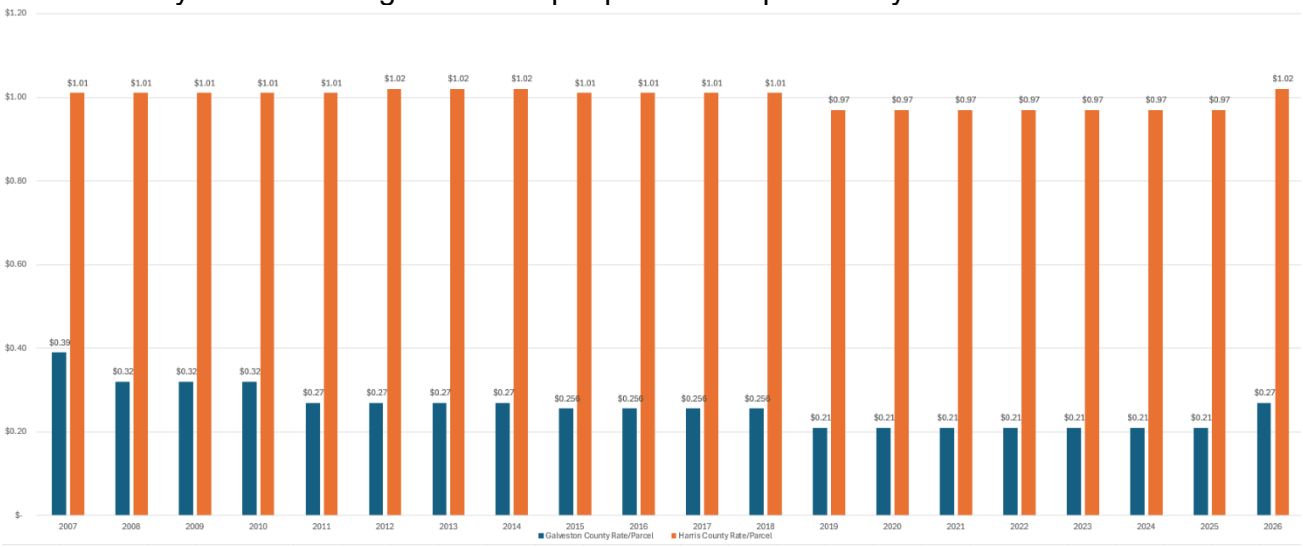
Subject: Consider a resolution amending Section 2 of Resolution No. R2019-07 concerning the tax assessment and collection services performed by the Galveston County Assessor and Collector of Taxes to update the per parcel fees to be charged for such ad valorem services.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Galveston County Tax Assessor Collector has been assessing and collecting taxes on property within the City since 2007. In 2019, the City Council passed Resolution No. R2019-07, which was the latest authorization for the Galveston County Assessor and Collector of Taxes to perform assessment and collection duties on behalf of the City. Section 2 of such resolution established the per parcel fees charged the City, which fees have remained the same since 2019. However, due to inflation, the rates are increasing for the 2026 tax year to $0.27 per parcel in Galveston County and $1.03 per parcel in Harris County. The following shows the per parcel fees per county since 2007:



IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Resolution - Tax Assessment & Collection Services
2. Galveston County Tax Assessor Collector - Entity Billing Cost Analysis 2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING SECTION 2 OF RESOLUTION NO. R2019-07 CONCERNING THE TAX ASSESSMENT AND COLLECTION SERVICES PERFORMED BY THE GALVESTON COUNTY ASSESSOR AND COLLECTOR OF TAXES TO UPDATE THE PER PARCEL FEES TO BE CHARGED FOR SUCH SERVICES; AUTHORIZING THE CITY MANAGER TO TAKE FURTHER ACTION TO EFFECTUATE THE CHANGE; AND PROVIDING FOR AN EFFECTIVE DATE.

****

WHEREAS, Sections 6.22(c) and 6.23(a)(3) of the Texas Tax Code provide that the county tax assessor-collector shall assess and collect taxes on property in the county for taxing entities if required by the governing body of a taxing unit; and

WHEREAS, Galveston County, through its Assessor and Collector of Taxes, has provided these services to the City of Friendswood (the "City") since 2007 for properties within the corporate limits of the City, whether in Galveston or Harris County; and

WHEREAS, the Galveston County Tax Assessor-Collector has notified the City that, due to the impacts of inflation, the actual cost incurred for assessing and collecting taxes for the City has increased, necessitating the following changes in the per parcel fee for such services beginning in tax year 2026:

Location of Parcel	Current Fee/Parcel	New Fee/Parcel
Galveston County	$0.21	$0.27
Harris County	$0.97	$1.03

; and

WHEREAS, the City finds that continued coordination with Galveston County for the assessment and collection of taxes on property located in the geographic boundaries of the City and for the collection of special assessments within the PID would be expedient, cost effective, mutually beneficial, and would promote governmental efficiency; NOW THEREFORE,

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

Section 1. That the facts and matters set forth in the recitals of this resolution are hereby found to be true and correct.

Section 2. That the City Council of the City of Friendswood, Texas, hereby amends Section 2 of Resolution No. R2019-07 relating to tax assessment and collection services to read as follows:

> Section 2. The City of Friendswood acknowledges that assessment and collection services will be performed as outlined in Exhibit "A," Assessment & Collection Services, for a fee of $0.27 per parcel for properties located in Galveston

County and $1.03 per parcel for properties located in Harris County, as approved by Galveston County Commissioners Court. Billing to occur by January 15th commencing in 2027 for the 2026 tax year, and due and payable no later than March 1st each year (unless otherwise negotiated).

Section 3. That the City Council of the City of Friendswood, Texas, hereby authorizes the City Manager to take further action to effectuate this change.

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 6th day of April, 2026.

_____
MIKE FOREMAN, Mayor

ATTEST:

_____
RAQUEL MARTINEZ, City Secretary

APPROVED AS TO FORM:

_____
KAREN L. HORNER, City Attorney

Galveston County Tax Office
Policies & Procedures
Support Services
Entity Billing Cost Analysis

POLICY

It is the policy of the Tax Assessor/Collector to annually estimate the cost of providing tax assessment and collection services to government partners.

RESPONSIBILITY

The Tax Assessor/Collector and Chief Deputy of Property Tax & Support Services are responsible for compliance with this policy.

PROCEDURE

Section 6.27(b) of the Texas Property Tax Code provides that "...the county assessor-collector is entitled to a reasonable fee, which may not exceed the actual costs incurred, for assessing and collecting taxes for a taxing unit..."

Each year the Tax Assessor/Collector will consult with the Chief Deputy of Property Tax and Support Services to develop the proper analysis of the cost of providing services to entities other than the County. This analysis is an estimate only as it is a projection and actual costs can fluctuate year to year. For this reason, only increases or decreases totaling $0.02 or more will result in a fee change being recommended to Commissioners Court for ratification after review by the County Auditor's Office.

The Analysis

The basis for cost estimates is based on the determination of what expenses and personnel would be required if the office only collected for Galveston County. It is the joint opinion of the Chief Deputy of Property Tax and the Tax Assessor Collector that services could provide assessment and collection services for the County with one less Property Tax Application Specialist and one less Accounting Technician II. In a consolidated collection environment, theses positions are essential to completing the work necessary to fulfill a best practices level of legally required services for the current number of entity partners. Additionally, due to the demands of serving 40 entities in addition to the County during the Assessment Phase adds an additional workload and responsibility to the Chief Deputy and Tax Assessor Collector. The additional time spent over the three-month period is estimated to add no less than the equivalent of one month of additional work for each position thus 1/12 of the combined salaries and personnel cost is also included.

The additional costs are analyzed and proposed during the annual budget cycle to the Tax Collection Contracts budget #151553. The Entity Cost Calculator spreadsheet (maintained with this policy in the W drive ADMIN TEAM/POLICY MANUAL/SUPPORT SERVICES folder) shall be updated to reflect projected budget costs, most current CAD Grand Total parcel counts and per parcel fee determined that will return sufficient funds to cover all anticipated budgeted costs.

The Analysis (continued)

This spreadsheet and policy shall be submitted to the County Auditor's team for review and, upon approval, policy updated with the final per parcel amounts.

Estimates for the 2026 tax year (FY 2027) are $158,084 for Galveston County parcels and $5,039 for Harris County parcels. Estimates are based on the following assumptions:

1. Salaries plus personnel costs based on 2 FTEs to include a Property Tax Application Specialist and Accounting Tech II with an estimated 3% COLA/P4P added for the FY 2027 plus 1/12th of the salary and benefit cost of the TAC and CDPT&SS.
2. Travel, education and membership expenses for Property Tax Application Specialist (training to begin with FY 2026-2027)
3. Office supplies at $1,000 x 2 FTEs
4. PC, monitor, printer and software costs x FTEs/7 year replacement
5. Truth in Taxation software costs are based on number of entities (1 entity in 2025 is $340 and 20+ $2,300 thus the contributory cost for government partners is $2,300-340 or $1,960). Costs have increased on average 7% over the last three years thus the 2027 projected cost for the software for entities is rounded to $2,100
6. Harris County costs based on estimated/actual cost of statement printing and mailing, all other printing and postage expenses (postcard receipts, February and 33.08 delinquent notices, cost of quarter and split pay coupons) and apportioned cost of hard and personnel costs for HC properties based on the HC parcel count as a percentage of all
7. PIDs historically were assessed a higher rate but this could not be justified thus those parcels are to be the same as all other parcels in the specific county
8. Costs are allocated to achieve rates necessary to cover estimated and hard costs utilizing the most current parcel counts. The cost estimate is included as Exhibit A.
9. The preliminary estimates for TY 2026 indicate a Galveston County per parcel rate of $0.27 and a Harris County rate of $1.03. The indicated rates are greater than or equal to the $0.02 increase that requires a contracted rate change thus rates will increase for Galveston and Harris County parcels as well as PIDs for Tax Year 2026. This policy along with audited cost estimates will be submitted to County Commissioners for ratification. County Auditor approval will be included as Exhibit B.

Fee To Be Established

This process was presented at a workshop of Commissioners Court in March 2015. Proposed fee increases or decreases will be presented to Commissioners for ratification in advance of the April 1st deadline to notify collection partners of rate changes.

BILLING

The Chief Deputy of Property Tax and Support Services maintains copies of contracts and/or resolutions of the jurisdictions with the TNT

BILLING (cont)

entity files. Billing for assessment and collection services occurs once a year in February and is based on the most current parcel counts indicated on the most current supplemental appraisal district rolls. Payment status is reported monthly to the Chief Deputy Property Tax and Support Services until all receivables are paid. Efforts to streamline billings will be analyzed each year.

Support Services Generating Bills

1. Obtain most current Galveston and Harris County parcel counts are prepared by Property Tax Application Specialists using the most current central appraisal district supplemental roll total parcels.

2. Prepare invoice for each entity utilizing most current entity list.

3. Using prior year Word document maintained in the Q drive at Entity Information/Billing and Collections, create invoice for each entity. Billing amounts are as follows for 2026 tax year:

   GC (including PIDs): parcel count x $0.27
   HC: parcel count x $1.03 (Friendswood, City Centre PID, League City & Westwood Management District)

   Prior to printing or emailing final statement, print draft invoices for review by TAC and/or Chief Deputy PT&SS.

4. Upon approval, merge, sign and make two copies of each invoice (one to mail or scan and email and one for Admin files)

5. Mail along with blue return envelope stamped or noted (ATTN SUPPORT SERVICES).

6. Enter invoice date into spreadsheet

7. Create and print a document for Admin Clerk with entity name and amount billed so they can monitor and record payments

Logging Payments

Upon receipt of check, copy check and envelope, enter payment information into entity billing spreadsheet including date received, check number and amount received ((Q:)/Entity Information/20XX to 20XX Entity List For All, in the Tax Year 20XX Entity Billing tab.

Prepare payment sheet for Accounting Department and include with all payments received daily (include Payor, Check # and Amount) printing two copies. Provide one payment sheet with checks to Senior Accountant; file additional copy in Entity Billing folder maintained in Admin Assistant filing drawer.

Email Chief Deputy of Business Services, other Administrative Assistant and copy the CDPTSS the payment sheet information.

Follow Up

After receiving all payments, notify Chief Deputy Property Tax and Support Services and TAC and transfer file to main filing cabinets

If payment is not received after 30 days, contact the entity and resend

Follow Up (cont)

invoice if address information was incorrect. Update master entity spreadsheet. If the entity provides a check number, pass that information on to Accounting to verify.

APPROVED:

Cheryl E. Johnson

Cheryl E. Johnson

February 23, 2026

Date

Estimated Entity Billing Costs Tax Year 2026 (FY 2027)			
Number of FTE positions in budget	2.00		
Salaries (PTAS, Acct Tech II & 1/12 CD&TAC)		118,507	
Contributory Cost of CDPT&SS & TAC Salary 1 month			
Estimated Benefits/Personnel Associated Costs		34,181	
Membership & Dues		75	
Office supplies ($1,000/employee x 2 employees)		2,000	
Travel/Conference, etc. for PTAS ($100 for FY 25)		2,000	
ACT TNT Software (cost attributable to over 10 entities)		2,100	
Hardware & Software for Two Employees:			
Dell Pro Slim Desktop @ $743 each	1,486		
Dell Professional 24" Monitor @ $193 each	386		
HP LaserJet Pro 4101FDW Wireless Laser Multifunct	826		
Microsoft Office ProPlus Software @ $567.24 each	1,134		
	3,832	547	7 yr IT schedule
Total Personnel & Hard Costs		**159,410**	
TOTAL ATTRIBUTABLE TO GC COUNTY PARCELS BASED ON 1.0 - 4,887/587,417 = .991681		**158,084**	0.991681

HARRIS COUNTY ONLY COST ESTIMATES:	#	Per Parcel	Total
Printed statement/newsletters/envelopes/postage	4,887	0.72059	$3,522
1% postcard receipt (postage and printing)	49	0.63868	31
Delinquent notices (February) assume 1%	49	0.65794	32
Delinquent notices (September) assume 1%	49	0.86294	42
Supplemental changes (estimated - 1%)	49	0.86294	42
Split and quarter pay coupon mailing assume 1%	49	0.92524	45
Contributory cost of Personnel & Hard costs (GC - HC)			1,326
TOTAL HARRIS COUNTY ENTITY COSTS			**$5,039**
Combined GC and HC Hard Costs			**$163,123**

PROPOSED 2026 RATES CALCULATOR	#	Per Parcel	Total Revenu
Galveston County	582,530	$ 0.27000	157,283
Harris County (FWD, LC, Westwood)	4,887	$ 1.03000	5,034
TOTAL BILLED REVENUE	587,417		**162,317**

Johnson, Cheryl E

From: Speer, Jordan
Sent: Monday, February 23, 2026 2:22 PM
To: Johnson, Cheryl E
Cc: Cruz, Sergio; Belk, Tristan
Subject: RE: Final Revised Cost Calculator and Policy

Good afternoon,

Looks great - our numbers agree.

Thank you,
Jordan

From: Johnson, Cheryl E <Cheryl.E.Johnson@co.galveston.tx.us>
Sent: Monday, February 23, 2026 2:12 PM
To: Speer, Jordan <Jordan.Speer@galvestoncountytx.gov>
Cc: Cruz, Sergio <Sergio.Cruz@galvestoncountytx.gov>; Belk, Tristan <Tristan.Belk@galvestoncountytx.gov>
Subject: Final Revised Cost Calculator and Policy
Importance: High

Good afternoon.

I apologize for this change but it was determined that the contributory cost of portions of salaries could be accomplished thus there was a change to the calculator that requires your review prior to submitting to Commissioners for ratification. Specifically, 1/12 of the TAC and Chief Deputy salaries and benefits were added inasmuch as these are real costs associated with providing services to the additional entities served.

Please let me know if you have questions.

Cheryl E. Johnson, PCC, CTOP
Galveston County Tax Assessor Collector
(409) 765-3277 (office)
(409) 392-5457 (mobile)
www.galcotax.com

"Be the change you want to see in the world." Gandhi

Full Time GCTO Office Hours Effective 7.31.2025
Monday-Thursday 7:30 am - 5:30 pm, Friday 8 am - Noon
Galveston Courthouse, 722 21st Street/Moody, Galveston
Texas City Annex, 2516 Texas Avenue, Texas City
West County Annex, 11730 Highway 6, Santa Fe
Monday-Friday 8:00 am to 5:00 pm
North County Annex, 174 Calder, League City
Satellite Office Hours Effective 7.31.2025 (closed Noon - 1:00 pm for lunch)
946 Noble Carl Rd, Crystal Beach 3rd Tuesday 7:30 am-4:30 pm
910 S Friendswood Dr., Friendswood Thursday, Friday 8am-5pm

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/16/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Consider authorizing the purchase of Nutanix virtualization hardware and software, including related licenses and subscriptions from Freeit Data Solutions, Inc. for the Friendswood Police Department under DIR Contract No. DIR-CPO-5688.

Originating Department: Information Technology

Degree of importance: Critical

SUMMARY / ORIGINATING CAUSE

This item authorizes the purchase of Nutanix virtualization terminal hardware and software, including related licenses and subscriptions from Freeit Data Solutions, Inc. for the Friendswood Police Department under DIR Contract No. DIR-CPO-5688, in the amount of $333,943.96.

The funding source for this item is from the General Fund balance over 90-day reserve.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Provides computer functionality to ensure operations continue and City emergency services and police expectations are met.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. 1569799 Friendswood - Nutanix 5y budg - 20260316
2. DIR-CPO-5688 Appendix A Standard Terms and Conditions
3. DIR-CPO-5688 Contract
4. DIR-CPO-5688 Appendix C Pricing Index
5. DIR-CPO-5688 HUB Subcontracting Plan (Approved 10-8-2025)
6. Friendswood Code Cerification
7. Form 1295 Certificate 101510065[8]
8. GL COI - Friendswood[42]
9. WC COI - Friendswood

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 01/06/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider authorizing an interlocal agreement with the City of San Marcos concerning the sale of the 2000 Pierce Ladder Truck.

Originating Department: Emergency Services Department

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City of San Marcos has agreed by council action on March 6, 2026, to the purchase the City of Friendswood's old 2000 Pierce Ladder Truck in the amount of $99,000.

Friendswood's new ladder truck is expected to go into service in May 2026 and the old ladder truck will be transferred to San Marcos after the new ladder is placed in service.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Interlocal Agreement for the Transfer of a Fire Truck
2. San Marcos Resolution No. 2026-39

STATE OF TEXAS §
§
COUNTY OF GALVESTON §

INTERLOCAL AGREEMENT FOR THE TRANSFER OF A FIRE TRUCK

This Interlocal Agreement for the Transfer of a Fire Truck ("Agreement") is by and between the City of Friendswood, Texas ("Friendswood") and the City of San Marcos, Texas ("San Marcos"), acting by and through their respective authorized officers.

RECITALS:

WHEREAS, Friendswood owns a 2000 Pierce ladder truck with a vehicle identification number of 4P1CT02S6YA000827 (the "Fire Truck"), which is going to be decommissioned once its replacement is secured and put into service in Friendswood; and

WHEREAS, San Marcos desires to purchase the Fire Truck as a blocker truck to be used at the scene of highway accidents to protect emergency responders and others involved in highway emergencies; and

WHEREAS, Friendswood desires to sell the Fire Truck under the terms and conditions contained herein;

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. Purpose. The purpose of this Agreement is to transfer the ownership of the Fire Truck from Friendswood to San Marcos, for the protection of persons and property at emergency scenes by converting the Fire Truck from an active fire suppression apparatus to a blocker truck for the protection of persons and property as described hereinabove.

2. Term. This Agreement will become effective on the date it is signed by both parties (the "Effective Date").

3. Termination. Either party may terminate this Agreement, with or without cause, by providing fifteen (15) days prior written notice to the other party; provided such notice is given prior to the date the City provides the Bill of Sale to San Marcos in accordance with Section 4.4 hereinbelow.

4. Friendswood's Responsibilities.

   4.1 Sale. Friendswood agrees to sell the Fire Truck to San Marcos under the terms and conditions specified herein.

   4.2 Warranty. FRIENDSWOOD WARRANTS ONLY THAT IT HAS GOOD TITLE TO FIRE TRUCK AND DISCLAIMS ALL OTHER EXPRESS AND/OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE.

   4.3 Notice of Decommissioning. Within fifteen (15) days of Friendswood's decommissioning of the Fire Truck, Friendswood shall give written notice thereof to San Marcos.

Decommissioning shall include, but not be limited to, the removal of all emblems of the Friendswood Volunteer Fire Department from the Fire Truck.

4.4 Title. Friendswood shall provide San Marcos with title to the Fire Truck along with a bill of sale, which shall be in the form that is attached hereto as Exhibit "A" (the "Bill of Sale") on the Date of Delivery, as defined hereinbelow.

4.5 Insurance. Friendswood shall continue to maintain insurance on the Fire Truck to protect against any damage until the Date of Delivery. Upon Delivery, San Marcos shall bear responsibility to include the Fire Truck on any applicable insurance policies to protect against negligence or other damage during transit to San Marcos.

5. San Marcos's Responsibilities.

5.1 Purchase. San Marcos agrees to purchase the Fire Truck from Friendswood "AS IS" and "WHERE IS" upon the terms set forth herein. SAN MARCOS UNDERSTANDS AND AGREES THAT THERE ARE NO EXPRESS WARRANTIES OTHER THAN FRIENDSWOOD'S WARRANTY OF TITLE. NO WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE, SHALL BE IMPLIED.

5.2 Purchase Price. San Marcos agrees to pay NINETY-NINE THOUSAND AND NO/100 DOLLARS ($99,000.00) (the "Purchase Price") to Friendswood for the purchase of the Fire Truck. Payment shall be made in full within thirty (30) days of the Effective Date by sending a check or money order to:

City of Friendswood
Attn: Accounts Payable
P.O. Box 1288
Friendswood, TX 77549

5.3 Transfer. San Marcos, at is sole cost and expense, shall send employees to Friendswood to drive the Fire Truck to San Marcos at a mutually agreeable date and time as determined by Friendswood's Director of Emergency Services and San Marcos's Fire Chief; provided that (i) Friendswood has received payment in full as specified in Section 5.2 and (ii) such date and time (the "Date of Delivery") shall be within sixty (60) days of San Marcos's receipt of written notice from Friendswood in accordance with Section 4.3. Title to and risk of loss of the Fire Truck shall pass to San Marcos on the Date of Delivery.

5.4 Registration. Within fifteen (15) days of the Date of Delivery, San Marcos shall cause title of the Fire Truck to be transferred into its name in the motor vehicle records of the Texas Department of Transportation.

5.5 Representations and Warranties. SAN MARCOS REPRESENTS AND WARRANTS THAT IT UNDERSTANDS THE NATURE, CHARACTERISTICS, AND LIMITATIONS OF THE FIRE TRUCK, AND IS PURCHASING THE FIRE TRUCK FOR GOVERNMENTAL USE ONLY. SAN MARCOS'S POSSESSION OF THE FIRE TRUCK ON THE DATE OF DELIVERY SHALL BE AN UNQUALIFIED ACCEPTANCE OF AND A WAIVER OF ITS RIGHT TO MAKE ANY CLAIM AGAINST FRIENDSWOOD WITH RESPECT TO THE FIRE TRUCK OR ANY

MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. SAN MARCOS ASSUMES ALL RISKS WITH RESPECT TO THE USE OF THE FIRE TRUCK AFTER THE DATE OF DELIVERY.

6. Miscellaneous.

6.1 Relationship of Parties. This Agreement is not intended to create, nor should it be construed as creating, a partnership, association, joint venture or trust.

6.2 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received when sent in the United States Mail, Postage Prepaid, Certified Mail, Return Receipt Requested, by hand-delivery, or by facsimile or electronic transmission addressed to the respective party at the following address:

City of Friendswood	City of San Marcos
Attn: Director of Emergency Services	Attn: Fire Chief
1600 Whitaker Dr.	100 Carlson Circle
Friendswood, TX 77546	San Marcos, TX 78666

6.3 Amendment. This Agreement may be amended by the mutual written agreement of both parties hereto.

6.4 Survival. All terms of the Agreement that by their nature and for any reason are intended to survive and extend beyond the termination, cancellation or expiration of the Agreement, shall remain in effect and be binding upon San Marcos and Friendswood indefinitely.

6.5 Headings. Any heading labels of any of the sections of this Agreement are inserted solely for convenience of reference, shall not constitute a part of the Agreement and shall not otherwise affect the meanings, content, effect or construction of this Agreement.

6.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

6.7 Governing Law. The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in the State District Court of Galveston County, Texas.

6.8 Entire Agreement. This Agreement represents the entire agreement among the parties with respect to the subject matter covered by this Agreement. There is no other collateral, oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

6.9 Recitals. The recitals to this Agreement are incorporated herein.

6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

EXECUTED this _____ day of February, 2026.

CITY OF FRIENDSWOOD, TEXAS

_____
MORAD KABIRI, City Manager

ATTEST:

_____
RAQUEL MARTINEZ, City Secretary

EXECUTED this 3 day of March, 2026.

CITY OF SAN MARCOS, TEXAS

Stephanie Reyes
_____
STEPHANIE REYES, City Manager

ATTEST:

Elizabeth Trevino
_____
ELIZABETH TREVINO, City Clerk

EXHIBIT "A"

BILL OF SALE

STATE OF TEXAS §
§ KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF GALVESTON §

THAT the CITY OF FRIENDSWOOD, TEXAS ("Friendswood"), a home-rule municipal corporation located in Harris and Galveston Counties, Texas, in consideration of the payment of the sum of NINETY-NINE THOUSAND AND NO/100 DOLLARS ($99,000.00), receipt of payment acknowledged, do hereby sell and transfer to the CITY OF SAN MARCOS, a home-rule municipal corporation located in Hays, Caldwell and Guadalupe Counties, the following described Fire Truck:

Make: **Pierce**
Model: **Quint LDH**
Year: **2000**
VIN#: **4P1CT02S6YA000827**

Friendswood has made no affirmation of fact or promise relating to the Fire Truck being sold that has become any basis of this bargain or that has created or amounted to an express warranty that the Fire Truck would conform to any such affirmation or promise. FRIENDSWOOD DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSES. THE FIRE TRUCK IS BEING SOLD "AS IS, WITH ALL FAULTS."

This Bill of Sale shall be effective as to the transfer of the above-referenced Fire Truck as of _____, 2026.

IN WITNESS WHEREOF, this Bill of Sale is executed on _____, 2026.

CITY OF FRIENDSWOOD, TEXAS

_____
MORAD KABIRI, City Manager

STATE OF TEXAS §
§
COUNTY OF GALVESTON §

Before me, _____, the undersigned authority, on this day appeared Morad Kabiri, the City Manager of the City of Friendswood Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the instrument for the purposes and consideration expressed in the instrument.

Given under my hand and seal of office on _____, 2026.

_____
Notary Public in and for the State of Texas
My commission expires: _____

RESOLUTION NO. 2026-39R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING AN INTERLOCAL AGREEMENT WITH THE CITY OF FRIENDSWOOD FOR THE PURCHASE OF A 2000 PIERCE LADDER TRUCK, TO BE USED AS A BLOCKER TRUCK, IN THE AMOUNT OF $99,000.00; AUTHORIZING THE CITY MANAGER, OR HER DESIGNEE, TO EXECUTE THE INTERLOCAL AGREEMENT ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The Interlocal Agreement with the City of Friendswood, attached hereto, for the purchase of a 2000 Pierce ladder truck, to be used as a blocker truck, in the amount of $99,000.00, is approved.

PART 2. The City Manager, or her designee, is authorized to execute the Interlocal Agreement on behalf of the city.

PART 3. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on March 3, 2026.

Jane Hughson
Mayor

Attest:

Elizabeth Trevino
City Clerk

STATE OF TEXAS §
§
COUNTY OF GALVESTON §

INTERLOCAL AGREEMENT FOR THE TRANSFER OF A FIRE TRUCK

This Interlocal Agreement for the Transfer of a Fire Truck ("Agreement") is by and between the City of Friendswood, Texas ("Friendswood") and the City of San Marcos, Texas ("San Marcos"), acting by and through their respective authorized officers.

RECITALS:

WHEREAS, Friendswood owns a 2000 Pierce ladder truck with a vehicle identification number of 4P1CT02S6YA000827 (the "Fire Truck"), which is going to be decommissioned once its replacement is secured and put into service in Friendswood; and

WHEREAS, San Marcos desires to purchase the Fire Truck as a blocker truck to be used at the scene of highway accidents to protect emergency responders and others involved in highway emergencies; and

WHEREAS, Friendswood desires to sell the Fire Truck under the terms and conditions contained herein;

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. Purpose. The purpose of this Agreement is to transfer the ownership of the Fire Truck from Friendswood to San Marcos, for the protection of persons and property at emergency scenes by converting the Fire Truck from an active fire suppression apparatus to a blocker truck for the protection of persons and property as described hereinabove.

2. Term. This Agreement will become effective on the date it is signed by both parties (the "Effective Date").

3. Termination. Either party may terminate this Agreement, with or without cause, by providing fifteen (15) days prior written notice to the other party; provided such notice is given prior to the date the City provides the Bill of Sale to San Marcos in accordance with Section 4.4 hereinbelow.

4. Friendswood's Responsibilities.

   4.1 Sale. Friendswood agrees to sell the Fire Truck to San Marcos under the terms and conditions specified herein.

   4.2 Warranty. FRIENDSWOOD WARRANTS ONLY THAT IT HAS GOOD TITLE TO FIRE TRUCK AND DISCLAIMS ALL OTHER EXPRESS AND/OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE.

   4.3 Notice of Decommissioning. Within fifteen (15) days of Friendswood's decommissioning of the Fire Truck, Friendswood shall give written notice thereof to San Marcos.

Decommissioning shall include, but not be limited to, the removal of all emblems of the Friendswood Volunteer Fire Department from the Fire Truck.

4.4 Title. Friendswood shall provide San Marcos with title to the Fire Truck along with a bill of sale, which shall be in the form that is attached hereto as Exhibit "A" (the "Bill of Sale") on the Date of Delivery, as defined hereinbelow.

4.5 Insurance. Friendswood shall continue to maintain insurance on the Fire Truck to protect against any damage until the Date of Delivery. Upon Delivery, San Marcos shall bear responsibility to include the Fire Truck on any applicable insurance policies to protect against negligence or other damage during transit to San Marcos.

5. San Marcos's Responsibilities.

5.1 Purchase. San Marcos agrees to purchase the Fire Truck from Friendswood "AS IS" and "WHERE IS" upon the terms set forth herein. SAN MARCOS UNDERSTANDS AND AGREES THAT THERE ARE NO EXPRESS WARRANTIES OTHER THAN FRIENDSWOOD'S WARRANTY OF TITLE. NO WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE, SHALL BE IMPLIED.

5.2 Purchase Price. San Marcos agrees to pay NINETY-NINE THOUSAND AND NO/100 DOLLARS ($99,000.00) (the "Purchase Price") to Friendswood for the purchase of the Fire Truck. Payment shall be made in full within thirty (30) days of the Effective Date by sending a check or money order to:

City of Friendswood
Attn: Accounts Payable
P.O. Box 1288
Friendswood, TX 77549

5.3 Transfer. San Marcos, at is sole cost and expense, shall send employees to Friendswood to drive the Fire Truck to San Marcos at a mutually agreeable date and time as determined by Friendswood's Director of Emergency Services and San Marcos's Fire Chief; provided that (i) Friendswood has received payment in full as specified in Section 5.2 and (ii) such date and time (the "Date of Delivery") shall be within sixty (60) days of San Marcos's receipt of written notice from Friendswood in accordance with Section 4.3. Title to and risk of loss of the Fire Truck shall pass to San Marcos on the Date of Delivery.

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MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. SAN MARCOS ASSUMES ALL RISKS WITH RESPECT TO THE USE OF THE FIRE TRUCK AFTER THE DATE OF DELIVERY.

6. Miscellaneous.

6.1 Relationship of Parties. This Agreement is not intended to create, nor should it be construed as creating, a partnership, association, joint venture or trust.

6.2 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received when sent in the United States Mail, Postage Prepaid, Certified Mail, Return Receipt Requested, by hand-delivery, or by facsimile or electronic transmission addressed to the respective party at the following address:

City of Friendswood	City of San Marcos
Attn: Director of Emergency Services	Attn: Fire Chief
1600 Whitaker Dr.	100 Carlson Circle
Friendswood, TX 77546	San Marcos, TX 78666

6.3 Amendment. This Agreement may be amended by the mutual written agreement of both parties hereto.

6.4 Survival. All terms of the Agreement that by their nature and for any reason are intended to survive and extend beyond the termination, cancellation or expiration of the Agreement, shall remain in effect and be binding upon San Marcos and Friendswood indefinitely.

6.5 Headings. Any heading labels of any of the sections of this Agreement are inserted solely for convenience of reference, shall not constitute a part of the Agreement and shall not otherwise affect the meanings, content, effect or construction of this Agreement.

6.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

6.7 Governing Law. The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in the State District Court of Galveston County, Texas.

6.8 Entire Agreement. This Agreement represents the entire agreement among the parties with respect to the subject matter covered by this Agreement. There is no other collateral, oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

6.9 Recitals. The recitals to this Agreement are incorporated herein.

6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

EXECUTED this _____ day of February, 2026.

CITY OF FRIENDSWOOD, TEXAS

_____
MORAD KABIRI, City Manager

ATTEST:

_____
RAQUEL MARTINEZ, City Secretary

EXECUTED this 3 day of March, 2026.

CITY OF SAN MARCOS, TEXAS

Stephanie Reyes
_____
STEPHANIE REYES, City Manager

ATTEST:

Elizabeth Trevino
_____
ELIZABETH TREVINO, City Clerk

EXHIBIT "A"

BILL OF SALE

STATE OF TEXAS §
§ KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF GALVESTON §

THAT the CITY OF FRIENDSWOOD, TEXAS ("Friendswood"), a home-rule municipal corporation located in Harris and Galveston Counties, Texas, in consideration of the payment of the sum of NINETY-NINE THOUSAND AND NO/100 DOLLARS ($99,000.00), receipt of payment acknowledged, do hereby sell and transfer to the CITY OF SAN MARCOS, a home-rule municipal corporation located in Hays, Caldwell and Guadalupe Counties, the following described Fire Truck:

Make: **Pierce**
Model: **Quint LDH**
Year: **2000**
VIN#: **4P1CT02S6YA000827**

Friendswood has made no affirmation of fact or promise relating to the Fire Truck being sold that has become any basis of this bargain or that has created or amounted to an express warranty that the Fire Truck would conform to any such affirmation or promise. FRIENDSWOOD DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSES. THE FIRE TRUCK IS BEING SOLD "AS IS, WITH ALL FAULTS."

This Bill of Sale shall be effective as to the transfer of the above-referenced Fire Truck as of _____, 2026.

IN WITNESS WHEREOF, this Bill of Sale is executed on _____, 2026.

CITY OF FRIENDSWOOD, TEXAS

_____
MORAD KABIRI, City Manager

STATE OF TEXAS §
§
COUNTY OF GALVESTON §

Before me, _____, the undersigned authority, on this day appeared Morad Kabiri, the City Manager of the City of Friendswood Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the instrument for the purposes and consideration expressed in the instrument.

Given under my hand and seal of office on _____, 2026.

_____
Notary Public in and for the State of Texas
My commission expires: _____

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/05/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider authorizing the First Amendment to the Professional Services Agreement with Guy Engineering Services, Inc., for the Greenbriar Bridge Rehabilitation Project.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

In November 2025, the City Council approved a Professional Services Agreement with Guy Engineering Services, Inc. for the Greenbriar Bridge Rehabilitation Project (the "Project"). This item allows the City Council to authorize the First Amendment to such agreement to update the scope of work.

As you may recall, the bridge is a three-span ninety feet (90') long concrete bridge built in 1984. The general scope of work includes meetings, onsite reviews and additional work required for the preparation of studies, reports, surveys, traffic analysis / engineering, roadway design, and permitting assistance, culminating in the delivery of final construction plans, specifications and estimates (PS&E). Plans will be based on current Texas Department of Transportation (TxDOT) and City of Friendswood (the "City") specifications. The Professional's services under this Agreement include the following:

- Evaluating the Bridge's conditions, and preparing the Bridge Rehabilitation Field Assessment Report;
- Assisting the City with permitting requirements for the Project;
- Conducting a topographic survey and gathering utility information;
- Preparing 60% plans and cost estimate;
- Attending 60% plan field review meetings;
- Preparing updated cost estimates;
- Finalizing plans, quantities and cost estimates;
- Attending final plan field review meeting;
- Performing quality assurance/quality control reviews; and
- Attending the pre-bid conference.

This amendment revises Task 2, Bridge Design, to clarify that the scope is limited to evaluating the existing bridge and developing structural repair recommendations. This correction reflects the original intent of the project, which was inadvertently not carried forward in the initial scope. Any identified repairs and associated design services, if required, will be presented to Council under a future amendment.

The total cost of these services remains a lump sum amount of $111,863.08. The services are to be completed within 300 days of the City's issuance of the notice to proceed.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Amendment #1 - GUY Engineering
2. Form 1295 - GUY Engineering
3. Government Code Verifications Form - GUY Engineering
4. Certificate of Insurance Exp 05-03-2026
5. WC Certificate of Ins Exp 01-01-2026

FIRST AMENDMENT
TO THE PROFESSIONAL SERVICES AGREEMENT

THE STATE OF TEXAS §
§
COUNTY OF GALVESTON §

This First Amendment ("First Amendment") to the Professional Services Agreement between the City of Friendswood (the "City") and Guy Engineering Services, Inc., an Oklahoma corporation (the "Professional"), is made by and between the same parties on the date hereinafter last specified for engineering services associated with the rehabilitation of the bridge and approaches for Greenbriar Ave. over Chigger Creek (the "Project").

W I T N E S S E T H:

WHEREAS, the City and the Professional entered into a Professional Services Agreement for the Project, dated January 7, 2025, for engineering services related to the Project for ONE HUNDRED ELEVEN THOUSAND EIGHT HUNDRED SIXTY-THREE AND 08/100 DOLLARS ($111,863.08), inclusive of reimbursable expenses (the "Agreement"); and

WHEREAS, the City and the Professional desire to amend the Agreement for the Professional to clarify that the services to be performed are for a structural repair options study for the Project.—not for final plans;

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the Parties hereto do hereby mutually agree as follows:

1. Definitions. Unless a different meaning clearly appears from the context, words and phrases as used in this First Amendment shall have the same meanings as in the Agreement.

2. Amendments.
   a. Exhibit A "Scope of Work" of the Agreement is hereby amended to read as follows:

EXHIBIT "A"
SCOPE OF WORK

A. PROJECT INFORMATION

The Project includes the rehabilitation of the bridge and approaches for Greenbriar Ave. over Chigger Creek, which bridge is a three-span ninety feet (90') long concrete bridge built in 1984 (the "Bridge").

The general scope of work includes meetings, on-site reviews and additional work required for the preparation of studies, reports, surveys, traffic analysis / engineering, roadway design, and permitting assistance, culminating in the delivery of final construction plans, specifications and estimates (PS&E). Plans will be based on current TxDOT and City of Friendswood specifications.

The Professional will prepare PS&E to replace the Bridge and approach roadway, surfacing and drainage. Plan submittals include 60% Plans, Final Plans, PS&E.

The Professional's basic services under this Agreement include the following:

- Evaluating the Bridge conditions and preparing Bridge Rehabilitation Field Assessment Report;
- Assisting the City with permitting requirements for the Project;
- Conducting topographic survey and gathering utility information;
- Preparing 60% plans and cost estimate;
- Attending 60% plan field review meeting;
- Preparing updated cost estimates;
- Finalizing plans, quantities and cost estimates;
- Attending final plan field review meeting;
- Performing quality assurance/quality control review; and
- Attending the pre-bid conference.

B. SCOPE OF SERVICES

1. Basic Services:

The Professional shall provide the following scope of services after the City's issuance of a notice to proceed for the Project:

a. Task 1: Field Assessment Services

The Professional will provide a field assessment report of the Bridge that includes recommendations for repairs to the Bridge and approaches with the intent of maintaining the operating rating of 42 tons and the inspection rating of an 8 or better.

b. Task 2: Bridge Design

The Professional will prepare a structural repair options study for the rehabilitation of the Bridge. The rehabilitation study will follow the recommendations of the Bridge Rehabilitation Field Assessment Report.

Repairs may be recommended to the following areas: abutment, piers, superstructure, beam, bearing assembly, and channel erosion.

The Professional's services under this task include the following:

(1) Project Management and Contract Administration:
   a. Monthly progress reports and invoicing
   b. Internal Coordination

(2) Structural Repair Options Development:
   a. Site Visit to Bridge

b. Development of recommended Repairs and possible Bid Items
c. Development of a Preliminary Cost Estimate

c. Task 3: Roadway Design
The Professional's services under this task include, but are not limited to, the following:

(1) Prepare construction plans for roadway approaches.
Note: Roadway will be as long as required to tie the approaches into the existing alignments; it is estimated no more than 500 ft of roadway will be included.
The 2024 TxDOT Construction Specifications will be used.

The rehabilitation scope will follow the recommendations of the Bridge Rehabilitation Field Assessment Report.

(2) Incorporate environmental mitigation notes and measures as required in environmental clearance documents;

(3) Define the extents of any additional right-of-way if required;

(4) Assist with the 404 permit application for the City, if needed;

(5) Assist in working with Galveston County Consolidated Drainage District for permitting, if required;

(6) Perform quality assurance/quality control review;

(7) Provide roadway plans, which shall include, but not be limited to:
(a) Title Sheet,
(b) Typical Sections,
(c) General Construction Notes,
(d) Summary of Pay Quantities and Notes (Roadway),
(e) Summary Sheets,
(f) Stormwater Management Plan,
(g) Erosion Control Plan,
(h) Alignment Data Sheets,
(i) Demolition and Removal Plan,

(j) Plan and Profile Sheets,
(k) Cross Sections, and
(l) Guardrail details; and

(8) Note trail / sidewalk repairs in the plans within the limits of the Bridge and approach repairs, utilizing a typical section provided by the City.

d. Task 4: Traffic Engineering Design
The Professional's services under this task include, but are not limited to, the following:

(1) Prepare of a detour plan;.

(2) Prepare of a signing and striping plan;

(3) Itemize traffic control pay items; and

(4) Provide traffic plans, which plans shall include, but not be limited to:
(a) Suggested Sequence of Construction;
(b) Construction Traffic Control Layout with Temporary Signal Plans;
(c) Permanent Signing and Striping; and
(d) Summary of Pay Quantities and Notes (Traffic).

e. Task 5: Survey
The Professional's services under this task include, but are not limited to, the following:

(1) Perform a survey in accordance with Texas Society of Professional Surveyors Manual of Practice, Category 6, Topographic Survey;

The topographic limits of survey are approximately 100 feet wide by 700 feet along the roadway and Bridge alignments and creek cross-sections extending 250 feet beyond the roadway right-of- way.

(2) Set and measure benchmarks along the entire length of the Project;
(a) Run check levels will between benchmarks to ensure the desired precision for vertical control is achieved; and
(b) Prepare a survey control sheet under the supervision of a Texas Registered Professional

Surveyor;

(3) Survey and display in an AutoCAD digital mapping file (.dwg) topographic features, underground utilities, and surface features;

(a) Compile contacts for the utility companies and list them in the mapping file;

(b) After the mapping file is considered complete, perform a field check to ensure that the features are reflected correctly in the mapping file; and

(c) Prior to the topographic collection portion of the survey, submit a locate request through Texas 811 and the City of Friendswood Mapping and Marking System;

(4) Conduct courthouse research to determine the existingright-of-way and drainage district easement limits; and

(5) Survey will depict the current road right-of-way and drainage district easements through the Project area.

f. Task 6: Subsurface Utility Engineering

The Professional's services under this task include, but are not limited to, conducting a Subsurface Utility Engineering, which shall include the following:

(1) Quality Level D and

This scope includes records research and data collection at the desktop level. Data is approximate. (Included in the survey scope of work.)

(2) Quality Level C.

This level includes all visible utilities and those marked by Texas 811 and the City of Friendswood Mapping and Marking System.

g. Task 7: Bid Phase

The Professional's services under this task include, but are not limited to, the following:

(1) Provide input on engineering-related items (bid items and quantities) to be included in the bid documents;

(2) Answer questions and issue addenda as appropriate to clarify, correct, or change the bidding documents;

(3) Attend pre-bid meeting;

(4) Prepare the bid tabulations; and

(5) Evaluate bids and bidders' qualifications and recommend award based on City-defined criteria and value based on market price.

2. Additional Services:
The City shall not be responsible or liable for any additional services performed by the Professional unless such additional services have been approved in writing prior to the performance of the same. The Professional will perform additional services at a price agreed upon by the Parties in writing prior to the performance of such services.

a. Exhibit B "Schedule" of the Agreement is hereby amended to read as follows:
The Professional shall begin work under this Agreement within ten (10) days of a Notice to Proceed ("NTP") and shall complete the work in accordance with the schedule below:

Task Description	Calendar Days from NTP
Conduct Bridge Rehabilitation Field Assessment then conduct Survey	63 calendar days from NTP
Submit 60% Plans for Review	168 calendar days from NTP
Submit Final Plans for Review	63 calendar days from 60% Plan review response
Submit Approved Final Design Package	42 calendar days from Final Plan review response and environmental clearance

The Professional's obligation to render services hereunder will be for whatever period necessary for the final completion of the services required in Exhibit "A." However, the Professional understands and agrees that services shall commence no earlier than upon execution of this Agreement; and the Professional shall use commercially reasonable efforts to perform all services required herein within 293 calendar days from the issuance of the NTP.

3. Entire Agreement. The provisions of this First Amendment and the Agreement should be read together and construed as one agreement; provided that in the event of any conflict or inconsistency between the provisions of this First Amendment and the provisions of the Agreement, the provisions of this First Amendment shall control.

4. Interpretation. This First Amendment has been jointly negotiated by the parties hereunder and shall not be construed against a party hereunder because that party may have assumed primary responsibility for the drafting of this First Amendment.

5. Captions. Captions contained in the Agreement and First Amendment are for reference only and, therefore, have no effect in construing the documents. The captions are not restrictive of the subject matter of any section.

6. No Waiver. By this First Amendment, City does not consent to litigation or suit, and City hereby expressly revokes any consent to litigation that it may have granted by the terms of this First Amendment, the Agreement or any other contract or agreement or addenda, any charter, or applicable state law. Nothing contained in this First Amendment or in the Agreement shall be construed in any way to limit or to waive the City's governmental immunity.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment in multiple copies, each of which shall be deemed to be an original, but all of which shall constitute but one and the same amendment, this ____ day of _____, 2026, the date of execution by the City Manager.

City:
CITY OF FRIENDSWOOD, TEXAS

_____
MORAD KABIRI, City Manager

DATE: _____

ATTEST:

_____
RAQUEL MARTINEZ, City Secretary

Engineer:
GUY ENGINEERING SERVICES, INC

BY: _____
(Signature)

Rebecca Alvarez
(Printed Name)

President
(Title)

DATE: 3/24/2026

ATTEST:

_____
(OFFICER OR SECRETARY)

APPROVED AS TO FORM:

_____
KAREN L. HORNER, City Attorney

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/19/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider authorizing a Professional Services Agreement with HDR Engineering, Inc., for professional part-time observation services for the Lift Station No. 2 Rehabilitation Project.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

For the Lift Station No. 2 Rehabilitation Project (the "Project"), HDR Engineering, Inc. ("HDR"), shall provide professional part-time observation services. Such services include, but are not limited to, the following:

- observing the progress of construction activities;
- assisting the City's inspector with documentation of construction activities performed while onsite;
- coordinating with the City's representative on the days that the representative is on site to estimate quantities installed on the Project;
- providing focused observation of critical construction activities, including installation of major mechanical, electrical, and structural components;
- monitoring construction sequencing and tie-ins to minimize risk of service disruption;
- identifying potential conflicts or deficiencies early and coordinating with the City and contractor to resolve them in a timely manner;
- providing on-site presence during critical construction milestones as identified by the City;
- observing equipment startup, testing, and commissioning activities, including pump testing, control system verification, and operational readiness;
- working with the City and the contractor on construction scheduling issues, resident notification, and resolution of complaints from the public; and
- providing weekly field observation reports.

Given that Lift Station No. 2 conveys a substantial portion of the City’s wastewater flow, this project represents critical infrastructure where construction quality, sequencing, and system reliability are of heightened importance. Through these services, the City will have further protection against defects and deficiencies in the work of the contractors. It is expected that the on-site representative will work an average of 12 hours per week for 56 weeks, while HDR's construction manager is expected to work 1 hour per week. Hours may be adjusted with City approval based on construction activity levels and critical work phases. The funding source will be the 2025 Water and Sewer Revenue Bonds. The following is a breakdown of the cost for this agreement:

Task	Number of Weeks	Average Number of Hours/Days per Week	Hourly/Daily Rate	Fee Not-to-Exceed
Part-time Construction Inspector	56	12 hours	$206.00/hour*	$138,432.00
Construction Manager	56	1 hours	$363.00/hour*	$20,328.00
Construction Truck	56	3 days	$80.00/day	$13,440.00
Total Fee Not to Exceed				**$172,200.00**

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Professional Services Agreement - HDR Engineering
2. Form 1295 - HDR Engineering
3. Government Code Verification Form - HDR Engineering
4. COI Exp 06-01-2026
5. COI Professional Exp 06-01-2026

PROFESSIONAL SERVICES AGREEMENT

THE STATE OF TEXAS §
§
COUNTY OF GALVESTON §

This Professional Services Agreement (this "Agreement") is entered into by and between the City of Friendswood, Texas (hereinafter called the "City"), a home-rule municipal corporation located in Harris and Galveston Counties, Texas, and HDR Engineering, Inc. (hereinafter called the "Professional"). The City and the Professional are hereinafter referred to as "Parties" or individually as a "Party."

1. Engagement of Professional.
The City hereby engages the Professional to perform the "Scope of Services" hereinafter set forth on a time and material basis. The City's Director of Engineering or his designee shall act as the City's Representative pursuant to this Agreement. Michael Meroney, P.E., shall act as the Professional's project manager pursuant to this Agreement.

2. Scope of Services.
The Professional shall perform professional part-time construction observation services for the Lift Station No. 2 Rehabilitation Project (the "Project"). In furtherance of the Project, the Professional shall provide one onsite representative to observe the progress of construction activities and to assist in the interpretation of such plans and specifications and one construction manager to support the onsite representative. The Professional's onsite representative shall assist the City's inspector with documentation of construction activities performed while onsite; coordinate with the City's representative on the days that the representative is on site to estimate quantities installed on the Project; and work with the City and the Contractor on construction scheduling issues, resident notification, and resolution of complaints from the public. In the event of inclement weather where the Project's construction may be hindered or stopped, the Professional's representative will coordinate with City staff prior to performing a site visit to determine if the same would be productive.

Through these services, the Professional shall endeavor to provide further protection for the City against defects and deficiencies in the work of the contractor(s); but the furnishing of such on-site representative will not make the Professional responsible for construction means, methods, techniques, sequences or procedures or safety precautions or programs, or for Contractor(s) failure to perform their work in accordance with applicable City specifications. Furthermore, the Professional's onsite representative will not be required to attend the pre-construction meeting or monthly progress meetings; to perform construction management activities, such as submittal review and approval, shop drawing review and approval, pay estimate processing and recommendations, RFIs responses, modification to the contract drawing or specifications, change orders, and production of final record drawings, or to provide daily reports or documentation of construction production quantities.

The Professional shall provide a weekly field observation report on or before the close of business on the Monday after the week of the field observation.

3. Time of Performance.
The Professional shall perform the services required herein as follows commencing on the date specified in the City's notice to proceed:

Onsite Representative ..... 12 hours per week for 56 weeks
Construction Manager.....1 hour per week for 56 weeks

It is expressly understood and agreed that the City may alter the schedule as necessary as the Project progresses; provided that the number of hours for the Part-time Observer does not exceed 672 hours for the Project. At all times, the Professional and the City shall work together to ensure that the Professional's onsite representative is present during significant milestones of the Project, as determined by the City's Representative.

4. Information and Services to be Furnished to Professional.

a. It is agreed that the City shall furnish, without charge, for the purpose of the Agreement, nonconfidential information, data, reports, records, and maps as are existing and available to the City for the carrying out of the work of the Professional as outlined under "Scope of Services." The Professional shall have the right to rely on the technical accuracy of such information, data, reports, or maps. Nothing contained herein shall be construed to require the City to provide such records in any certain format. The format in which the existing data and documentation will be provided shall be at the sole discretion of the City.

b. The Professional shall preserve all contracting information related to this Agreement as provided by the records retention requirements applicable to the City and shall promptly provide to the City any contracting information related to this Agreement that is in the custody or possession of the Professional on request of the City's Representative and at no cost to the City. Upon completion of this Agreement, the Professional shall provide at no cost to the City all contracting information related to the contract that is in the custody or possession of the Professional. For purposes of this section "contracting information" shall have the meaning ascribed to it in Section 552.003 of the Texas Government Code and as hereinafter amended.

5. Compensation and Method of Payment.

a. Compensation.
It is agreed that total fees for the Scope of Services, including reimbursable expenses described herein, shall not exceed the sum of ONE HUNDRED SEVENTY-TWO THOUSAND TWO HUNDRED AND NO/100 DOLLARS ($172,200.00) based upon the following:

Task	Number of Weeks	Average Number of Hours/Days per Week	Hourly/Daily Rate	Fee Not-to-Exceed
Part-time Construction Inspector	56	12 hours	$206.00/hour*	$138,432.00
Construction Manager	56	1 hours	$363.00/hour*	$20,328.00
Construction Truck	56	3 days	$80.00/day	$13,440.00
Total Fee Not to Exceed				**$172,200.00**

*These are average daily rates. The Professional shall invoice the City at the actual hourly rate of the Professional's employees times a multiplier of 3.18 for taxes, benefits, overhead expenses, and profit, not to exceed the total not-to-exceed amount specified.

The City shall not be responsible or liable for any additional services performed or expenses incurred by the Professional unless such additional services or expenses, as applicable, have been approved in writing prior to the performance of the same. The Professional will perform additional services at a price agreed upon by the Parties in writing prior to the performance of such services.

b. Payment.

(1) The Professional shall invoice the City monthly for its services and charges incurred. The Professional shall invoice based upon total services actually completed during the applicable month. Invoices shall be tendered no more often than once a month. The Professional shall not invoice the City for services or expenses that were incurred more than sixty (60) days before the date of the invoice. Failure to timely invoice the City for services or expenses shall result in the Professional's invoice being denied and the City being relieved from any liability for payment of the late invoice.

(2) The City agrees to pay the Professional within thirty (30) days of its receipt of the invoice, including all necessary backup information, or the receipt of services, whichever is later; provided, however, 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. All invoices must identify with specificity the work or services performed and the date(s) of such work or services.

6. Records.

The Professional shall keep accurate records, including, but not limited to, time sheets, travel vouchers and payroll records, of all time and expenses allocated to performance of the services performed hereunder. Such records shall be kept in the office of the Professional for a period of not less than five (5) years from completion of the Project and shall be made available to the City, at no cost, for inspection and copying within the City's corporate limits within ten (10) days of the City's request.

7. Ownership of Documents.

a. All documents, including original drawings, estimates, specifications, field notes and data are the property of the City and shall be tendered to the City prior to final payment hereunder. The Professional may retain reproducible copies of drawings and other documents for its use.

b. All documents, including drawings prepared by the Professional, are instruments of service with respect to the Project. They are not intended or represented to be suitable for reuse by the City or others on extensions of the Project or on any other project. Any reuse without written verification or adaption by the Professional for the specific purpose intended shall be at the City's sole risk and without liability or legal exposure to the Professional.

8. Insurance.

The Professional shall procure and maintain at its sole cost and expense for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the scope of work by the Professional, its agents, representatives, volunteers, employees or subconsultants.

a. The Professional's insurance coverage shall be primary insurance with respect to the City, its officials, employees, and agents. Any insurance or self-insurance maintained by the City, its officials, employees, or agents shall be considered in excess of the Professional's insurance and shall not contribute to it. Further, the Professional 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.

(1) Commercial General Liability
- General Aggregate: $2,000,000
- Products & Completed Operations Aggregate: $2,000,000
- Personal & Advertising Injury: $1,000,000
- Per Occurrence: $1,000,000
- Fire Damage $500,000
- Waiver of Subrogation required
- Coverage shall be broad form
- No coverage shall be deleted from standard policy without notification of individual exclusions being attached for review and acceptance.

2. Business Automobile Policy
- Combined Single Limits: $1,000,000
- Coverage for "Any Auto"
- Waiver of Subrogation required.

3. Errors and Omissions
- Limit: $1,000,000 per claim and in the aggregate
- For all architects, engineers, and/or design companies
- Coverage will be in force for one (1) year after completion of the Project
- Waiver of Subrogation required.

4. Workers' Compensation
- Statutory Limits
- Employer's Liability $500,000
- Waiver of Subrogation required.

b. 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:VII 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. Errors and Omissions 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 Errors and Omissions and Workers' Compensation Policies required herein.

- All insurance required herein shall be secured and maintained in a company or companies satisfactory to the City, and shall be carried in the name of the Professional.
- The Professional shall provide copies of insurance certificates to the City prior to the City's execution of this Agreement and shall ensure that throughout the term of this Agreement, all certificates on file with the City are up-to-date and not expired. Failure to provide certificates constitutes a breach of this Agreement.

9. Standards of Performance.

a. The Professional agrees the services it provides as an experienced and qualified architect/engineer will reflect the professional standards, procedures, and performances ordinarily used by members of the Professional's profession practicing under the same or similar circumstances, time, and locality.

b. The Project shall be designed and furnished in accordance with the most current codes and/or standards adopted by city, state, or federal government or in general custom and usage by the profession. The codes and standards used in the profession set forth minimum requirements.

c. The Professional further agrees that any analysis, reports, preparation of drawings, the designation or selection of materials and equipment, the selection and supervision of personnel and the performance of other services under this Agreement will be pursuant to the standard of performance common in the profession.

d. The Professional shall be responsible for the technical accuracy of its services and documents resulting therefrom, and the City shall not be responsible for discovering deficiencies therein. The Professional 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 the Professional's services hereunder or of the Project itself shall in no way alter the Professional's obligations or the City's rights under this Agreement.

e. The Professional shall submit all deliverables required herein in a Microsoft Office compatible format. The software versions used shall be compatible with current City standards. The City shall be in receipt of all deliverables prior to final payment.

10. INDEMNIFICATION AND RELEASE.

a. INDEMNIFICATION.

THE PROFESSIONAL AGREES TO AND SHALL INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES (COLLECTIVELY 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 AGREEMENT TO THE EXTENT ARISING OUT OF

OR IN CONNECTION WITH AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY THE PROFESSIONAL, AND/OR ITS OFFICERS, AGENTS, EMPLOYEES OR OTHER PERSON OR ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL (COLLECTIVELY THE "PROFESSIONAL'S PARTIES"). IT IS THE EXPRESSED INTENTION OF THE PARTIES HERETO, BOTH THE PROFESSIONAL AND THE CITY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS INDEMNITY BY THE PROFESSIONAL TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF THE PROFESSIONAL'S PARTIES' OWN WILLFUL MISCONDUCT, JOINT OR SOLE NEGLIGENCE AS WELL AS THE PROFESSIONAL'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 PROFESSIONAL'S PARTIES. IN THE EVENT THAT ANY ACTION OR PROCEEDING IS BROUGHT AGAINST THE CITY FROM WHICH THE CITY IS INDEMNIFIED, THE PROFESSIONAL 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.

b. Release.

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, except as otherwise provided in Subchapter I of Chapter 271 of the Texas Local Government Code to the extent applicable. Nothing herein shall be construed so as to limit or waive the City's sovereign immunity. The Professional assumes full responsibility for its services performed hereunder and hereby releases, relinquishes and discharges the City, its officers, agents, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to or death of any person (whether they be either of the Parties hereto, their employees, or other third parties) and any loss of or damage to property (whether the property be that of either of the Parties hereto, their employees, or other third parties) that is caused by or alleged to be caused by, arising out of, or in

connection with the Professional's services to be performed hereunder, provided that nothing in this Release provision shall expand or otherwise alter the Professional's indemnification obligation set forth above. This release shall apply with respect to the Professional's services regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance.

c. Subconsultants.
The Professional shall require all of its approved subconsultants to include in its subcontracts a release and indemnity in favor of the City in the same form as above.

11. Notices.
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:	PROFESSIONAL:
City of Friendswood	HDR Engineering, Inc.
910 S. Friendswood Drive	4828 Loop Central Drive, Suite 700
Friendswood, Texas 77546	Houston, Texas 77081-2220
Attn: Morad Kabiri	Attn: Michael Meroney, P.E.
Title: City Manager	Title: Vice President

Each Party shall have the right from time to time at any time to change its respective address and each shall have the right to specify a new address, provided that at least fifteen (15) days' written notice is given of such new address to the other Party.

12. Captions.
Each paragraph of this Agreement has been supplied with a caption to serve only as a guide to the contents. The caption does not control the meaning of any paragraph or in any way determine its interpretation or application.

13. Successors and Assignments.
The City and the Professional each binds 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. However, neither the City nor the Professional 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 of any public body which may be a Party hereto.

14. Termination of Agreement.
The City, besides all other rights or remedies it may have, shall have the right to terminate this Agreement without cause upon ten (10) days' written notice from the City Manager to the Professional of the City's election to do so. Furthermore, the City may terminate this Agreement with written notice to the Professional if the Professional breaches this Agreement, but only after providing the Professional seven (7) days' written notice of the breach during which

the Professional shall have the opportunity to cure. If the breach is not cured within such timeframe, the City may terminate this Agreement. A breach of this Agreement shall include, but not be limited to, the following:

(a) failing to pay insurance premiums, liens, claims or other charges;
(b) failing to pay any payments due the city, state, or federal government from the Professional or its principals, including, but not limited to, any taxes, fees, assessments, liens, or any payments identified in this Agreement;
(c) the institution of voluntary or involuntary bankruptcy proceeding against the Professional;
(d) the dissolution of the Professional;
(e) refusing or failing to prosecute the work or any separable part, with the diligence that will ensure its completion within the time specified in this Agreement;
(f) failing to complete work within the time period specified in this Agreement; and/or
(g) the violation of any provision of this Agreement.

Upon delivery of any notice of termination required herein, the Professional shall discontinue all services in connection with the performance of the Agreement. Within ten (10) days after receipt of the notice of termination, the Professional shall submit a final statement showing in detail the services satisfactorily performed and accepted and all other appropriate documentation required herein for payment of services. At the same time that the final statement is tendered to the City, the Professional shall also tender to the City's Representative all of the Professional's instruments of service, including all drawings, special provisions, field survey notes, reports, estimates, and any and all other documents or work product generated by the Professional 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.

Notwithstanding the above, the Professional shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by the Professional and the City may withhold any payment to the Professional for the purpose of setoff until such time as the exact amount of damages due the City from the Professional is determined. 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.

15. Changes.

The City may, from time to time, request changes in the scope of the services to be performed by the Professional under this Agreement. Such changes, including any increase or decrease in the amount of the Professional's compensation, which are mutually agreed upon by and between the City and the Professional, shall be incorporated in written amendments to this Agreement. The City shall not be liable for any additional services performed hereunder unless an amendment to this Agreement for such services is executed prior to the performance thereof.

16. Personnel.

a. The Professional represents that it has, or shall secure at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the City.

b. All of the services required hereunder shall be performed by the Professional or under its supervision, and all personnel engaged in the work shall be fully qualified and, if applicable, shall be authorized or permitted under State and local law to perform such services.

c. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

17. Reports and Information.
The Professional shall, at such times and in such forms as the City may require, furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Agreement.

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

19. Civil Rights.
The Professional shall comply with applicable requirements of Chapter 106 Civil Practice and Remedies Code of the State of Texas which prohibits discrimination on the grounds of race, religion, color, sex, or national origin, while performing work on behalf of the City. The Professional shall carry out its work under this Agreement in a manner that shall ensure full compliance by the City with such statute and all applicable state and federal laws.

20. Interest of Professional and Employees.
The Professional covenants that it presently has no interest and shall not acquire any interest, direct or indirect, in the study area or any parcels therein or any other interests which would conflict in any manner or degree with the performance of its services hereunder. The Professional further covenants that in the performance of this Agreement, no person who has any such interest shall be employed by the Professional.

21. Incorporation of Provisions Required by Law.
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.

22. Governing Law.
This Agreement has been made under and shall be governed by the laws of the State of Texas.

23. Venue.
Any action brought by either Party based on any claim arising under or as a result of this Agreement shall be brought in a court of competent jurisdiction in Galveston County, Texas.

24. Time is of the Essence.
The Professional shall perform the services herein as expeditiously as is prudent considering the ordinary professional skill and care of a competent professional. It is anticipated that all work will be completed within the time as stated in the schedule from the date of execution, and that any delay in the completion of the work described herein shall constitute a breach of this Agreement.

25. No Third-Party Beneficiary.
This Agreement shall not bestow any rights upon any third party, but rather, shall bind and benefit Professional and the City only.

26. No Right to Arbitration.
Notwithstanding anything to the contrary contained in this Agreement, the City and the Professional hereby agree that no claim or dispute between the City and the Professional arising out of or relating to this Agreement shall be decided by any arbitration proceeding, including, without limitation, any proceeding under the Federal Arbitration Act (9 U.S.C. Sections 1-14), or any applicable State arbitration statute, including, but not limited to, the Texas General Arbitration Act, provided that in the event that the City is subjected to an arbitration proceeding notwithstanding this provision, the Professional consents to be joined in the arbitration proceeding if the Professional's presence is required or requested by the City for complete relief to be recorded in the arbitration proceeding.

27. 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.

28. Complete Agreement.
This Agreement represents the entire and integrated agreement between the City and Professional in regard to the subject matter hereof and supersedes all prior negotiations, representations, or agreements, whether written or oral, on the subject matter hereof.

29. 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.

30. 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.

31. Authority.
The officers executing this Agreement on behalf of the Parties hereby represent that such officers have full authority to execute this Agreement and to bind the Party he/she represents.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in multiple copies, each of which shall be deemed to be an original, but all of which shall constitute but one and the same Agreement on the 23rd day of March, 2026, the date of execution by the City Manager of the City of Friendswood.

CITY:
City of Friendswood

MORAD KABIRI, City Manager

PROFESSIONAL:
HDR Engineering, Inc.

Michael P. Meroney
(Signature)

Michael P. Meroney
(Printed Name)

Vice President
(Title)

ATTEST:

RAQUEL MARTINEZ, City Secretary

ATTEST:

(OFFICER OR SECRETARY)
Elizabeth C. Hoffman, Assistant Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/16/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider authorizing a Professional Services Agreement with STV Incorporated, for engineering services associated with the City-wide Traffic Study Project.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Under this Professional Services Agreement, STV Incorporated will perform engineering services associated with the City-Wide Traffic Study Project (the "Project"), which will be an update of the study previously completed in 2019. The main goal of this study is to provide transportation improvement recommendations for efficient vehicular movement on the City's roadway network by planning for current and future growth in advance. The study will also serve as a planning tool to support future Capital Improvement Program development, grant applications, and coordination with regional partners.

This updated study will evaluate existing and future mobility needs of the City; develop short-term (0-5 years), mid-term (6-10 years), and long-term (11-20 years) transportation improvement recommendations; and assist the City with prioritizing these improvements. The analysis years will include 2026 (existing year), 2031 (short-term), 2036 (mid-term), and 2046 (long-term). The study will include evaluation of key intersections, signal timing, and operational improvements to maximize efficiency of the existing roadway network; incorporate a safety-focused evaluation to identify high-risk locations and potential countermeasures; consider planned and anticipated development; and provide planning-level cost estimates and implementation sequencing to support decision-making.

The scope of work includes:

1. data collection, including vehicular counts, travel time surveys, field observations, and transportation data requests;
2. virtual stakeholder and community outreach;
3. current and future year traffic conditions analyses; and
4. transportation improvement development and recommendations, including short-term, mid-term, and long-term transportation solutions, together with a prioritization of improvement recommendations.

These services are to be completed by the end of March 2027, at a cost not to exceed $224,996.20.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Professional Services Agreement City-Wide Traffic Study - STV

2. Form 1295 - STV
3. Government Code Verification - STV
4. COI Exp 04-01-2027

PROFESSIONAL SERVICES AGREEMENT

THE STATE OF TEXAS §
§
COUNTY OF GALVESTON §

This Professional Services Agreement (this "Agreement") is entered into by and between the City of Friendswood, Texas (hereinafter called the "City"), a home-rule municipal corporation located in Harris and Galveston Counties, Texas, and STV Incorporated, a New York corporation (hereinafter called the "Professional"). The City and the Professional are hereinafter referred to as "Parties" or individually as a "Party."

1. Engagement of Professional.
The City hereby engages the Professional and the Professional hereby agrees to perform the "Scope of Services" as set forth in Section 2 of this Agreement. The City's Director of Engineering or his designee shall act as the City's Representative pursuant to this Agreement. The Professional shall keep a full-time registered engineer licensed in the state of Texas on staff and assigned to the Project for the duration of its performance of the Project. Ms. Shadi Hakimi, PE, shall act as Professional's project manager pursuant to this Agreement throughout the Project. Any change of Professional's project manager shall require advance written notice to and written approval from the City's Representative.

2. Scope of Services.
The Professional shall perform or cause to be performed engineering services associated with the City-wide Traffic Study Project (the "Project") as more particularly described in Exhibit "A," which is attached hereto and incorporated herein for all intents and purposes.

3. Time of Performance.
The Professional shall perform the services required herein in accordance with the schedule attached hereto as Exhibit "B" and incorporated herein for all intents and purposes. The Professional shall not proceed with the work or any stage thereof until written notice to proceed is provided by the City's Representative.

4. Information and Services.
   a. It is agreed that the City shall furnish, without charge, for the purpose of the Agreement, information, data, reports, records, and maps as are existing and available for the carrying out of the work of the Professional as outlined under "Scope of Services." Nothing contained herein shall be construed to require the City to provide such records in any certain format. The format in which the existing data and documentation will be provided shall be at the sole discretion of the City.

   b. The Professional shall preserve all contracting information related to this Agreement as provided by the records retention requirements applicable to the City and shall promptly provide to the City any contracting information related to this Agreement that is in the custody or possession of the Professional on request of the City's Representative and at no cost to the City. Upon completion of this Agreement, the Professional shall provide at no cost to the City all contracting information related to the contract that is in the custody or possession of the Professional. For purposes of this section "contracting information" shall have the meaning ascribed to it in Section 552.003 of the Texas Government Code and as hereinafter amended.

5. Compensation and Method of Payment.

a. Compensation.
It is agreed that total fees for Basic Services for the work as described in Exhibit "A," including reimbursable expenses, shall be an amount not to exceed TWO HUNDRED TWENTY-FOUR THOUSAND NINE HUNDRED NINETY-SIX AND 20/100 DOLLARS ($224.996.20). The total compensation and reimbursable expenses are more particularly detailed in Exhibit "C," which is attached hereto and incorporated herein for all intents and purposes.

b. Payment.

(1) The Professional shall invoice the City monthly for its services and charges incurred. The Professional shall invoice based upon total services actually completed during the applicable month. Invoices shall be tendered no more often than once a month. The Professional shall not invoice the City for services or expenses that were incurred more than sixty (60) days before the date of the invoice. Failure to timely invoice the City for services or expenses shall result in the Professional's invoice being denied and the City being relieved from any liability for payment of the late invoice.

(2) The City agrees to pay the Professional within thirty (30) days of its receipt of the invoice, including all necessary backup information, or the receipt of services, whichever is later; provided, however, 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. All invoices must identify with specificity the work or services performed and the date(s) of such work or services.

c. Interest on Delinquent Payments.
Delinquent payments will accrue interest in accordance with Section 2251.025 of the Texas Government Code. All payments will be credited first to principal and then to interest.

6. Records.
The Professional shall keep accurate records, including time sheets and travel vouchers, of all time and expenses allocated to performance of the services performed hereunder. Such records shall be kept in the office of the Professional for a period of not less than five (5) years from completion of the Project. Such records shall contain the name and address of each such employee, social security number, correct classification, hourly wage rates paid, daily and weekly number of hours worked, deductions made and actual wages paid. City shall be entitled to review and/or receive copies of such records at no cost within ten (10) days of the City's request.

7. Ownership of Documents.

a. All documents, including original drawings, estimates, specifications, field notes and data concerning the Project, are the property of the City and shall be tendered to the City prior to final payment hereunder. The Professional may retain reproducible copies of drawings and other documents for its use.

b. All documents, including drawings prepared by the Professional and/or its subconsultants, are instruments of service in respect to the Project. They are not intended or represented to be suitable for reuse by the City or others on extensions of the Project or on any other project. While they may be reused by the City, any such reuse without written verification

or adaptation by the Professional for the specific purpose intended shall be at the City's sole risk and without liability or legal exposure to the Professional.

8. Insurance.

The Professional shall procure and maintain at its sole cost and expense for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the scope of work by the Professional, its agents, representatives, volunteers, employees or subconsultants.

a. The Professional's insurance coverage shall be primary insurance with respect to the City, its officials, employees, and agents. Any insurance or self-insurance maintained by the City, its officials, employees, or agents shall be considered in excess of the Professional's insurance and shall not contribute to it. Further, the Professional 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.

b. The Professional 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 minimum limits:

(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 Liability
- Combined Single Limits: $1,000,000
- Coverage for "Any Auto"
- Waiver of Subrogation required

(3) Workers' Compensation Insurance
- Statutory Limits
- Employer's Liability $500,000
- Waiver of Subrogation required.

(4) Professional Liability (Errors and Omissions)
- Limit: $1,000,000 per claim and in the aggregate
- Coverage shall continue for a minimum of two (2) years after the Professional's assignment under this Agreement is completed.

c. 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. Professional Liability Insurance can be on claims-made form.
- Each insurance policy shall be endorsed to state that coverage shall not canceled 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.
- If coverage is suspended, voided, or reduced in coverage or in limits, the Professional shall notify the City in writing prior thereto via certified mail, return receipt requested.
- 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 Professional.
- Professional shall provide copies of insurance certificates required hereunder to the City on or before the effective date of this Agreement and shall ensure that throughout the term of this Agreement, all certificates on file with the City are up-to-date and not expired. Failure to provide certificates constitutes a breach of this Agreement.

9. Standards of Performance.

a. The Professional agrees the services it provides, as an experienced and qualified architect/engineer, will be performed with the professional skill and care ordinarily provided by competent architects/engineers practicing under the same or similar circumstances and professional licenses.

b. The Project shall be designed and furnished in accordance with the most current codes and/or standards adopted by City, state, or federal government or in general custom and usage by the profession. The codes and standards used in the profession set forth minimum requirements.

c. The Professional further agrees that any analysis, reports, preparation of drawings, the designation or selection of materials and equipment, the selection and supervision of personnel and the performance of other services under this Agreement will be pursuant to the standard of performance common in the profession.

d. The Professional shall be responsible for the technical accuracy of its services and documents resulting therefrom, and the City shall not be responsible for discovering deficiencies therein. The Professional shall correct such deficiencies without additional compensation. The City's approval, acceptance, use of or payment for all or any part of the Professional's services hereunder or of the Project itself shall not constitute nor be deemed a release or waiver of the responsibility and liability of the Professional for the accuracy and competency of data, reports, and documents

e. The Professional shall submit all final construction and support documents in both hard copy and electronic format. Plans shall be AutoCAD compatible, and all other documents shall be Microsoft Office compatible. The software versions used shall be compatible to current City standards.

10. INDEMNIFICATION AND RELEASE.

a. INDEMNIFICATION.

THE PROFESSIONAL AGREES TO AND SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES (COLLECTIVELY 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 AGREEMENT TO THE EXTENT CAUSED BY OR RESULTING FROM AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY THE PROFESSIONAL OR THE PROFESSIONAL'S AGENT, CONSULTANT UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL (COLLECTIVELY PROFESSIONAL'S PARTIES). IT IS THE EXPRESSED INTENTION OF THE PARTIES HERETO, BOTH THE PROFESSIONAL AND THE CITY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS INDEMNITY BY PROFESSIONAL TO INDEMNIFY AND PROTECT THE CITY FROM THE CONSEQUENCES OF PROFESSIONAL'S PARTIES' OWN WILLFUL MISCONDUCT, JOINT OR SOLE NEGLIGENCE AS WELL AS THE PROFESSIONAL'S PARTIES' INTENTIONAL TORTS, INTELLECTUAL PROPERTY INFRINGEMENTS, AND FAILURES TO MAKE PAYMENTS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. SUCH INDEMNITY AND DEFENSE OBLIGATION 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 PROFESSIONAL'S PARTIES. IN THE EVENT THAT ANY ACTION OR PROCEEDING IS BROUGHT AGAINST THE CITY FROM WHICH THE CITY IS INDEMNIFIED, PROFESSIONAL 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.

b. Release.
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. Professional 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 Professional's services to be performed hereunder. This release shall apply with respect to Professional's services regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance.

c. Subconsultants.
The Professional shall require all of its approved subconsultants to include in their subcontracts a release and indemnity in favor of the City in the same form as above.

11. Address of Notice and Communications.
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:	Professional:
City of Friendswood	STV Incorporated
910 S. Friendswood Drive	11757 Katy Fwy, Ste 1540
Friendswood, Texas 77546	Houston, TX 77079
Attn: City Manager	Attn: Brian A. Jones, P.E.

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.

12. Captions.
Each paragraph of this Agreement has been supplied with a caption to serve only as a guide to the contents. The caption does not control the meaning of any paragraph or in any way determine its interpretation or application.

13. Successors and Assignments.
The City and the Professional each binds 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. However, neither the City nor the Professional 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 Professional of any public body which may be a Party hereto.

14. Termination of Agreement for Cause.
If, through any cause, the Professional shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Professional shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Professional of such termination and specifying the effective date thereof, at least fifteen (15) days before the effective date of such termination. Upon delivery of any notice of termination required herein, the Professional shall discontinue all services in connection with the performance of the Agreement. Within ten (10) days after receipt of the notice of termination, the Professional shall submit a final statement showing in detail the services satisfactorily performed and accepted and all other appropriate documentation required herein for payment of services. At the same time that the final statement is tendered to the City, the Professional shall also tender to the City's Representative all of the Professional's instruments of service, including all drawings, special provisions, field survey notes, reports, estimates, and any and all other documents or work product generated by the Professional 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.

Notwithstanding the above, the Professional shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by the Professional, and the City may withhold any payment to the Professional for the purpose of setoff until such time as the exact amount of damages due the City from the Professional is determined. 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.

15. Termination for Convenience of the City.
The City may terminate this Agreement at any time by giving at least thirty (30) days' notice in writing to the Professional. If the Agreement is terminated by the City as provided herein, the Professional shall be paid for the time provided and expenses incurred up to the termination date; provided the Professional has complied with that portion of Paragraph 14 pertaining to tendering a final statement along with all instruments of service to the City. If this Agreement is terminated due to the fault of the Professional, other terms and conditions contained in Paragraph 14 of this Agreement relative to termination shall apply.

16. Changes.
The City may, from time to time, request changes in the scope of the services to be performed by the Professional under this Agreement. Such changes, including any increase or decrease in the

amount of the Professional's compensation, which are mutually agreed upon by and between the City and Professional shall be incorporated in written amendments to this Agreement. The City shall not be liable for any additional services performed hereunder unless an amendment to this Agreement for such services is executed prior to the performance thereof.

17. Personnel.

a. The Professional represents that it has, or shall secure at its own expense, all personnel required in performing the services under this Agreement. Such personnel shall not be employees of or have any contractual relationship with the City.

b. All of the services required hereunder shall be performed by the Professional or under its supervision and all personnel engaged in the work shall be fully qualified and, if applicable, shall be authorized or permitted under State and local law to perform such services.

c. None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

18. Reports and Information.
The Professional shall, at such times and in such forms as the City may require, furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Agreement.

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

20. Civil Rights.
The Professional shall comply with applicable requirements of Chapter 106 of the Civil Practice and Remedies Code of the State of Texas, which prohibits discrimination on the grounds of race, religion, color, sex, or national origin, while performing work on behalf of the City. The Professional shall carry out its work under this Agreement in a manner that shall ensure full compliance by the City with such statute and all applicable state and federal laws.

21. Interest of Professional and Employees.
The Professional covenants that it presently has no interest and shall not acquire any interest, direct or indirect, in the study area or any parcels therein or any other interests which would conflict in any manner or degree with the performance of its services hereunder. The Professional further covenants that in the performance of this Agreement, no person who has any such interest shall be employed by the Professional.

22. Incorporation of Provisions Required by Law.
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.

23. Governing Law.
This Agreement has been made under and shall be governed by the laws of the State of Texas.

24. Venue.
Any action brought by either Party based on any claim arising under or as a result of this Agreement shall be brought in a court of competent jurisdiction in Galveston County, Texas.

25. Time is of the Essence.
Time is of the essence in this Agreement. Professional shall perform the services herein as expeditiously as is prudent considering the ordinary professional skill and care of a competent architect/engineer. It is anticipated that all work will be completed within the time as stated in the schedule from the date of execution, and that any delay in the completion of the work described herein shall constitute a breach of this Agreement.

26. No Third-Party Beneficiary.
This Agreement shall not bestow any rights upon any third party, but rather, shall bind and benefit the Professional and the City only.

27. No Right to Arbitration.
Notwithstanding anything to the contrary contained in this Agreement, the City and the Professional hereby agree that no claim or dispute between the City and the Professional arising out of or relating to this Agreement shall be decided by any arbitration proceeding, including, without limitation, any proceeding under the Federal Arbitration Act (9 U.S.C. Sections 1-14), or any applicable State arbitration statute, including, but not limited to, the Texas General Arbitration Act, provided that in the event that the City is subjected to an arbitration proceeding notwithstanding this provision, the Professional consents to be joined in the arbitration proceeding if the Professional's presence is required or requested by the City of complete relief to be recorded in the arbitration proceeding.

28. 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.

29. Complete Agreement.
This Agreement represents the entire and integrated agreement between the City and Professional in regard to the subject matter hereof and supersedes all prior negotiations, representations or agreements, whether written or oral, on the subject matter hereof.

30. 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.

31. 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.

32. 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 March, 2026, the date of execution by the City Manager of the City of Friendswood.

City:
CITY OF FRIENDSWOOD, TEXAS

_____
MORAD KABIRI, City Manager

DATE: _____

ATTEST:

_____
RAQUEL MARTINEZ, City Secretary

APPROVED AS TO FORM:

_____
KAREN L. HORNER, City Attorney

Professional:
STV INCORPORATED

BY: _____
(Signature)

Brian A. Jones, P.E.
(Printed Name)

Vice President / Area Manager
(Title)

DATE: 3/24/2026

ATTEST:

_____
(OFFICER OR SECRETARY)
Shadi Hakimi, P.E.

H:\Engineering\Professional Service Contracts\Engineers\STV Incorporated\City-Wide Traffic Study - 2026\Standard Agreement for Professional Services - STV 03132026.docx

Exhibit "A"
SCOPE OF WORK

A. PROJECT INFORMATION

The purpose of this Project is to update City of Friendswood City-wide Traffic Study that was previously completed in 2019. The main goal of this study is to provide transportation improvement recommendations for efficient vehicular movement on City's roadway network by planning for current and future growth in advance. However, safety and multi-modal needs will be considered. This updated study will evaluate existing and future years mobility needs of this growing City, develop short-term (0-5 years), mid-term (6-10 years), and long-term (11-20 years) transportation improvement recommendations, and assist the City with prioritizing these improvements. The analysis years will include 2026 (existing year), 2031 (short-term), 2036 (mid-term), and 2046 (long-term).

Since the last update, several major new developments and transportation projects have been constructed or are planned for completion within the analysis future years of this study. These include, but are not limited to, Midline Development, Friendswood Parkway Extension, and FM 528 improvements. Additionally, several transportation plans such as Comprehensive Safety Action Plan and Active Transportation Plan have been recently completed or would be on-going concurrently with this study. The overall intent of this study is for the completion of a tailored Traffic Study that leverages the work done to date with these transportation plans and planned transportation improvements for consistency of recommended strategies and solutions that will be the outcome of this study.

The traffic study will purposefully involve the public in planning and project concepts by providing for early, transparent and effective access to information and decision-making processes. One public meeting, in an open house style setup, will be held after first draft of improvement/project recommendations are prepared and approved by the City. However, early on, virtual community and stakeholder outreach will be conducted to collect public input and keep them informed via virtual tools such as webpage and social media posts.

B. SCOPE OF SERVICES

1. Basic Services:

The Professional shall provide the following scope of services after the City's issuance of a notice to proceed for the Project:

a. Task 1: Work Plan and Kickoff

The Professional will develop a Work Plan and submit it to the City for the City's approval. The Work Plan will outline the overall Project schedule tied to each task and deliverable noted below. The Kickoff Meeting will be a hybrid of in-person meeting and conference call to include the entire Project Delivery Team which will provide an overview of the methodology, study area, schedule and critical milestones, emphasizing the importance of stakeholder input and participation in the decision-making process, and product deliverables.

Task 1 Deliverables. The Professional shall provide the following Task 1 deliverables to the City:

1. Draft and Final Work Plan and

2. Kickoff Meeting Agenda and Minutes.

3. Methodology and Assumptions (M&A) Memo.

b. Task 2: Data Collection

The Professional will validate and confirm information that will be provided by the City or other sources. The Professional shall conduct interviews and surveys as necessary and work with the City to obtain the latest project information and current/future development impacts. In this task, the Professional shall develop vehicular counts and travel time surveys, perform field visits/observations, and obtain needed transportation and traffic data, as follows:

(1) Vehicular Counts

The Professional will develop a traffic count data collection plan and submit to the City in advance of field data collection. This data will include intersection turning movement volumes (TMVs) as well as 24-hour counts including vehicle class data at select roadway cross sections over a two (2) day period that represents an average day. Vehicular counts will be collected under a different contract mechanism.

(2) Travel Time Surveys

The Professional will develop a travel time data collection plan and submit to the City in advance of field data collection.

(3) Field Visits/Observations

The Professional will perform field visits during the AM and PM peak periods. The purpose of field visits is two-fold, namely

(a) to collect existing transportation network data that is not available or clear through Google Earth aerial images or other sources

(b) to observe traffic conditions that will be input into traffic analysis or verifying its findings.

(4) Transportation and Traffic Data Requests

The Professional shall request transportation and traffic related data, including, but not limited to, the following:

(a) Available information on recent and planned developments (i.e., site plans, traffic impact studies) within a study area that will be defined early on;

The Professional will collect and provide an initial draft of this information for City's review and supplementing.

(b) Available latest information on on-going or planned transportation projects including timeframes, configuration, or any available project data or assumptions;

The Professional will collect and provide an initial draft of this information for City's review and supplementing.

(c) Available as-builts or GIS layers or any information that can be utilized to assess existing roadway geometry and Right-of-Way ("ROW") limits;

(d) Latest signal timing data and signal warrant studies and status;

(e) Available information and data to utilize in development of growth rate for study future years evaluation. Sources of this information may include, but not be limited to, H-GAC Model, projected demographics from sources such as the Wastewater Master Plan, site developments and traffic impact studies, origin-destination (O-D) data, and traffic data from other recent transportation projects; and

(f) Access to recent or ongoing transportation plans and data if not publicly available.

Task 2 Deliverables. The Professional shall provide to the City Data Collection Plan and Inventory Documentation for the Task 2 deliverables.

c. Task 3: Virtual Stakeholder and Community Outreach

The Professional will work with the City to develop involvement strategies to engage stakeholders and community using effective forums and techniques and shall:

(1) Develop a limited public involvement plan that includes project summary, public engagement goals, and identification of focus communities;

(2) Identify which groups within the focus community may require particular attention in planning engagement;

(3) Determine public involvement needs such as language needs, disability and accessibility needs, socio-economic barriers to participation, awareness of local controversial issues and history;

(4) Determine public involvement opportunities like public and virtual meetings, open houses, public survey, stakeholder meetings and pop-up engagements at community functions;

(5) Evaluate best practices (emails, social media, postcards through U.S. mail, traditional media etc.) for promoting public involvement events for maximum coverage and attendance;

(6) Hold public meeting and summarize findings; and

(7) Evaluate successes and shortcomings of public outreach and meetings and share with stakeholders.

The Professional shall conduct the following two-fold community outreach for this study:

(1) Virtual community (public and stakeholders) outreach, including traditional media, postcards, emails, social media, and a project website to inform about the study and collect their input on the mobility and safety issues within the study area. The Professional shall set this up early in the Project and will maintain the same through the life of the Project.

(2) One public meeting in an open-house style setup will be held after first draft of Project recommendations are prepared and approved by the City. The Professional shall ensure that the public involvement meets TxDOT requirements.

The City will be responsible for newspaper notice, postings, or social media advertising, and for securing facility and custodial and security services, and these items are excluded from the Professional scope and expenses.

Task 3 Deliverables. The Professional shall provide the following Task 3 deliverables to the City:

(1) Limited Public Involvement Plan (PIP);

(2) Public Meeting Materials to be determined during PIP creation, but could include media blast content, post cards, handouts, webpage content, PowerPoint presentation with script, sign in sheets, and other meeting logistics; and

(3) Public meeting summary report with Comment Matrix with responses posted on project website.

d. Task 4: No-Action Conditions Traffic Analyses

(1) Task 4.1 Existing Year (2026) Traffic and Safety Conditions Analyses
The Professional in coordination with the City will define a study area and determine roadways and intersections to evaluate as part of this study. The high priority corridors will include FM 518, FM 528, FM 2351, Sunset Drive, Friendswood Parkway, and Bay Area Boulevard. The Professional will conduct analyses of existing year (2026) traffic and safety conditions to assess existing mobility and capacity needs and create a base to measure/evaluate future traffic conditions and recommended improvement solutions. This task will involve:

(a) Developing existing year AM and PM peak hour traffic volumes; The Professional shall compile, review and summarize all collected data and traffic counts and develop existing year traffic volumes for the study corridors and study intersections. If it is determined that mid-block developments generate or sink significant traffic volumes that would make balancing volumes a challenge, those volumes may be left imbalanced.

(b) Developing peak hour Synchro models;

The Professional shall develop peak-hour Synchro models, which will include all signalized intersections along the study corridors. Existing conditions intersection analysis will be modeled using Synchro software. The existing conditions Synchro model will reflect the latest geometry, traffic volumes, and signal timing. Arterial segments and intersections geometry will be determined from aerial photos and confirmation by field review if needed.

(c) Evaluating existing traffic conditions on study corridors to identify sections of study roadways or at intersections where there is insufficient capacity to serve existing traffic volumes as well as identify other traffic operational problems; and

The Professional will perform the traffic analysis following the Highway Capacity Manual ("HCM") guidelines and recommended measures of effectiveness ("MOEs") (as will be documented in M&A) such as V/C ratio, delay, travel time, speed and 95th percentile queue at the study intersections.

(d) Conducting an existing crash analysis using the latest 5-year TxDOT CRIS crash data to determine crash hotspots, predominant crash patterns, and potential causes that may be used to inform development of transportation improvement solutions.

(2) Task 4.2 – Future Year Traffic Conditions Analyses

The Professional will develop analyses of traffic conditions for future years 2031, 2036, and 2046 considering and incorporating available information on recent or planned developments, transportation projects, and local and regional transportation plans as approved by the City.

(a) Task 4.2.1 – Traffic Growth Rate and Projections Development

The Professional will develop traffic grow rates and traffic volume projections for the study intersections and roadways based on available information such as HGAC travel demand model, available master plans, historic traffic counts, and traffic impact studies and site plans for all future planned developments within the study area.

(b) Task 4.2.2 – Future Year Traffic Operations Analyses.

Based on collected data, existing year Synchro models, and developed traffic projections, the Professional will develop future year AM and PM peak hour Synchro models to evaluate future years No-Action traffic conditions. The traffic analysis will follow the HCM guidelines and recommended MOEs. The results will be summarized and compared with results of existing conditions analysis to inform impacts of growth and planned transportation improvements in the study area. If the analysis indicates that

oversaturated traffic conditions exist at any of the study intersections or roadway section, if deemed necessary, Simtraffic simulation analysis will be conducted, and results summarized. The results of No-Action analysis will be utilized during the development and prioritization of improvement recommendations.

Task 4 Deliverables. The Professional shall provide to the City Existing and Future Year No-Action Conditions Documentation as Task 4 deliverables.

e. Task 5: Transportation Improvement Development and Recommendations

(1) Task 5.1: Short Term (Year 2031) Transportation Solutions
Based on collected stakeholder and public input as well as results of traffic and safety analyses completed throughout the previous tasks, the Professional will devise and evaluate various feasible low-cost and within-existing ROW operations improvement concepts. These solutions which may involve geometry improvements and/or operations improvements including but not limited to:

(a) Traffic operations improvements (e.g. traffic signal timing optimization);

(b) Intersection improvements (e.g., turn bays turning radii, lane re-assignment);

(c) Traffic management concepts;

(d) Minor widening to add capacity including turn lane addition or lengthening; and

(e) Adding shoulders.

Furthermore, based on this traffic analysis and crash analysis, the Professional will identify and evaluate potential safety improvement solutions that could be considered and implemented along with traffic operation improvement solutions. Based on all analyses above, the Professional will provide a set of short-term solutions to be considered for implementation.

(2) Task 5.2: Mid Term (Year 2036) Transportation Solutions
Based on collected stakeholder and public input as well as results of traffic and safety analyses completed throughout the previous tasks, the Professional will devise and evaluate various feasible moderate impact improvement concepts that could require additional ROW, coordination, and planning compared with short-term solutions. In addition to items listed under Task 5.1, these solutions which may involve geometry improvements and/or operations improvements including but not limited to:

(a) Intersection realignment;

(b) Access management/driveway consolidation;

(c) Extension of roadway facilities/connectivity;

(d) Change of intersection control type (i.e. signalization); and

(e) ITS improvements.

Furthermore, based on this traffic analysis and crash analysis, the Professional will identify and evaluate potential safety improvement solutions that could be considered and implemented along with traffic operation improvement solutions. Based on all analyses above, the Professional will provide a set of mid-term solutions to be considered for implementation.

(3) Task 5.3: Long-Term (Year 2046) Transportation Solutions
Based on collected stakeholder and public input as well as results of traffic and safety analyses completed throughout the previous tasks, the Professional will devise and evaluate various feasible improvement concepts that could be more impactful, require extensive additional ROW, require extensive inter-agency coordination/agreement, and involve identifying funding. In addition to items listed under Task 5.1 and Task 5.2, these solutions which may involve geometry improvements and/or operations improvements including but not limited to:

(a) Major roadway widening;

(b) Roadway and intersection realignment;

(c) Roadway extension and connectivity that may span to other jurisdictions; and

(d) Interagency traffic management system.

Furthermore, based on this traffic analysis and crash analysis, the Professional will identify and evaluate potential safety improvement solutions that could be considered and implemented along with traffic operation improvement solutions. Based on all analyses above, the Professional will provide a set of long-term solutions to be considered for implementation.

(4) Task 5.4: Prioritization of Transportation Improvement Recommendations
Based on collected stakeholder input, and the results from Tasks 5.1 – 5.3, the Professional will create a paradigm to rank solutions based on their cost, mobility improvement quantified based on a value of time, ROW requirements, time to implement, known funding sources, possibility to improve safety, and integration with the City's Capital Improvement Plan. This task will generate the following documents:

(a) Methodology to rank improvement projects,

(b) Ranked list of improvement projects with timelines, and

(c) Conceptual plan layouts depicting the geometry or operations improvements

The ranked list proposed by the Professional will be presented to the public in a meeting and revised following their input.

Task 5.4 Deliverables. The Professional shall provide to the City the following Task 5.4 deliverables:

(a) Draft Traffic Study Report, which will include all tasks covered to this point and which will be reviewed and approved by the City before PI is conducted, and

(b) Conceptual plan layouts for intersection improvements.

(5) Task 5.5: Study Outcome Application as Policy Tools
In addition to using the study results to develop, the Professional shall prioritize and recommend transportation improvements, including geometry fixes and operations fixes. The study outcome may be used as policy tools for the City and the results may be used to inform development conditions, proportional participation, and off-site improvement requirements.

f. Task 6: Final Reports and Transmittal of Study Materials
The Professional shall provide the following to the City as Task 6 deliverables:

(1) Final Traffic Analysis Report (as noted above) and

(2) Final Public Involvement Materials (as noted above).

2. **Additional Services:**
The City shall not be responsible or liable for any additional services performed by the Professional unless such additional services have been approved in writing prior to the performance of the same. The Professional will perform additional services at a price agreed upon by the Parties in writing prior to the performance of such services.

Exhibit "B"

SCHEDULE

The Professional shall begin work under this Agreement within ten (10) days of a Notice to Proceed ("NTP") and shall complete the work within three hundred sixty-five (365) calendar days in accordance with the schedule below:

Task	Description	Apr -26	May --26	Jun -26	Jul -26	Aug -26	Sep -26	Oct -26	Nov -26	Dec -26	Jan -27	Feb -27	Mar -27
1	Work Plan and Kickoff (Project Management)												
2	Data Collection												
3.1	Stakeholder Engagement												
3.2	Community Outreach												
4.1	Existing Year (2026) Traffic and Safety Conditions Analyses												
4.2	Future Year Traffic Conditions Analyses												
5.1	Short Term (Year 2031) Transportation Solutions												
5.2	Mid Term (Year 2036) Transportation Solutions												
5.3	Long-Term (Year 2046) Transportation Solutions												
5.4	Prioritization of Transportation Improvement Recommendations												
6	Final Reports and Transmittal of Study Materials												

The Professional's obligation to render services hereunder will be for whatever period necessary for the final completion of the services required in Exhibit "A." However, the Professional understands and agrees that services shall commence no earlier than upon execution of this Agreement; and the Professional shall use commercially reasonable efforts to perform all services required herein within 365 calendar days from the issuance of the NTP.

Exhibit "C"
COMPENSATION

Basic Services

Compensation

Services and all reimbursable expenses required under this Agreement shall be provided at an amount not to exceed TWO HUNDRED NINETEEN THOUSAND TWO HUNDRED SIXTY-TWO AND 70/100 DOLLARS ($219,262.70) in accordance with the following task and fee schedules:

Task Schedule

Task No.	Basic Services	Amount Not to Exceed
1	Work Plan and Kickoff (Project Management)	$6,238.28
2	Data Collection	$12,754.48
3	Virtual Stakeholder and Community Outreach	$20,062.72
4	No-Action Conditions Traffic Analyses	
	4.1 Existing Year (2026) Traffic and Safety Conditions Analyses	$31,160.88
	4.2 Future Year Traffic Conditions Analyses	
	4.2.1 Traffic Growth Rate and Projections Development	$14,477.28
	4.2.2 Future Year Traffic Operations Analyses	$35,120.20
5	Transportation Improvement Development and Recommendations	
	5.1 Short Term (Year 2031) Transportation Solutions	$14,368.48
	5.2 Mid Term (Year 2036) Transportation Solutions	$21,561.72
	5.3 Long-Term (Year 2046) Transportation Solutions	$22,528.88
	5.4 Prioritization of Transportation Improvement Recommendations	$19,687.96
6	Final Reports and Transmittal of Study Materials	$21,301.82
	Total Amount Not to Exceed for Basic Services	**$219,262.70**

Fee Schedule

Employee Classification	Hourly Billing Rate
Project Manager	$338.51
Quality Manager	$241.79
Engineer (Senior)	$272.020
Engineer (Project)	$196.46
Sr Env Planner	$252.00
PI Specialist I	$89.00
PI Specialist II	$133.00
Engineer (Design)	$166.23
Engineer-In-Training II	$125.43
Administrative/Clerical	$93.69

The portion of the compensation amount billed for the Professional's services will be based upon the Professional's completion of and the City's acceptance of the services required herein; provided that at no time the amounts specified herein for each task be exceeded.

Reimbursable Expenses

Reimbursable expenses shall include costs for incidental items such as parking, mileage, deliveries, and copies. Such expenses will be invoiced to the City at the Professional's direct cost plus 10%, except that mileage will be invoiced at the IRS rate, which is currently $0.725 per mile. Reimbursable expenses will not exceed FIVE THOUSAND SEVEN HUNDRED THIRTY-THREE AND 50/100 DOLLARS ($5,733.50) based upon the following:

Exhibit "C"
COMPENSATION

Reimbursable Expenses	Quantity	Unit	Unit Cost Not to Exceed*	Total Reimbursable Expenses Not to Exceed
Mileage	460	Mile	IRS Rate	$333.50
Color Copies	500	Each	$1.00	$500.00
Every Door Direct (Postcards)	1	Per order	$2,000	$2,000.00
Audio-Visual Equipment	1	Per event	$500	$500.00
Mounted Color Exhibit Boards	12	Each	$2,400	$2,400.00
			Total	**$5,773.50**

*Unit costs include 10% markup.

Additional Services

The Professional will perform additional services at a price agreed upon by the Parties in writing prior to the performance of such services. The City shall not be responsible or liable for any additional services performed by the Professional unless such additional services have been approved in writing by the City prior to the performance of the same.

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider authorizing the final acceptance of the 2020 Lift Station Mitigation Package 2/Harvey Lift Station Repairs and Mitigation Project.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item authorizes the final acceptance of the 2020 Lift Station Mitigation Package 2/Harvey Lift Station Repairs and Mitigation Project (the "Project"). Package No. 2 includes Lift Stations 5, 13, 24, and 25 and the work has been completed and inspected. All work conforms to City specifications, and the contractor, McDonald Municipal & Industrial, a Division of C.F. McDonald Electric, Inc., has met the terms of the contract. The one-year maintenance bond has run its course without any warranty issues. Staff recommends final acceptance and release of the maintenance bond.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. One-Year Maintenance Bond Pkg. 2
2. MMI Lift Station Package 2 Release of Bond

RELEASE OF BOND

Date: April 6, 2026

PROJECT NAME: 2020 Lift Station Mitigation Package 2/Harvey Lift Station Repairs & Mitigation Project

TO: McDonald Municipal & Industrial
Attn: Raymond Leal
5044 Timber Creek
Houston, TX 77017

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 April 6, 2026, for the acceptance of the One-Year Maintenance Period. The City Council accepted the One-Year Maintenance as complete and renders this obligation null and void, releasing the One-Year Maintenance Bond from Merchants Bonding Company, P.O. Box 14498, Des Moines, IA 50306-3498, which is enclosed.

Jildardo Arias, PE, CFM, ENV SP
Director of Engineering, City Engineer

JA/sm

END OF DOCUMENT

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/12/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider authorizing the final acceptance of the Friendswood High School Utilities Improvements Project.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item authorizes the final acceptance of the Friendswood High School Utilities Improvements Project (the "Project"). The work located at 702 Greenbriar Drive has been completed and inspected. All work conforms to City specifications, and the contractor has met the terms of the contract. The one-year maintenance bond has run its course without any warranty issues. Staff recommends final acceptance and release of the maintenance bond.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. FWD High School- ICI Construction One Year Maintanence Bond
2. ICI Release of Bond

RELEASE OF BOND

Date: April 6,2026
PROJECT NAME: High School Utilities Improvements Project

TO: ICI Construction, Inc.
Attn: Bart Cobb
24715 West Hardy Road
Spring, TX 77373

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 April 6, 2026, for the acceptance of the One-Year Maintenance Period. The City Council accepted the One-Year Maintenance as complete and renders this obligation null and void, releasing the One-Year Maintenance Bond from Hartford Fire Insurance Company, One Hartford Plaza, Hartford, CT 06155, which is enclosed.

Jildardo Arias, PE, CFM, ENV SP
Director of Engineering, City Engineer

JA/sm

END OF DOCUMENT

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/16/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider authorizing the final acceptance of the Red Ball Oxygen Waterline Improvements Project.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item authorizes the final acceptance of the Red Ball Oxygen Waterline Improvements Project (the "Project"). The work located at 14200 Beamer Road has been completed and inspected. All work conforms to City specifications, and the contractor, GRA-Gulf Coast Construction, LLC, has met the terms of the contract. The one-year maintenance bond has run its course without any warranty issues. Staff recommends final acceptance and release of the maintenance bond.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Red Ball Oxygen Waterline Improvements - GRA- Gulf Coast Construction
2. GRA - Gulf Coast Construction Release of Bond

RELEASE OF BOND

Date: April 6, 2026
PROJECT NAME: Red Ball Oxygen Waterline Improvements Project

TO: GRA - Gulf Coast Construction, LLC
Attn: Kevin R. Andrews
12807 Haynes Rd., Building D
Houston, TX 77066

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 April 6, 2026, for the acceptance of the One-Year Maintenance Period. The City Council accepted the One-Year Maintenance as complete and renders this obligation null and void, releasing the One-Year Maintenance Bond from Insurors Indemnity Company, 225 S. 5th St., Waco, TX 76701, which is enclosed.

Jildardo Arias, PE, CFM, ENV SP
Director of Engineering, City Engineer

JA/sm

END OF DOCUMENT

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/18/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider authorizing the final acceptance of the Fire Station No. 2 Reconstruction and Training Field Upgrades Project.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item authorizes the final acceptance of the Fire Station No. 2 Reconstruction and Training Field Upgrades Project (the "Project"). The work located at 2605 W. Parkwood Avenue has been completed and inspected. All work conforms to City specifications, and the contractor has met the terms of the contract. The one-year maintenance bond has run its course without any warranty issues. Staff recommends final acceptance and release of the maintenance bond.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Maintenance Bond 4443898
2. Christensen Building Group - Release of Bond

RELEASE OF BOND

Date: April 6, 2026
PROJECT NAME: Fire Station No. 2 Reconstruction and Training Field Upgrades Project

TO: Christensen Building Group, LLC
Attn: Mark L. Christensen
15425 North Freeway #330
Houston, TX 77090

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 April 6, 2026, for the acceptance of the One-Year Maintenance Period. The City Council accepted the One-Year Maintenance as complete and renders this obligation null and void, releasing the One-Year Maintenance Bond from SureTec Insurance Company, 2103 Citywest Blvd, Suite 1300, Houston, TX 77042, which is enclosed.

Jildardo Arias, PE, CFM, ENV SP
Director of Engineering, City Engineer

JA/sm

END OF DOCUMENT

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/18/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider authorizing a Lease Agreement with David Davis regarding 24.693 acres of land located near Fire Station No. 2, Galveston County, Texas.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The proposed lease agreement is similar to the previous lease agreement into which the City entered with David Davis concerning the property located near Fire Station No. 2, and which expired last month. Specifics of the proposed lease include the following:

TERM: April 7, 2026, to April 6, 2029

CONSIDERATION: Lessee is required to:

- maintain property (mow and bail hay),
- maintain drainage improvements,
- maintain fencing,
- pay utility fees and taxes, if any, on the property,
- allow the City's use of the premises for emergency management purposes, and
- maintain specified levels of insurance.

RESTRICTIONS: Lessee may not:

- use the premises for any purpose other than for growing grass and baling hay for personal use,
- make alterations to the premises without the prior written approval of the City,
- permit or allow hazardous materials to be brought onto the premises,
- allow any lien to be filed on the premises as a result of Lessee's activities, and
- assign or sublease any portion of the premises.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. David Davis - 2026 Lease Agreement City Owned Property next to 1913 Lundy Lane- executed

LEASE AGREEMENT

STATE OF TEXAS §
§
COUNTY OF GALVESTON §

This Lease (this "Lease") is made and entered into this 7th day April, 2026, by and between the City of Friendswood, Texas, a Texas home-rule municipal corporation ("Lessor") and David Davis ("Lessee") collectively referred to herein as the "Parties" and individually as a "Party."

In consideration of the mutual covenants and agreements set forth in this Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Lessor and Lessee, Lessor does hereby lease to Lessee, and Lessee does hereby lease from Lessor, that certain tract of land consisting of 24.693 acres of land, (the Premises") that is situated near Lessor's Fire Station No. 2 in Galveston County, Texas, and more particularly described by metes and bounds and a survey attached hereto as Exhibits "A-1 " and "A-2," respectively, and made a part hereof for all intents and purposes.

1. Term. This Lease shall be for a three (3) year term beginning on April 7, 2026, and ending on April 6, 2029.

2. Rent. Lessor agrees to lease the Premises to Lessee for and in consideration of Lessee's maintaining the property by mowing it two (2) to three (3) times a year, or the frequency of mowing necessary so that the grass and weeds are not more than 24 inches tall, baling the hay to be eaten by his personal livestock, and Lessee's compliance with the provisions established in this Lease. Lessee shall be responsible for construction and maintenance of any wanted drainage improvements, subject to the provisions of Section 5(b) hereinbelow. Lessee shall not be responsible for mowing roadway ditches around the Premises.

3. Fencing. Lessee shall maintain the fence on the Premises and agrees to perform normal maintenance and repair of the fence.

4. No Hazardous Materials. With the exception of bringing diesel fuel in by truck to the site to provide fuel for the farm equipment, Lessee shall not permit any Hazardous Materials (as such term is hereinafter defined) to be brought onto, stored in, used in, or disposed of in, on, under or about the Premises. As used herein, "Hazardous Materials" mean (a) any petroleum or petroleum products, radioactive materials, asbestos, urea formaldehyde foam insulation, transformers or other equipment that contains dielectric fluid containing levels of polychlorinated biphenyls, and radon gas, (b) any chemicals, materials, or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under applicable law, and (c) any other chemical, material, or substance which is in any way regulated by applicable law.

5. Use of Premises.

(a) Lessee shall use the Premises solely for the purposes of growing grass and baling hay for the personal use of his livestock.

(b) Lessee shall not construct or make any alteration, addition, or improvement to the Premises without the prior written consent of Lessor. If such consent is granted, the Lessee understands and agrees that it will:

(1) include in each contract for the construction, alteration or repair of an improvement to the Premises a condition that the contractor:

a. execute a payment bond that conforms to Subchapter I, Chapter 53, of the Texas Property Code; and

b. execute a performance bond in an amount equal to the amount of the contract for the protection of Lessor and conditioned on the faithful performance of the contractor's work in accordance with the plans, specifications, and contract documents approved by Lessor; and

(2) provide to Lessor a notice of commencement at least ninety (90) days before the date the construction, alteration, addition, or repair of any improvement to the Premises begins. Such notice shall

a. identify the portion(s) of the Premises where the work will be performed;

b. describe the work to be performed;

c. state the total cost of the work to be performed;

d. include copies of the performance and payment bonds required under Subsection (b)(1); and

e. include a written acknowledgment signed by the Lessee or Lessee's contractor, as applicable, stating that copies of the required performance and payment bonds will be provided to all subcontractors not later than the fifth (5^{th}) day after the date a subcontract is executed.

On or before the 10th day after the date Lessor receives a notice of commencement for the construction, alteration, or repair of an improvement to Premises required under Subsection (b)(2), Lessor may

notify the Lessee that the construction, alteration, or repair may not proceed pursuant to Section 2252.909 of the Texas Government Code.

(c) Notwithstanding anything to the contrary contained herein, it is expressly understood and agreed that Lessee's use of the Premises is subject to Lessor's priority use of the same for emergency management purposes, during the prevention, mitigation, preparedness, response, and/or recovery phases of a disaster or emergency situation. The City's use of the Premises may include, but not be limited to, a temporary debris storage and reduction site and/or any other purpose deemed necessary or appropriate by Lessor's Emergency Management Coordinator in order to protect public health and safety and/or to preserve property. Lessee will not be entitled to any compensation for Lessor's use of the Premises consistent with this subsection and waives and releases Lessor, its officers, agents and employees for any and all damages and claims that may arise out of or in connection with such use.

6. Maintenance, Repair and Surrender. At the termination of this Lease, Lessee shall surrender and deliver the Premises to Lessor, in the state of repair and condition comparable to the state of repair and condition as at the time Lessor delivered possession thereof to Lessee, reasonable wear and tear excepted. Specifically, without limitation, any damage to fences occurring during the course of this Lease shall be repaired by Lessee. Lessor shall have no obligation whatsoever to perform any maintenance, repairs or other services in connection with the Premises or this Lease.

7. Utilities; Taxes. Lessee shall pay the charges for utilities used by Lessee at the Premises directly to the provider or providers thereof. Lessor shall have no liability or responsibility whatsoever with regard to the existence of, provision of or payment of utilities. Lessee is responsible for payment of all taxes, special assessments, and government charges of every character imposed on the Premises during the term of this Lease.

8. Insurance. Throughout the term of this Lease, Lessee shall carry and maintain, at Lessee's sole cost and expense, general liability insurance of an "occurrence" type against all claims arising out of liability of Lessee for injury to persons or property damage occurring in or about the Premises or arising out of the use or occupancy thereof, at minimum combined single limit of $500,000.00 each occurrence and $500,000.00 general aggregate. General liability must be endorsed to include a waiver of subrogation for the benefit of Lessor, and the Lessor, its officers, and employees as Additional Insureds on the policy, and a Certificate of Insurance must be attached to this Lease and it must identify the name of the insurance carrier, policy number, and expiration date and limits of liability and deductible. Lessee shall not enter the Premises until a Certificate of Insurance has been submitted to Lessor and approved by the City Attorney.

9. **INDEMNIFICATION.**
LESSEE SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS LESSOR AND LESSOR'S OFFICIALS, OFFICERS,

AGENTS AND EMPLOYEES, FROM AND AGAINST ANY ALL CLAIMS, DEMANDS, LIABILITIES, LOSSES, COSTS, DAMAGES, SUIT OR EXPENSES OF EVERY KIND (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, ACCOUNTANTS' FEES, COURT COSTS AND INTEREST) RESULTING OR ARISING FROM ANY AND ALL INJURIES TO, INCLUDING DEATH OF ANY PERSON OR DAMAGE TO ANY PROPERTY CAUSED BY OR ARISING OUT OF THE OCCUPANCY OF THE PREMISES BY LESSEE AND/OR THE ACTS OR OMISSIONS OF LESSEE OR LESSEE'S AGENTS, EMPLOYEES OR CONTRACTORS.

10. Default. In the event Lessee fails to perform any or all of its obligations set forth in this Lease, Lessor shall give Lessee ten (10) days to cure any defect, and Lessor may terminate this Lease if Lessee fails to cure the defect or to perform its Lease obligations.

11. Mechanics Liens. Lessee shall not permit any mechanic's liens to be filed against the Premises or Lessee's leasehold interest herein, and Lessee shall cause any such liens arising or alleged to arise as a result of Lessee's activities in the Premises to be paid and released of record without cost to Lessor within thirty (30) days following delivery by Lessor to Lessee of written notice regarding the existence of any such lien.

12. Inspection by Lessor. Lessor and Lessor's agents shall have the right to enter into and on the Premises at any reasonable time for the purpose of inspecting the Premises.

13. Assignment and Sublease. Lessee may not assign this Lease or sublet any portion of the Premises without the prior written consent of Lessor.

14. Acceptance of Premises; Disclaimer. **LESSOR AND LESSEE RECOGNIZE, STIPULATE AND AGREE THAT LESSEE HAS ACCEPTED THE PREMISES IN ITS CURRENT "AS-IS", "WHERE-IS" CONDITION AND WITH ALL FAULTS AND WITHOUT ANY WARRANTY, REPRESENTATION, EXPRESSED OR IMPLIED, CONCERNING THE CONDITION OR CHARACTERISTICS OF THE PREMISES; WITHOUT LIMITING THE FOREGOING, LESSOR MAKES NO REPRESENTATION OR WARRANTY CONCERNING THE CONDITION OF THE PREMISES, OR THE FITNESS OF THE PREMISES FOR ANY PURPOSE.**

15. Termination. This Lease Agreement may be terminated by Lessee upon at least thirty (30) days' prior written notice to the Lessor, and this Lease may be terminated by Lessor upon at least one hundred-eighty (180) days' prior written notice to Lessee.

16. Miscellaneous.

(a) All notices and correspondence under this Lease shall be deemed delivered by actual delivery, by facsimile, with receipt of confirmation, or by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate Party at the following addresses:

If to Lessor: City of Friendswood
Attention: City Manager
910 S. Friendswood Drive
Friendswood, Texas 77546

If to Lessee: David Davis
1913 Lundy Lane
Friendswood, Texas 77546

Either Party may designate a different address at any time upon written notice to the other Party.

(b) This Lease shall be binding upon and inure to the benefit of the Parties to this Lease and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

(c) Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Lease. Regardless of which Party prepared the Lease, this Lease shall, in the event of any dispute regarding its meaning or application, be interpreted fairly and reasonably and neither more strongly for nor against any Party.

(d) The paragraph headings contained in this Lease are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

(e) This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

(f) Failure of either Party hereto to insist on the strict performance of any of the Leases contained herein or to exercise any rights or remedies accruing hereunder 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 to exercise any right or remedy occurring as a result of any future default or failure of performance.

(g) In the event any one or more of the provisions contained in this Lease shall for any reason be held by a court of competent jurisdiction to be invalid,

illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Lease.

(h) This Lease shall constitute the entire understanding of the Parties with respect to the subject matter hereof and supersedes any and all prior agreements, written or oral, between the Parties; and no amendment, modification, or alteration of the terms hereof shall be binding upon the Parties unless the same is in writing, dated after this Lease and duly executed by both Lessor and Lessee.

(i) This Lease shall be governed by the laws of the State of Texas, and venue for any lawsuit involving this Lease shall be in Galveston County, Texas.

(j) Nothing contained in this Lease shall be deemed or construed by the Parties hereto, nor by any third party, as creating a relationship between the Parties other than the relationship of Lessor and Lessee.

EXECUTED by the Parties on the dates first referenced hereinabove.

LESSOR:
CITY OF FRIENDSWOOD

_____
MORAD KABIRI, City Manager

ATTEST:

_____
RAQUEL MARTINEZ, City Secretary

LESSEE:

_____
DAVID DAVIS

STATE OF TEXAS §
§
COUNTY OF GALVESTON §

The foregoing instrument was acknowledged before me on this the ___ day of March, 2026, by David Davis.

[SEAL]

_____
Notary Public in and for the State of Texas

EXHIBIT "A-1"

City of Friendswood
24.693 Acres

B.S. & F. Survey No. 5
Abstract No. 625

STATE OF TEXAS §

COUNTY OF GALVESTON §

METES AND BOUNDS DESCRIPTION of a 24.693-acre tract in the B.S. & F Survey No. 5, Abstract No. 625, Galveston County, Texas. Said 24.693-acre is that same tract described in a deed to The Estates of Lundy Lane, LLC as recorded in Clerk's File No. 2011055907 in the Galveston County Clerk's Office and is more particularly described by metes and bounds as follows:

COMMENCING at a 5/8-inch iron rod found for the point of intersection of the east right-of-way line of Sarasota Drive (based on a width of 60-feet), with the north line of a 60-foot wide Powerline Easement as recorded in Volume 1693, Page 501 in the Galveston County Deed Records, said point is the southwest corner of Lot 1, Block 6 of Boca Raton, Section Two as recorded in Volume 18, Page 549 in the Galveston County Plat Records;

THENCE, North 86°38'46" East, along the north line of said Powerline Easement, same being the south line of Said Lot 1, for a distance of 137.60 feet to the southeast corner of said Lot 1, said point is in the west line of a tract described in a deed to Boca Raton Homeowners Association, Inc. as recorded in Clerk's File No. 2004029416 in the Galveston County Clerk's Office;

THENCE, South 14°50'52" West, along the west line of said Boca Raton Homeowners Association, Inc. tract, same being the east line of the aforementioned Boca Raton, Section Two for a distance of 63.05 feet to a 5/8-inch iron rod found for the POINT OF BEGINNING and northwest corner of the herein described tract, said point is the most northerly northeast corner of a 56.883-acre tract described in a deed to Friendswood Community Church, Inc. as recorded in Clerk's File No. 2001016726 in the Galveston County Clerk's Office;

THENCE, North 86°38'46" East, along the south line of said Boca Raton Homeowners Association, Inc. tract, same being the south line of the aforementioned Powerline Easement, at a distance of 119.82 feet pass the southwest corner of a 0.6267 acre tract described in a deed to Peter Lux as recorded in Clerk's File No. 9024571 in the Galveston County Deed Records and continue for a total distance of 506.52 feet to a 5/8-inch iron rod set for the northeast corner of the herein described tract, said point is the northwest corner of a tract described in a deed to Dale D. Dunn and wife, Penny Dunn as recorded in Volume 2343, Page 452 in the Galveston County Deed Records;

THENCE, South 03°50'18" East, along the east line of the herein described tract, same being the west line of said Dunn tract, at 780.93 feet pass a 5/8-inch iron rod found for the southwest corner of a 2.517 acre tract described in a deed to Angela L. Campbell as recorded in Clerk's File No. 2008044771 in the Galveston County Clerk's Office, and continue for a total distance of 1,435.21 feet to a 5/8-inch iron rod found for the southeast corner of the herein described tract, said point is the northeast corner of a 0.38-acre tract described in a deed to Suchmor Thomas as recorded in Clerk's File No. 2013042460 in the Galveston County Clerk's Office;

EXHIBIT "A-1"

THENCE, South 86°33'00" West, along the south line of the herein described tract, same being the north line of said 0.38-acre tract, for a distance of 206.36 feet to a 5/8-inch iron rod found for the northwest corner of said 0.38-acre tract, said point is the northeast corner of a 10.0048-acre tract described in a deed to Andrew LaFountain and spouse, Andrea P. LaFountain as recorded in Clerk's File No. 2014027357 in the Galveston County Clerk's Office;

THENCE, South 86°26'51" West, continuing along the south line of the herein described tract, same being the north line of said 10.0048-acre tract, at a distance of 401.50 feet pass a 5/8-inch iron rod found for the northwest corner of said 10.0048-acre tract, said point is the northeast corner of a 13.589-acre tract described in a deed to Friendswood Community Church as recorded in Clerk's File No. 2011026713 in the Galveston County Clerk's Office, and continue for a total distance of 785.20 feet to a 1/2-inch iron rod found for the southwest corner of the herein described tract, said point is a southerly corner of the aforementioned 56.883-acre tract;

THENCE, North 14°50'52" East, along the east line of said 56.883-acre tract for a distance of 1,513.97 feet to the POINT OF BEGINNING, containing a computed area of 24.693-acres (1,075,629 square feet).

NOTES:

1. The bearings shown hereon are based on the Texas Coordinate System of 1983, South Central Zone.
2. A separate survey plat has been prepared in conjunction with this metes and bounds description.

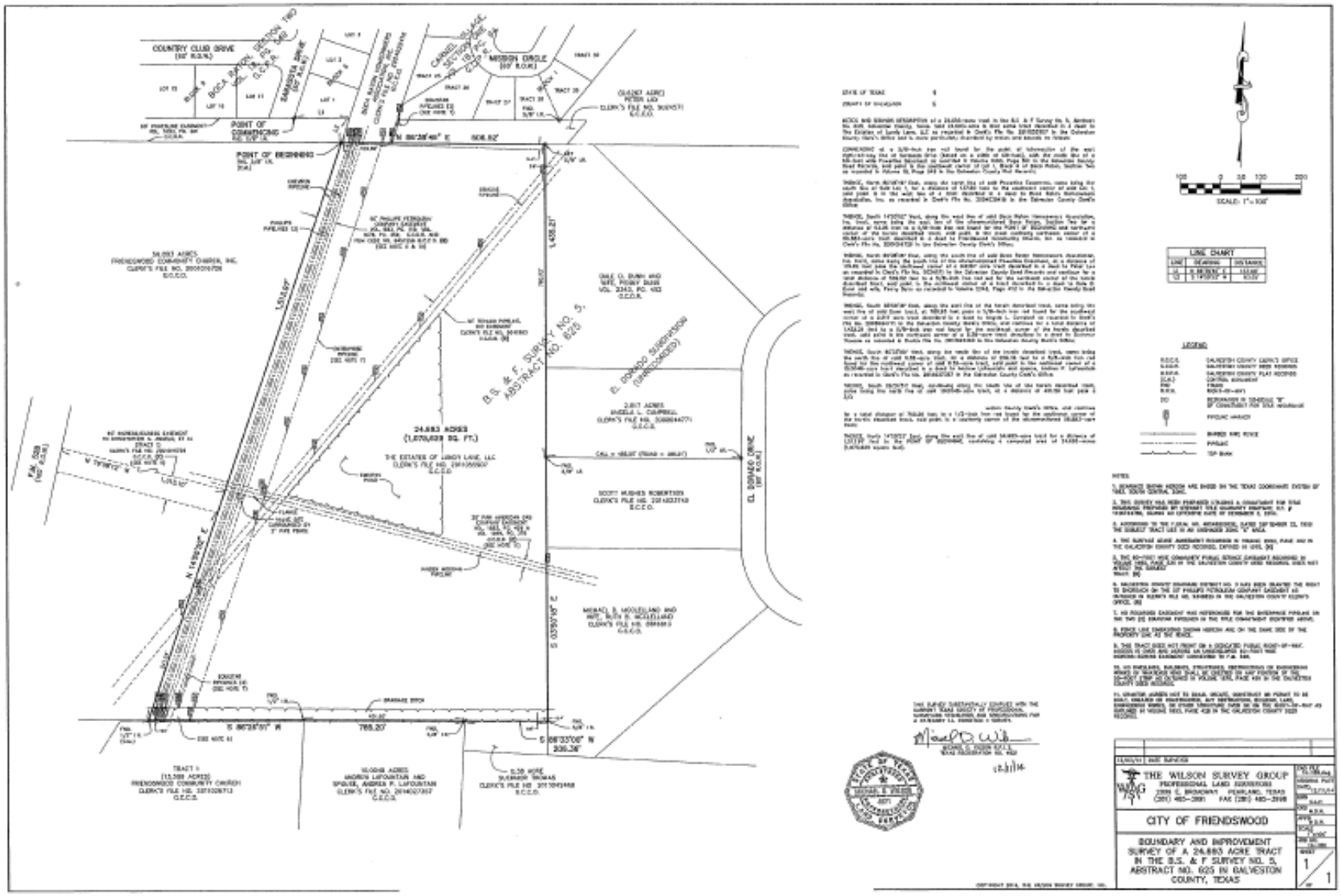
The Wilson Survey Group, Inc.
2006 East Broadway, Suite 103
Pearland, Texas 77588
(281) 485-3991
Job No. 14-180

Michael D. Wilson, R.P.L.S.
Registration No. 4821

12/11/14

STATE OF TEXAS
REGISTERED
MICHAEL D. WILSON
4821
PROFESSIONAL
LAND SURVEYOR

EXHIBIT "A-2"


COUNTRY CLUB DRIVE
(60' R.O.W.)
CARGILL VILLAGE SECTION ONE
(PLAT NO. 20140124)
MISSION CIRCLE
(60' R.O.W.)
POINT OF COMMENCING
POINT OF BEGINNING
S 88°28'46" E 506.82'
1,313.68'
1,438.21'
N 14°59'02" E
S 03°59'49" E
S 86°28'01" W
765.20'
S 88°33'06" N
306.36'
24.883 ACRES
(1,079,628 SQ. FT.)
B.S. & F. SURVEY NO. 5
ABSTRACT NO. 625
EL DORADO DRIVE
(60' R.O.W.)
EL DORADO SUBDIVISION
(UNRECORDED)
THE ESTATES OF LIBROY LANE, LLC
CLERK'S FILE NO. 2013050932
G.C.C.O.
SCOTT HUGHES ROBERTSON
CLERK'S FILE NO. 2014037153
G.C.C.O.
MICHAEL S. MCCLELLAND AND WIFE, RUTH D. MCCLELLAND
CLERK'S FILE NO. 0991613
G.C.C.O.
DALE O. BUNN AND WIFE, PEGGY BUNN
VOL. 2343, PG. 452
G.C.P.R.
ANGELA L. CAMPBELL
CLERK'S FILE NO. 9308014771
G.C.C.O.
FRIENDSWOOD COMMUNITY CHURCH, INC.
CLERK'S FILE NO. 2002019709
G.C.C.O.
TRACT 1
(13.388 ACRES)
FRIENDSWOOD COMMUNITY CHURCH
CLERK'S FILE NO. 2011032672
G.C.C.O.
10.0048 ACRES
ANDREW LAFOUNTAIN AND SPOUSE, ANDREA P. LAFOUNTAIN
CLERK'S FILE NO. 2014027357
G.C.C.O.
0.39 ACRE
SUNBEAM BEACH #5
CLERK'S FILE NO. 2010043468
G.C.C.O.
LINE CHART
SCALE: 1" = 100'
LEGEND
NOTES:
THE WILSON SURVEY GROUP
PROFESSIONAL LAND SURVEYORS
CITY OF FRIENDSWOOD
BOUNDARY AND IMPROVEMENT SURVEY OF A 24.883 ACRE TRACT IN THE B.S. & F SURVEY NO. 5, ABSTRACT NO. 625 IN GALVESTON COUNTY, TEXAS

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/13/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider electing to participate in a new proposed national opioid settlement concerning six settlement defendants Associated Pharmacies, Inc. (and American Associated Pharmacies); J M Smith Corporation; Louisiana Wholesale Drug Company, Inc.; Morris and Dickson Co.; North Carolina Mutual Wholesale Drug Company, Inc.; and United Natural Foods, Inc. (including its subsidiaries SuperValu and Advantage Logistics); and authorizing the City Manager to execute the associated Combined Subdivision Participation and Release Form.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Since 2021, the City has participated in several opioid settlements, which have resolved its legal claims against various opioid manufacturers, distributors, and pharmacies for their role in the opioid crisis, including, but not limited to, Purdue Pharma, Johnson & Johnson, Endo, Kroger, Teva, Walgreens, and Walmart. The terms of these settlements were pursuant to the Texas term sheet and associated allocation method.

The newest agreement is a national opioid settlement with the following six regional distributors/dispensers:

1. Associated Pharmacies, Inc. (and American Associated Pharmacies);
2. J M Smith Corporation;
3. Louisiana Wholesale Drug Company, Inc.;
4. Morris and Dickson Co.;
5. North Carolina Mutual Wholesale Drug Company, Inc.; and
6. United Natural Foods, Inc. (including its subsidiaries SuperValu and Advantage Logistics).

(the "Remnant Defendants")

In order to participate in this settlement with the Remnant Defendants, the City will need to execute and return the Combined Subdivision Participation and Release Form on or before May 4, 2026. Should the City elect to participate, the City will be releasing the Remnant Defendants for any claims it has against them regarding the distribution of opioids. No state is a participant in this agreement. Nonetheless, the terms of this settlement are similar to previous settlements in which the state and the City were involved.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Six Remnant Defendants Opioid

Docusign Envelope ID: 0897F44C-7BE7-48D6-9504-3A2E5CDEACC4

EXHIBIT G

Six (6) Remnant Defendants' Combined Subdivision Participation and Release Form ("Combined Participation Form")

Governmental Entity: City of Friendswood	State: TX
Authorized Official: Morad Kabiri, City Manager	
Address 1: 910 S Friendswood Dr.	
Address 2:	
City, State, Zip: Friendswood, TX 77546	
Phone: 281-996-3200	
Email: fwdcity@friendswood.com	

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the six (6) Remnant Defendants' Settlement Agreement ("RDSA"), dated February 3, 2026, and described further in Paragraph 1, and acting through the undersigned authorized official, hereby elects to participate in the RDSA, release all Released Claims against all Released Entities, and agrees as follows:

1. The Governmental Entity hereby elects to participate in the RDSA as a Participating Subdivision with each of the following six (6) Remnant Defendants that are parties to the RDSA: (1) Associated Pharmacies, Inc. (and American Associated Pharmacies), (2) J M Smith Corporation, (3) Morris and Dickson Co., L.L.C., (4) Louisiana Wholesale Drug Company, Inc., (5) North Carolina Mutual Wholesale Drug Company, Inc., and (6) United Natural Foods, Inc. (and SuperValu).

2. The Governmental Entity is aware of and has reviewed the RDSA, understands that all capitalized terms not defined in this Combined Participation Form have the meanings defined in the RDSA, and agrees that by executing this Combined Participation Form, the Governmental Entity elects to participate in the RDSA and become a Participating Subdivision as provided in the RDSAs.

3. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed against any Released Entity in the RDSA. With respect to any Released Claims pending in *In Re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice for each of six (6) Remnant Defendants listed in Paragraph 1 above substantially in the form found at *https://nationalopioidsettlement.com/additional-settlements/.*

4. The Governmental Entity agrees to the terms of each of the RDSA pertaining to Participating

Docusign Envelope ID: 0897F44C-7BE7-48D6-9504-3A2E5CDEACC4

Subdivisions as defined therein.

5. By agreeing to the terms of the RDSA settlements and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.

6. The Governmental Entity agrees to use any monies it receives through the RDSA solely for the purposes provided therein.

7. The Governmental Entity submits to the jurisdiction of the MDL Court and agrees to follow the process for resolving any disputes described in the RDSA.

8. The Governmental Entity has the right to enforce the RDSA as provided therein.

9. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes of the RDSA, including without limitation all provisions related to release of any claims, and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in the RDSA in any forum whatsoever. The release provided for in the RDSA is intended by the Parties to be broad and shall be interpreted so as to give the Released Entities in the RDSA the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The RDSA shall be a complete bar to any Released Claim against the Released Entities.

10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the RDSA.

11. In connection with the releases provided in the RDSA, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

> **General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her would have materially affected his or her settlement with the debtor or released party.

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A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims in the RDSA, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the RDSA.

12. The Governmental Entity understands and acknowledges that nothing herein is intended to modify in any way the terms of any of the RDSA, to which Governmental Entity hereby agrees. To the extent this Combined Participation Form is interpreted differently from the RDSA in any respect, the RDSA controls.

I have all necessary power and authorization to execute this Combined Participation Form on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider approving the disposal of one (1) Police Department vehicle through EBlock Houston.

Originating Department: Police Department

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item approves the disposal of one (1) Police Department vehicle, specifically, P329 (2018 Ford Explorer), through EBlock Houston, formerly Houston Auto Auction. The Police Department has decommissioned this vehicle and proposes their disposal through services provided by EBlock Houston.

Costs associated with keeping this vehicle suitable for service are high, thus, making the most cost-effective solution that of auction. The unit has been replaced through the Vehicle Replacement Fund. The vehicle will be decommissioned per the standards set by Local Government Code, Section 272.006 "Sale or Transfer of Law Enforcement Vehicle," which includes the removal of any equipment or insignia that could mislead a reasonable person to believe that the vehicle is a law enforcement motor vehicle.

Auction proceeds from the vehicle sale will be recorded in the City's Vehicle Replacement Fund to help offset the cost of future vehicle purchase(s).

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Proceeds from the sale of all of these vehicles will be deposited into the Vehicle Replacement Fund (VRF).

RECOMMENDATIONS

Staff recommeds approval.

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/17/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider approving the disposal of five (5) Public Works Vehicles, three (3) Zero Turn Mowers, and one (1) Equipment Lift through Purple Wave, Inc.

Originating Department: Public Works

Degree of importance: Elective

SUMMARY / ORIGINATING CAUSE

The Public Works Department has five (5) Public Works Vehicles, three (3) Zero Turn Mowers, and one (1) Equipment Lift that are ready for disposal. The items will be disposed of through Purple Wave, Inc. All of these vehicles and equipment have been in service for 10 years or more. The vehicles were replaced per the City's Vehicle Replacement Plan. If approved, the vehicles to be auctioned are identified below:

- PW66 – 2016 Ford F150 VIN# 49686
- PW67 – 2016 Ford F350 VIN# 72724
- PW88 – 2019 Chevrolet VIN# 18271
- PW87 – 2019 Chevrolet VIN# 02505
- PW78 – 2018 Chevrolet VIN# 00048
- PW194 – 2019 Bad Boy zero turn VIN# 90015
- PW195 – 2019 Bad Boy zero turn VIN# 90003
- PW196 – 2019 Bad Boy zero turn VIN# 90005
- Bendpak 2-post automotive lift

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Proceeds from the sale of these items will be deposited into the sale of assets in the Vehicle Replacement Fund.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/25/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider approving the disposal of one (1) service vehicle and one (1) piece of equipment from Parks and Recreation through Purple Wave, Inc.

Originating Department: Parks and Recreation

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Parks and Recreation Department has one (1) service vehicle and one (1) piece of equipment that have been decommissioned and proposes their disposal through services provided by Purple Wave, Inc. The vehicle and equipment have been in service for 10 years or more.

If approved, the vehicle and equipment to be auctioned are identified below:

- PR22 – 2010 Ford F250 VIN# 09405
- PR100 – 2006 Bobcat Tool Cat 5600 VIN# 1085616

Costs associated with keeping the vehicle suitable for service are high, making it the most cost-effective solution to auction it off. These units have been replaced through the Vehicle Replacement Fund in FY25. The vehicle will be decommissioned per the standards set by the Local Government Code, which includes the removal of any equipment or insignia that could mislead a reasonable person to believe that the vehicle is a City of Friendswood motor vehicle.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Proceeds from the sale of this vehicle will be deposited into the sale of assets in the Vehicle Replacement Fund (VRF).

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/17/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider approving the Friendswood Downtown Economic Development Corporation's expenditure of funds to purchase permanent lighting for City Hall, the Friendswood Public Library and the Senior Activity Center from The Perfect Light, Inc., through The Interlocal Purchasing System.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

At its meeting held on March 17, 2026, the Board of Directors of the Friendswood Downtown Economic Development Corporation ("FDEDC") voted to approve payment of the following to The Perfect Light for permanent lighting for City Hall, the Friendswood Public Library and the Senior Activity Center:

City Hall Lighting	$29,792
Library Lighting	$26,208
Senior Center Lighting	$22,400
Total	**$78,400**

The lighting has a seven-year warranty and can be programmed to light up these facilities for special seasons/events or year round. The installation of permanent lighting at these facilities will eliminate the current annual installation of holiday lighting at City Hall and Library which is approximately $14,000 per year. It will also add lighting to the Senior Activity Building for the first time.

This item is being presented to the City Council, as the FDEDC's expenditure of funds is subject to the approval of the City Council pursuant to Section 501.073(a) of the Texas Local Government Code.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

FDEDC recommends approval.

ATTACHMENTS

1. City of Friendswood OELO lights-City Hall
2. City of Friendswood-Public Library
3. OELO lighting for Activity Center
4. Oelo_MunicipalBrochure_2024-Web
5. Form 1295 Certificate 101512471
6. City of Friendswood COI - 3.30.26

The Perfect Light
6125 W Sam Houston Parkway N Ste 401
Houston, TX 77041
TECL# 40699

Estimate 50682737
Estimate Date 1/4/2026

Billing Address
City of Friendswood
910 S Friendswood Dr
Friendswood, TX 77546 USA

Job Address
City of Friendswood
910 S Friendswood Dr
Friendswood, TX 77546 USA

Description of work

City of Friendswood OELO light installation. Estimate includes all materials and labor
City Hall

Service #	Description	Quantity	Your Price	Total
OELOKit-A1	City Hall OELO Permanent Lighting Kit - Metal/Aluminum	931.00	$32.00	$29,792.00

Sub-Total	$29,792.00
Tax	$0.00
Total Due	$29,792.00
Deposit/Downpayment	$0.00

Thank you for choosing The Perfect Light.

THIS IS AN ESTIMATE, NOT A CONTRACT FOR SERVICES. This estimate is provided by The Perfect Light as a good faith evaluation of work to be performed at 910 S Friendswood Dr, Friendswood, TX 77546 USA and is good for 90 days. It is based on our initial assessment and does not account for potential material price increases or additional labor and materials that may be required due to unforeseen issues arising during the project. The final cost of the work may vary from this estimate, potentially significantly. This is not a guarantee of the final price for the work to be performed. By signing below, I accept this estimate, authorize The Perfect Light to proceed with the work as outlined, and agree to pay the full amount for all work performed, including any additional services required.

The Perfect Light
6125 W Sam Houston Parkway N Ste 401
Houston, TX 77041
TECL# 40699

Estimate 50683245
Estimate Date 1/4/2026

Billing Address
City of Friendswood
910 S Friendswood Dr
Friendswood, TX 77546 USA

Job Address
City of Friendswood
910 S Friendswood Dr
Friendswood, TX 77546 USA

Description of work

OELO installation for Friendswood Public Library-includes all materials and labor

Service #	Description	Quantity	Your Price	Total
OELOKit-B1	OELO Permanent Lighting Kit - Acrylic (Per Foot)	819.00	$32.00	$26,208.00

Sub-Total	$26,208.00
Tax	$0.00
Total Due	$26,208.00
Deposit/Downpayment	$0.00

Thank you for choosing The Perfect Light.

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The Perfect Light
6125 W Sam Houston Parkway N Ste 401
Houston, TX 77041
TECL# 40699

Estimate 51978622
Estimate Date 2/23/2026

Billing Address
City of Friendswood
910 S Friendswood Dr
Friendswood, TX 77546 USA

Job Address
City of Friendswood
910 S Friendswood Dr
Friendswood, TX 77546 USA

Description of work

City of Friendswood OELO light installation for Activity Center. Estimate includes all materials and labor.

Service #	Description	Quantity	Your Price	Total
OELOKit-B1	OELO Permanent Lighting Kit - Acrylic (Per Foot)	700.00	$32.00	$22,400.00

Sub-Total	$22,400.00
Tax	$0.00
Total Due	$22,400.00
Deposit/Downpayment	$0.00

Thank you for choosing The Perfect Light.

THIS IS AN ESTIMATE, NOT A CONTRACT FOR SERVICES. This estimate is provided by The Perfect Light as a good faith evaluation of work to be performed at 910 S Friendswood Dr, Friendswood, TX 77546 USA and is good for 90 days. It is based on our initial assessment and does not account for potential material price increases or additional labor and materials that may be required due to unforeseen issues arising during the project. The final cost of the work may vary from this estimate, potentially significantly. This is not a guarantee of the final price for the work to be performed. By signing below, I accept this estimate, authorize The Perfect Light to proceed with the work as outlined, and agree to pay the full amount for all work performed, including any additional services required.

MUNICIPAL LIGHTING SOLUTIONS

REDUCE LIGHTING COST & MAINTENANCE | CREATE COMMUNITY FESTIVITY

oelo
LIGHTING SOLUTIONS

Lighting that keeps on giving.

Without the yearly hassle or annual cost.

Oelo Lighting Solutions has helped countless businesses, campuses and communities across the nation stand out with color-changing commercial LED lighting. Featuring Oelo's proprietary cloud-controlled technology, your corporation or municipality can have full control over your buildings' structural lighting to create infinite holiday color combinations and movement patterns for facility visibility, enhanced security and year-round celebration, all the while reducing maintenance.

A COMPREHENSIVE LED COMMERCIAL LIGHTING SYSTEM.

MADE IN USA

UL LISTED

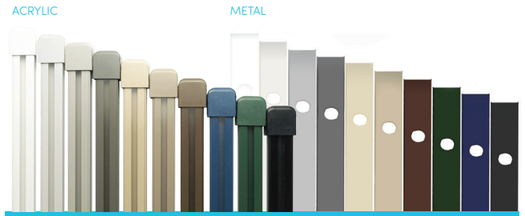
c UL us

OELO EVOLUTION APP

Find Oelo's app on:

WORKS WITH alexa

Google Home



CLOUD-BASED CONTROLS — PGS 4-7

- Six signal outputs, which allows you to control six zones from one contoller for more creative installs and effects
- 16 million hues, plus pre-made patterns or custom creations
- Built-in scheduling feature to automatically turns on lights
- Secure iPhone or Android applications

OELO'S PERMANENT DESIGN — PGS 8-11

- Acrylic and metal cover options for mounting versatility
- Industry's only "hybrid" out-and-down capable system
- Available in an array of colors (or custom powder coat)
- UL-certified, IP68 waterproof-rated LED lights
- Rated for 100,000 of use (or 34 years of nightly glow)

WHY INVEST IN OELO?

- ✔ **INCREASE YOUR FACILITY'S VISIBILITY** to create a presence in your community
- ✔ **ENHANCE THE SAFETY AND SECURITY** of your structure with a well-lit exterior
- ✔ **REDUCE MAINTENANCE AND EXPENSES** with a hassle-free, energy-efficient lighting system
- ✔ **BECAUSE IT'S FUN** (EVERYONE WILL LOVE IT) with Oelo's color and movement settings

CUSTOMER CLOUD-BASED CASE STUDIES — PAGE 6-7

TARLETON STATE UNIVERSITY ▼

7 YEAR WARRANTY

Backed by a 70-year-old parent company with 30 years in the mission critical lighting, Oelo products are built to last. Our UL-certified, IP68-rated LEDs are rated for 100,000 hours of use, and each system comes with a seven-year warranty.*

* On Authorized, Preferred and Platinum Dealer installs. Oelo honors a five-year warranty on Contractor / DIY installs.

Control and schedule lighting effects using our iPhone/Android app through WiFi, cellular or Ethernet connection.

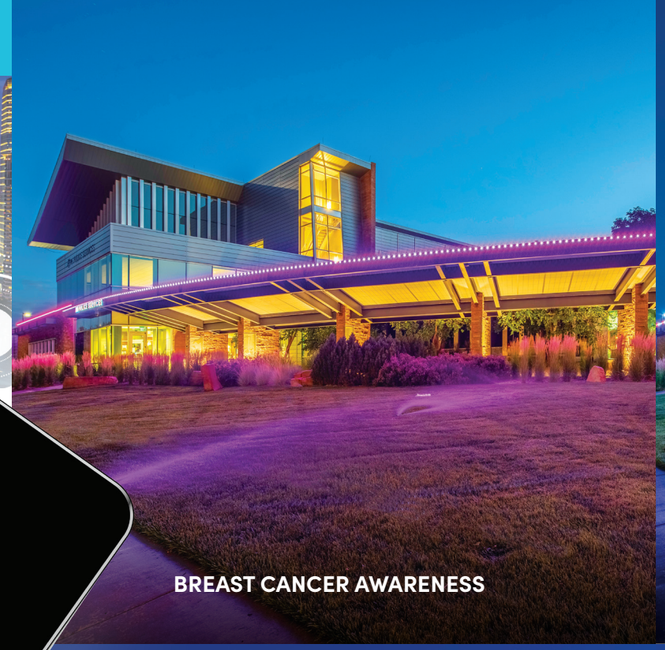
Control 16 million colors, fun movement settings, infinite patterns AND multiple buildings from anywhere in the world.

Multiple buildings, color-changing, from anywhere!

Secure with lots of control!

- ✔ Controller: SSL/TLS 1.2
- ✔ App/Cloud SSL: SHA-256 with RSA Encryption
- ✔ Data: User information is stored on the cloud; all passwords are hashed
- ✔ Six individually addressable outputs: Allows one controller to operate more than half a dozen zones separately

Give your buildings a green St. Patrick's day glow, create breast cancer awareness with a pink campus or add custom movement to attract attention with Oelo's **cloud-based, color-changing LED system**, controlled from your iPhone/Android device through WiFi, cellular or Ethernet connection. From a management standpoint, Oelo is a no-brainer, helping the grounds crew eliminate the ongoing time and money it takes to hang and coordinate holiday lights on an annual basis.



When businesses make the world a brighter place, they shine more.

Oelo is proud to have worked with many esteemed campuses and communities across the nation, including these ones ...

Children's Hospital

To help brighten patients' stay at its 40-acre healthcare campus, Children's Hospital Colorado accented its welcoming structure with a 6,200-linear-foot Oelo system that features more than 8,000 individual LEDs and illuminates 14 different rooflines.

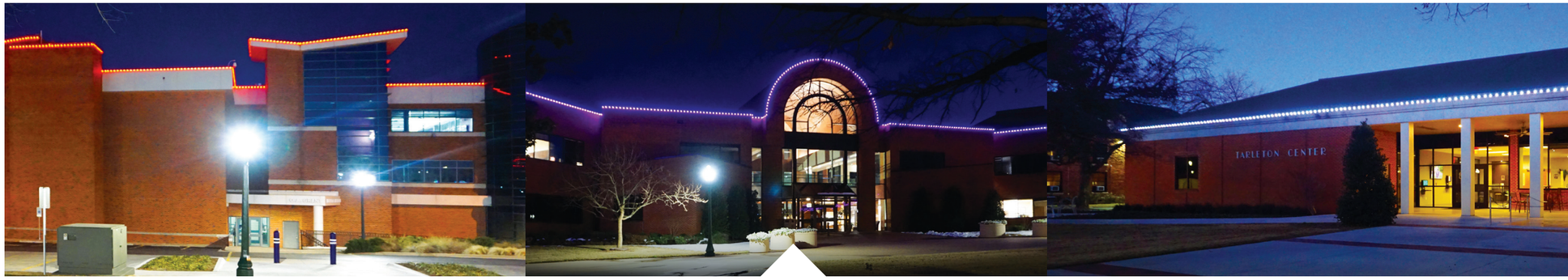
Tarleton State University

Tarteton State University's cloud-controlled Oelo system touts 7,500 lights and 14 control units to illuminate nine buildings spread throughout Stephenville, Texas' 122-year-old campus. The university's color of choice? Tarleton purple!

The City of Fort Collins

Right in our very own backyard, Oelo is proud to illuminate five different City of Fort Collins community buildings, combining 1,800 lights and Oelo's proprietary cloud-based system to accent a number of buildings, including City Hall and the police station.

CHILDREN'S HOSPITAL COLORADO



TARLETON STATE UNIVERSITY

THE CITY OF FORT COLLINS

Invisible by day ... seamless by design.

Seamless channel

Spreading a little holiday cheer takes time and money. Whether you hang your own Christmas lights or pay for light leasing, installation and removal, the yearly hassle can cut into budget. With Oelo's commercial lighting solutions, you only have to deal with the upfront cost and a one-time install. Oelo's patented system blends in seamlessly with any structure, available in metal or acrylic covers.

COMMERCIAL-GRADE METAL

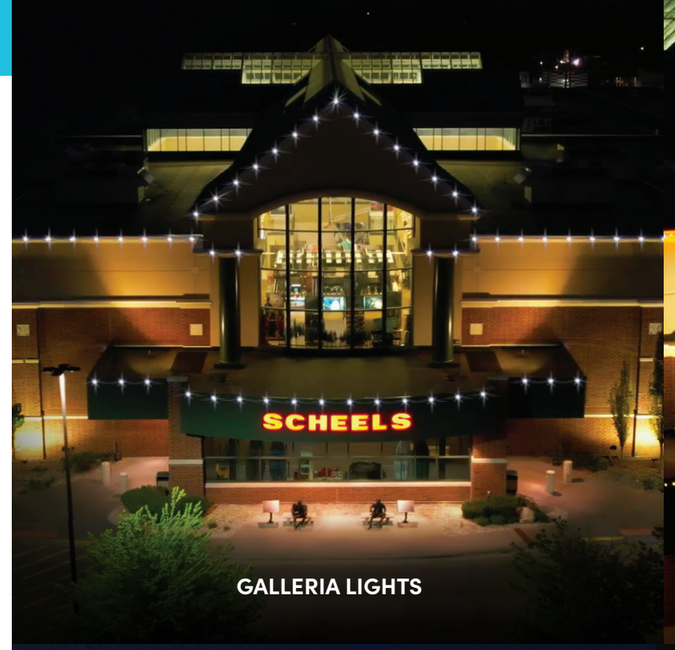
Our Colorado-made metal LED channel offers quick installation. With minimal mounting components, the metal channel is perfect for large-scale commercial projects.

- ✔ **LED appearance:** Snaps into channel for quick install and even spacing
- ✔ **Length:** 7′ 6″ increments that can be cut to size, allowing the system to be customizable
- ✔ **Colors:** Powder coated in an array of standard color options (OR you can inquire about color-match!)

IMPACT-RESISTANT ACRYLIC

Oelo's acrylic cover features an impact-resistant, fade-resistant flush design. Because our LEDs are IP68 waterproof rated, the main function of this cover is to aesthetically mount the lights.

- ✔ **LED appearance:** Spaced 10″ or closer behind translucent lens for a flush look
- ✔ **Length:** 8′ increments that can be cut to size, allowing the system to be customizable
- ✔ **Colors:** Available in a variety of standard colors.



GALLERIA LIGHTS

STORE BRANDING

SPORTING SPIRIT!

HOLIDAY CHEER

Versatile lighting for years to come.

Our IP68 water-proof rated LED lights deliver Oelo's infinite customizable lighting capabilities. Plus, each 36V system is rated for 100,000 hours of use, the equivalent of 34 years of nightly eight-hour glow! Meanwhile, Oelo's patented cover system is designed to withstand the elements while providing the industry's most versatile mounting options.

CAN ALSO BE MOUNTED FOR PATIO LIGHTING!

FACE MOUNT
The traditional holiday look

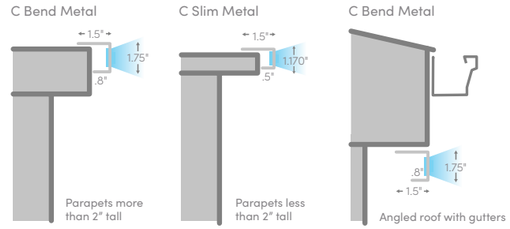
YOU CHOOSE: OUR TRADITIONAL GLOW OR OELO'S WALL-WASH LOOK. **OR BOTH!**

ACCENT MOUNT
Exterior wall grazing

UNDER MOUNT
The outdoor wall-wash effect

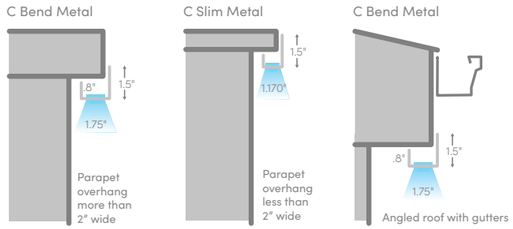
1 FACE MOUNT

Oelo can be hung on the fascia, pointing outward for a traditional Christmas light glow. The system's LEDs are visible from every angle using this effect. And while this is considered our most traditional look, Oelo's app lets you create "gaps" in the lighting by allowing you to control each individual LED for a modern lighting galleria effect.



2 UNDER MOUNT

Oelo is one of the few permanent lighting systems that can be hung BOTH on the fascia AND under the eaves. The under-mount effect creates a wall-wash glow, illuminating the exterior with color to eliminate shadows and highlight the wall. This effect is compliant with the Dark Sky Initiative because the LEDs are angled downward.



oelo

LIGHTING SOLUTIONS

Get your FREE commercial LED lighting quote from your local Oelo dealer!

oelo.com | 970.212.3670 | 3842 Redman Dr., Fort Collins, CO

All information in this brochure is the latest available at time of publication.
Printed in the USA. 2.5K 0124 2024 Oelo

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/17/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider approving the Friendswood Downtown Economic Development Corporation's expenditure of funds to purchase holiday decorations for the Downtown District from Dekra-Lite Industries, Incorporated, through the Buyboard.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

At its meeting held on March 17, 2026, the Board of Directors of the Friendswood Downtown Economic Development Corporation ("FDEDC") voted to approve payment of the following to Dekra-Lite for additional holiday decorations:

Garland & Bows	$17,632
Labor, Installation & Storage	$11,774
Total	**$29,406**

The decorations are to augment the decorations that were purchased last year. These additional lit garlands and bows are will allow for all of the downtown streetlights to be wrapped for the holiday season.

This item is being presented to the City Council, as the FDEDC's expenditure of funds is subject to the approval of the City Council pursuant to Section 501.073(a) of the Texas Local Government Code.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

FDEDC recommends approval.

ATTACHMENTS

1. New Garland and Bows for 58 Poles QT110217
2. Government Code Verifications Form

Dekra-Lite
Decoration Innovation

Dekra-Lite
3102 W. Alton Ave.
Santa Ana, CA, 92704
Phone: (714) 436-0705
Web: www.dekra-lite.com

Quote

Sales Order No.:	**QT110217**
Order Date:	2/6/2026
Ship Date:	11/6/2026
Customer ID:	FRI005
Terms:	Net 30

BILL TO:	SHIP TO:
City Of Friendswood 910 S. Friendswood Dr Friendswood TX 77546 Attn: Accounts Payable - Cynthia Martinez 281-996-3200	City Of Friendswood 910 S. FRIENDSWOOD DR FRIENDSWOOD TX 77546 Attn: Catherine Wood 281-996-3200 ext 3219

CUSTOMER P.O. NO.	CREATED BY	SALES REP
	Palo, Nancy	Nancy Palo
SALES TAX CODE	**SHIPPING TERMS**	**SHIP VIA**
Avatax Avalara		BEST WAY

NO.	ITEM	DESCRIPTION	QTY	UOM	PRICE	EXTENDED PRICE
1	BOW24RDWGARLED	24" Single Bow Accent Kit, Red Structural Bow with Gold Trim,14" Moutain Pine Garland w/ Warm White LED Mini Lights	58.00	EA	304.00	17,632.00
2	LABORIRS	Labor Installation, Removal & Storage	58.00	EA	203.00	11,774.00

Signature: **Date:**

Please review, if approved sign and email back

Quote Includes BuyBoard Contact 735-24 Discount

Install Date: Nov. 6 - 20, 2026
Removal Date: Jan. 2-16, 2027

**Installation Date Range is Not Guaranteed Until Order is Approved

Sub Total:	29,406.00
Freight & Misc.:	0.00
Tax Total:	0.00
Total (USD):	29,406.00

Terms and Conditions

Prices: All Prices subject to change without notice. All minimums are per color or size (solid pack). Mixing colors to meet minimums is not acceptable. All orders are F.O.B. Santa Ana, California.

Payment Terms:
Credit Card - We Accept: AMEX, Discover, MasterCard, Visa, ACH, EFT, and Wire Transfers.

Any order being paid for with a credit card is subject to a maximum limit of $15,000.

Prepaid – We will add an estimated freight of 15% to order total.

Upon approved credit we will determine Net Terms and Credit Limit.

New Customers - Please furnish five (5) references, complete and sign our credit application. Credit approval may take 10 business days, so you may prefer your first order to be credit card or prepaid.

Warranty: Please note that the official warranties for Dekra-Lite products are exclusively detailed on our website. Any other warranties, expressed or implied, are considered void and superseded by the information provided on our site. For comprehensive warranty coverage details, we strongly encourage visiting https://www.dekra-lite.com/pages/warranty.

Return Policy: Any returned products under the following conditions will result in a 30% restocking fee and the customer will incur the freight charges: Customer ordered incorrect product. Never opened or used product for its intended purpose. No merchandise returns will be accepted without prior written authorization and an RMA number attached. Return requests will be accepted for credit if submitted and approved within 30 days of receipt of product.

Acceptance of Merchandise: Consignee/customer is responsible to notify Dekra-Lite of all impending claim(s) of merchandise delayed, lost, or damaged in transit. When accepting shipment, consignee/customer must inspect all merchandise completely and any claims of any missing cartons or visible damage must be noted on delivery driver's bill of lading or the receipt of delivery. All claims must be filed with Dekra-Lite within 48 hours of delivery or in the case of concealed damage, within 48 hours of identifying the concealed damages. Customer/consignee is to provide required information and evidence of damage or loss according Dekra-Lite claims procedure. This may include preservation of evidence of damage/loss for future inspection. Failure to follow Dekra-Lite claims procedure may result in claim denial by the carrier.

General Terms: The parties agree to the following additional terms of this contract. This contract is governed by California law and is the entire contract between the parties, superseding all prior conversations and writings between the parties. In the event of a dispute arising out of this Contract, the parties shall arm rate in Orange County, CA before a single arbitrator selected through J.A.M.S./ENDISPUTE. Any judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The prevailing party in arbitration shall be entitled to its reasonable attorney's fees and costs. A deposit of 50% plus any applicable sales tax is due upon execution of any contract with installation services, custom or special product. The balance is due on the installation sale or upon shipping unless specified in payment terms on the proposal/order. Cancellation and reductions are subject to a 30% restocking fee. Any amount not paid when due, is subject to a late charge of 25% per month (24% per annum). All payments are due according to the terms of each individual proposal/order.

Installation: All requested changes to the described work on the proposal/order will be subject to additional charges. Installation dates are approximate and generally scheduled as a date range. All installation or ship dates specified are subject to change due to inclement weather, acts of God or unforeseen circumstances beyond our control. Changes may occur for reasons including but not limited to, weather conditions, property accessibility, early project completion, or acts of God.

Electrical Requirements: Owner is responsible for providing and maintaining adequate and functional electrical outlets adjacent to the proposed locations for lit decorations, tree lights and building lights. GFI receptacles can, will, and should interrupt power to decor or lighting in the presence of water or heavy moisture sometimes caused by rain, fog, dew, and sprinklers. Wet decor, lighting, outlets, and surrounding areas may take several hours after exposure, and in some cases days, to completely dry before receptacles can be reset, and power restored. Dekra-Lite is not responsible for outlets that will not reset due to the presence of moisture. Lighting or decor outages must be reported to our operations department. Dekra-Lite is not responsible for unreported outages that we have never been made aware of. Dekra-Lite is not responsible for any products damaged or lost due to vandalism, extreme weather conditions, or acts of God. This includes leased product. The owner accepts all responsibility while the decor is installed on their property. Dekra-Lite will make efforts, when possible, to replace such product for an additional charge.

Storage: Storage charges and sales begin upon removal of decor each year and end November 1st annually. Items not installed must be picked up or have a storage fee paid prior to November 1st of the current year. Unpaid storage or unclaimed items may be discarded without further notice.

Insurance: Our standard liability coverage limits are $5,000,000.00 General Aggregate; 5,000,000.00 Products-Comp/Op Aggregate.; $2,000,000.00 Personal & Adv. Injury; $1,000,000.00 Each Occurrence; $1,000,000.00 Automobile Liability; $1,000,000.00 Workers' Compensation.; $2,000,000.00 Our excess liability coverage limits are $5,000,000.00 General Aggregate; $5,000,000.00 Products-Comp/Op Aggregate.; $2,000,000.00 Each Occurrence. Other insurance requirements including special language, endorsements or additional coverage may be able to be obtained at the expense of the customer.

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider approving the ad valorem tax report for February 2026.

Originating Department: Finance

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the Council to receive the ad valorem tax report for February 2026.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Galveston County Tax Report for February 2026

Cheryl E. Johnson, PCC, CTOP
Assessor and Collector of Taxes
County of Galveston
722 21st Street, Galveston, Texas 77550
Toll Free (877) 766-2284 Fax:(409) 766-2479
Email: galcotax@galvestoncountytx.gov

March 10, 2026

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, 2026 is true and correct.

Under my hand and seal this 10th day of March, 2026.

Cheryl E. Johnson, PCC
Galveston County Tax Assessor/Collector

cc: Sergio Cruz, 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
Galveston Community College

GC Drainage District No. 1
GC Drainage District No. 2
GC Consolidated Drainage District
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

Bay Colony West MUD
Galveston County MUD No. 2
Galveston County MUD No. 3
South Shore Harbour MUD No. 2
South Shore Harbour MUD No. 3
South Shore Harbour MUD No. 6
South Shore Harbour MUD No. 7
Galveston County MUD No. 35
Galveston County MUD No. 81
Galveston County MUD No. 82

Non Entity Partners (as appropriate):

Clear Creek Independent School District
Friendswood Independent School District
Santa Fe Independent School District
Texas City Independent School District
Flamingo Isles MUD
Galveston Co Management Dist #1
Galveston County MUD No. 1
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
WCID No. 8
West Ranch Management Dist. #1

YEAR	FUND	TAX RATE	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	TIF AMOUNT	DISBURSE TOTAL	ATTORNEY	OTHER FEES	REFUND AMOUNT	PAYMENT AMOUNT
2025	M & O	.399749	2,884,446.55	.00	21,086.10	.00	2,905,532.65	518.85	310.79	.00	2,906,362.29
	I & S	.114423	825,635.84	.00	6,035.68	.00	831,671.52	.00	.00	.00	831,671.52
	TOTAL	.514172	3,710,082.39	.00	27,121.78	.00	3,737,204.17	518.85	310.79	.00	3,738,033.81
2024	M & O	.404140	7,862.66	.00	1,833.15	.00	9,695.81	2,261.71	.00	.00	11,957.52
	I & S	.110032	2,140.69	.00	499.08	.00	2,639.77	.00	.00	.00	2,639.77
	TOTAL	.514172	10,003.35	.00	2,332.23	.00	12,335.58	2,261.71	.00	.00	14,597.29
2023	M & O	.379450	4,777.58	.00	1,580.06	.00	6,357.64	1,454.34	.00	.00	7,811.98
	I & S	.121278	1,526.98	.00	505.01	.00	2,031.99	.00	.00	.00	2,031.99
	TOTAL	.500728	6,304.56	.00	2,085.07	.00	8,389.63	1,454.34	.00	.00	9,843.97
2022	M & O	.388560	960.37	.00	301.39	.00	1,261.76	144.30	.00	.00	1,406.06
	I & S	.098754	244.08	.00	76.60	.00	320.68	.00	.00	.00	320.68
	TOTAL	.487314	1,204.45	.00	377.99	.00	1,582.44	144.30	.00	.00	1,726.74
2021	M & O	.385147	.13	.00	.00	.00	.13	.00	.00	.00	.13
	I & S	.102167	.04	.00	.00	.00	.04	.00	.00	.00	.04
	TOTAL	.487314	.17	.00	.00	.00	.17	.00	.00	.00	.17
2019	M & O	.432160	52.24	.00	44.40	.00	96.64	23.32	.00	.00	119.96
	I & S	.089279	10.79	.00	9.17	.00	19.96	.00	.00	.00	19.96
	TOTAL	.521439	63.03	.00	53.57	.00	116.60	23.32	.00	.00	139.92
2018	M & O	.437173	.72	.00	.70	.00	1.42	.35	.00	.00	1.77
	I & S	.095218	.16	.00	.15	.00	.31	.00	.00	.00	.31
	TOTAL	.532391	.88	.00	.85	.00	1.73	.35	.00	.00	2.08
2016	M & O	.462000	135.60	.00	164.07	.00	299.67	70.83	.00	.00	370.50
	I & S	.084000	24.65	.00	29.83	.00	54.48	.00	.00	.00	54.48
	TOTAL	.546000	160.25	.00	193.90	.00	354.15	70.83	.00	.00	424.98
2015	M & O	.497200	148.71	.00	194.08	.00	342.79	77.78	.00	.00	420.57
	I & S	.071500	21.38	.00	27.91	.00	49.29	.00	.00	.00	49.29
	TOTAL	.568700	170.09	.00	221.99	.00	392.08	77.78	.00	.00	469.86
2014	M & O	.530300	171.21	.00	246.54	.00	417.75	93.18	.00	.00	510.93
	I & S	.061100	19.73	.00	28.41	.00	48.14	.00	.00	.00	48.14
	TOTAL	.591400	190.94	.00	274.95	.00	465.89	93.18	.00	.00	559.07
2013	M & O	.530300	48.30	.00	67.57	.00	115.87	24.67	.00	.00	140.54
	I & S	.061100	5.56	.00	7.78	.00	13.34	.00	.00	.00	13.34
	TOTAL	.591400	53.86	.00	75.35	.00	129.21	24.67	.00	.00	153.88

YEAR	FUND	TAX RATE	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	TIF AMOUNT	DISBURSE TOTAL	ATTORNEY	OTHER FEES	REFUND AMOUNT	PAYMENT AMOUNT
ALL	M & O		2,898,604.07	.00	25,518.06	.00	2,924,122.13	4,669.33	310.79	.00	2,929,102.25
ALL	I & S		829,629.90	.00	7,219.62	.00	836,849.52	.00	.00	.00	836,849.52
ALL	TOTAL		3,728,233.97	.00	32,737.68	.00	3,760,971.65	4,669.33	310.79	.00	3,765,951.77
DLQ	M & O		14,157.52	.00	4,431.96	.00	18,589.48	4,150.48	.00	.00	22,739.96
DLQ	I & S		3,994.06	.00	1,183.94	.00	5,178.00	.00	.00	.00	5,178.00
DLQ	TOTAL		18,151.58	.00	5,615.90	.00	23,767.48	4,150.48	.00	.00	27,917.96
CURR	M & O		2,884,446.55	.00	21,086.10	.00	2,905,532.65	518.85	310.79	.00	2,906,362.29
CURR	I & S		825,635.84	.00	6,035.68	.00	831,671.52	.00	.00	.00	831,671.52
CURR	TOTAL		3,710,082.39	.00	27,121.78	.00	3,737,204.17	518.85	310.79	.00	3,738,033.81

REVERSALS DETAIL SCHEDULE
FROM: 02/01/2026 THRU 02/28/2026
JURISDICTION: 337 FRIENDWD CITY

YEAR	DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2025	RF260212	1000420000007	202601	750.92-	0.00	0.00	0.00 HK06	750.92	0.00 RF
2025	RF260212	1000420000007	202601	0.00	0.00	0.00	0.00 HK06	750.92-	750.92-RF
2025	RF260227	1000440000011	202602	0.00	0.00	0.00	0.00 25HC	701.79-	701.79-RF
2025	RF260227	1000440000011	202602	655.88-	0.00	45.91-	0.00 25HC	701.79	0.00 RF
2025	RF260213	1000440000022	202602	522.18-	0.00	36.55-	0.00 25HC	558.73	0.00 RF
2025	RF260213	1000440000022	202602	0.00	0.00	0.00	0.00 25HC	558.73-	558.73-RF
2025	719021026CHC	1012770000021	202601	588.49-	0.00	0.00	0.00 25HC	0.00	588.49-TR
2025	RF260209	1022300000003	202601	224.66-	0.00	0.00	0.00 25HC	224.66	0.00 RF
2025	RF260209	1022300000003	202601	0.00	0.00	0.00	0.00 25HC	224.66-	224.66-RF
2025	719020626CHC	1022300000017	202601	1,373.12-	0.00	0.00	0.00 25HC	0.00	1,373.12-TR
2025	RF260212	1022310000009	202601	0.00	0.00	0.00	0.00 HK06	0.78-	0.78-RF
2025	RF260212	1022310000009	202601	0.78-	0.00	0.00	0.00 HK06	0.78	0.00 RF
2025	RF260206	1022320000039	202602	0.00	0.00	0.00	0.00 25HC	193.76-	193.76-RF
2025	RF260206	1022320000039	202602	181.08-	0.00	12.68-	0.00 25HC	193.76	0.00 RF
2025	RF260212	1022330000015	202512	52.54-	0.00	0.00	0.00 HK06	52.54	0.00 RF
2025	RF260212	1022330000015	202512	0.00	0.00	0.00	0.00 HK06	52.54-	52.54-RF
2025	RF260226	1022340000002	202602	0.00	0.00	0.00	0.00 25HC	163.93-	163.93-RF
2025	RF260226	1022340000002	202602	153.21-	0.00	10.72-	0.00 25HC	163.93	0.00 RF
2025	RF260212	1022370000007	202512	90.07-	0.00	0.00	0.00 HK06	90.07	0.00 RF
2025	RF260212	1022370000007	202512	0.00	0.00	0.00	0.00 HK06	90.07-	90.07-RF
2025	869141020326	1043400000017	202601	98.88-	0.00	0.00	0.00 25HC	0.00	98.88-TR
2025	908022626T	1043980000001	202602	76.80-	0.00	5.38-	0.00 HK03	0.00	82.18-TR
2025	RF260214	1043980000001	202602	287.12-	0.00	20.09-	0.00 HK03	307.21	0.00 RF
2025	RF260214	1043980000001	202602	0.00	0.00	0.00	0.00 HK03	307.21-	307.21-RF
2025	908022626T	1043980010008	202602	581.44-	0.00	40.70-	0.00 25HC	0.00	622.14-TR
2025	719020526PHC	1055750000054	202601	1,139.19-	0.00	0.00	0.00 25HC	0.00	1,139.19-RI
2025	RF260212	1057830000028	202512	0.00	0.00	0.00	0.00 HK06	156.99-	156.99-RF
2025	RF260212	1057830000028	202512	156.99-	0.00	0.00	0.00 HK06	156.99	0.00 RF
2025	908022626T	1057840000011	202602	868.81-	0.00	60.81-	0.00 HS01	0.00	929.62-TR
2025	RF260212	1057860000001	202601	392.45-	0.00	0.00	0.00 HK06	392.45	0.00 RF
2025	RF260212	1057860000001	202601	0.00	0.00	0.00	0.00 HK06	392.45-	392.45-RF
2025	RF260205	1063180000010	202512	90.00-	0.00	0.00	0.00 25HC	90.00	0.00 RF
2025	RF260205	1063180000010	202512	0.00	0.00	0.00	0.00 25HC	90.00-	90.00-RF
2025	RF260212	1084720000070	202601	511.80-	0.00	0.00	0.00 HK06	511.80	0.00 RF
2025	RF260212	1084720000070	202601	0.00	0.00	0.00	0.00 HK06	511.80-	511.80-RF
2025	RF260210	1198830010001	202512	0.00	0.00	0.00	0.00 HK06	398.97-	398.97-RF
2025	RF260210	1198830010001	202512	398.97-	0.00	0.00	0.00 HK06	398.97	0.00 RF
2025	RF260210	1198830020001	202512	0.00	0.00	0.00	0.00 HK06	6,666.13-	6,666.13-RF
2025	RF260210	1198830020001	202512	6,666.13-	0.00	0.00	0.00 HK06	6,666.13	0.00 RF
2025	908022626T	1204000020002	202602	1,948.11-	0.00	136.37-	0.00 25HC	0.00	2,084.48-TR
2025	RF260212	1206360030007	202512	0.00	0.00	0.00	0.00 HK06	97.87-	97.87-RF
2025	RF260212	1206360030007	202512	97.87-	0.00	0.00	0.00 HK06	97.87	0.00 RF
2025	RF260212	1209130010041	202601	0.00	0.00	0.00	0.00 HK06	578.87-	578.87-RF
2025	RF260212	1209130010041	202601	578.87-	0.00	0.00	0.00 HK06	578.87	0.00 RF
2025	RF260212	1215220010011	202601	0.00	0.00	0.00	0.00 HK06	400.01-	400.01-RF

YEAR	DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY	CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT	CAT
2025	RF260212	1215220010011	202601	400.01-	0.00	0.00	0.00	HK06	400.01	0.00	RF
2025	RF260212	1227720010002	202511	128.54-	0.00	0.00	0.00	HK06	128.54	0.00	RF
2025	RF260212	1227720010002	202511	0.00	0.00	0.00	0.00	HK06	128.54-	128.54-	RF
2025	908022726T	1254280070001	202512	1,657.03-	0.00	0.00	0.00	25HC	0.00	1,657.03-	TR
2025	RF260227	1294700060001	202602	208.62-	0.00	14.60-	0.00	25HC	223.22	0.00	RF
2025	RF260227	1294700060001	202602	0.00	0.00	0.00	0.00	25HC	223.22-	223.22-	RF
2025	RF260203	167884	202602	0.00	0.00	0.00	0.00	CERT	78.95-	78.95-	RF
2025	RF260203	167884	202602	78.95-	0.00	0.00	0.00	CERT	78.95	0.00	RF
2025	924022726PHC	168095	202601	1,834.46-	0.00	0.00	0.00	D08	0.00	1,834.46-	RI
2025	RF260224	168097	202602	0.00	0.00	0.00	0.00	CERT	144.25-	144.25-	RF
2025	RF260224	168097	202602	134.81-	0.00	9.44-	0.00	CERT	144.25	0.00	RF
2025	RF260224	168107	202602	0.00	0.00	0.00	0.00	CERT	7.20-	7.20-	RF
2025	RF260224	168107	202602	6.73-	0.00	0.47-	0.00	CERT	7.20	0.00	RF
2025	RF260224	168107	202602	0.00	0.00	0.00	0.00	CERT	102.87-	102.87-	RF
2025	RF260224	168107	202602	96.14-	0.00	6.73-	0.00	CERT	102.87	0.00	RF
2025	924022726PHC	168210	202601	1,299.16-	0.00	0.00	0.00	D08	0.00	1,299.16-	RI
2025	924022726PHC	168261	202601	1,103.93-	0.00	0.00	0.00	D08 11TX049	0.00	1,103.93-	RI
2025	924022726PHC	168396	202601	1,641.92-	0.00	0.00	0.00	D08	0.00	1,641.92-	RI
2025	924022726PHC	168442	202601	976.62-	0.00	0.00	0.00	D08 06TX085	0.00	976.62-	RI
2025	869144020226	168445	202602	279.29-	0.00	0.00	0.00	CERT	0.00	279.29-	TR
2025	924022726PHC	168575	202601	1,008.14-	0.00	0.00	0.00	D08	0.00	1,008.14-	RI
2025	RF260214	168610	202602	184.56-	0.00	12.92-	0.00	CERT	197.48	0.00	RF
2025	RF260214	168610	202602	0.00	0.00	0.00	0.00	CERT	197.48-	197.48-	RF
2025	924021126PHC	168636	202601	1,141.63-	0.00	0.00	0.00	D08	0.00	1,141.63-	RI
2025	832176020226	168722	202602	300.89-	0.00	0.00	0.00	CERT	0.00	300.89-	TR
2025	924021126PHC	168736	202601	1,844.37-	0.00	0.00	0.00	CERT	0.00	1,844.37-	RI
2025	RF260203	184139	202601	451.07-	0.00	0.00	0.00	CERT	451.07	0.00	RF
2025	RF260203	184139	202601	0.00	0.00	0.00	0.00	CERT	451.07-	451.07-	RF
2025	RF260203	200777	202601	120.36-	0.00	0.00	0.00	CERT	120.36	0.00	RF
2025	RF260203	200777	202601	0.00	0.00	0.00	0.00	CERT	120.36-	120.36-	RF
2025	908022426T	200969	202602	1,818.84-	0.00	127.32-	0.00	CERT	0.00	1,946.16-	TR
2025	RF260214	201346	202602	150.83-	0.00	0.63-	0.00	CERT	151.46	0.00	RF
2025	RF260214	201346	202602	0.00	0.00	0.00	0.00	CERT	151.46-	151.46-	RF
2025	RF260213	201654	202602	0.00	0.00	0.00	0.00	CERT	717.68-	717.68-	RF
2025	RF260213	201654	202602	670.73-	0.00	46.95-	0.00	CERT	717.68	0.00	RF
2025	RF260203	201671	202503	5.95-	0.00	0.00	0.00	CERT	5.95	0.00	RF
2025	RF260203	201671	202503	0.00	0.00	0.00	0.00	CERT	5.95-	5.95-	RF
2025	RF260203	201671	202601	125.34-	0.00	0.00	0.00	CERT	125.34	0.00	RF
2025	RF260203	201671	202601	0.00	0.00	0.00	0.00	CERT	125.34-	125.34-	RF
2025	908022726T	201729	202512	1,450.85-	0.00	0.00	0.00	CERT	0.00	1,450.85-	TR
2025	RF260203	201746	202601	0.00	0.00	0.00	0.00	CERT	336.64-	336.64-	RF
2025	RF260203	201746	202601	336.64-	0.00	0.00	0.00	CERT	336.64	0.00	RF
2025	924022726PHC	201794	202601	1,954.27-	0.00	0.00	0.00	D08	0.00	1,954.27-	RI
2025	RF260203	201839	202601	0.00	0.00	0.00	0.00	CERT	143.88-	143.88-	RF
2025	RF260203	201839	202601	143.88-	0.00	0.00	0.00	CERT	143.88	0.00	RF

YEAR	DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY	CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2025	902020426T	202054	202512	1,128.87-	0.00	0.00	0.00	D08	0.00	1,128.87-TR
2025	RF260213	202222	202602	0.00	0.00	0.00	0.00	CERT	945.38-	945.38-RF
2025	RF260213	202222	202602	883.53-	0.00	61.85-	0.00	CERT	945.38	0.00 RF
2025	908022726T	202266	202511	700.84-	0.00	0.00	0.00	CERT	0.00	700.84-TR
2025	RF260203	202276	202601	0.00	0.00	0.00	0.00	CERT	1,660.95-	1,660.95-RF
2025	RF260203	202276	202601	1,660.95-	0.00	0.00	0.00	CERT	1,660.95	0.00 RF
2025	924022726PHC	202281	202601	1,504.88-	0.00	0.00	0.00	D08	0.00	1,504.88-RI
2025	924022726PHC	202360	202601	1,816.78-	0.00	0.00	0.00	D08	0.00	1,816.78-RI
2025	719020626CHC	202448	202601	1,340.09-	0.00	0.00	0.00	CERT	0.00	1,340.09-TR
2025	RF260227	202469	202602	277.87-	0.00	19.45-	0.00	CERT	297.32	0.00 RF
2025	RF260227	202469	202602	0.00	0.00	0.00	0.00	CERT	297.32-	297.32-RF
2025	924022726PHC	202501	202601	2,422.52-	0.00	0.00	0.00	D08	0.00	2,422.52-RI
2025	924021126PHC	202768	202601	302.87-	0.00	0.00	0.00	CERT	0.00	302.87-RI
2025	RF260227	202820	202602	0.00	0.00	0.00	0.00	CERT	171.74-	171.74-RF
2025	RF260227	202820	202602	160.50-	0.00	11.24-	0.00	CERT	171.74	0.00 RF
2025	864022026CHC	202858	202602	972.78-	0.00	68.09-	0.00	CERT	0.00	1,040.87-TR
2025	RF260205	202972	202601	0.00	0.00	0.00	0.00	CERT	171.89-	171.89-RF
2025	RF260205	202972	202601	171.89-	0.00	0.00	0.00	CERT	171.89	0.00 RF
2025	908022426T	218716	202602	1,475.04-	0.00	103.25-	0.00	CERT	0.00	1,578.29-TR
2025	902021126T	218817	202512	1,705.36-	0.00	0.00	0.00	CERT	0.00	1,705.36-TR
2025	RF260211	218954	202602	434.69-	0.00	30.43-	0.00	CERT	465.12	0.00 RF
2025	RF260211	218954	202602	0.00	0.00	0.00	0.00	CERT	465.12-	465.12-RF
2025	902021626T	219024	202512	648.63-	0.00	0.00	0.00	25S0	0.00	648.63-TR
2025	RF260203	219211	202601	0.00	0.00	0.00	0.00	CERT	113.55-	113.55-RF
2025	RF260203	219211	202601	113.55-	0.00	0.00	0.00	CERT	113.55	0.00 RF
2025	924021126PHC	231961	202601	4,521.48-	0.00	0.00	0.00	CERT	0.00	4,521.48-RI
2025	908022426T	233433	202602	2,690.98-	0.00	188.38-	0.00	CERT	0.00	2,879.36-TR
2025	908022426T	287515	202602	1,282.75-	0.00	89.79-	0.00	25S4	0.00	1,372.54-TR
2025	719021126CHC	288431	202602	7,277.43-	0.00	0.00	0.00	CERT	0.00	7,277.43-TR
2025	RF260214	292252	202602	0.00	0.00	0.00	0.00	CERT	457.72-	457.72-RF
2025	RF260214	292252	202602	427.77-	0.00	29.95-	0.00	CERT	457.72	0.00 RF
2025	719020626CHC	292418	202601	1,561.82-	0.00	0.00	0.00	D08 09TX017	0.00	1,561.82-TR
2025	RF260205	310922	202601	0.00	0.00	0.00	0.00	CERT	444.24-	444.24-RF
2025	RF260205	310922	202506	0.03-	0.00	0.00	0.00	CERT	0.03	0.00 RF
2025	RF260205	310922	202506	0.00	0.00	0.00	0.00	CERT	0.03-	0.03-RF
2025	RF260205	310922	202601	444.24-	0.00	0.00	0.00	CERT	444.24	0.00 RF
2025	RF260226	354444	202602	233.57-	0.00	16.36-	0.00	CERT	249.93	0.00 RF
2025	RF260226	354444	202602	0.00	0.00	0.00	0.00	CERT	249.93-	249.93-RF
2025	719020626CHC	366353	202601	1,981.70-	0.00	0.00	0.00	CERT	0.00	1,981.70-TR
2025	RF260203	387475	202601	367.00-	0.00	0.00	0.00	CERT	367.00	0.00 RF
2025	RF260203	387475	202601	0.00	0.00	0.00	0.00	CERT	367.00-	367.00-RF
2025	924021026PHC	387615	202601	2,120.79-	0.00	0.00	0.00	25S4	0.00	2,120.79-TR
2025	RF260214	387615	202602	0.00	0.00	0.00	0.00	25S4	2,120.79-	2,120.79-RF
2025	RF260214	387615	202602	1,982.05-	0.00	138.74-	0.00	25S4	2,120.79	0.00 RF
2025	908022726T	4000002099694	202601	5.24-	0.00	0.00	0.00	HS02	0.00	5.24-TR

YEAR DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2025 RF260203	400276	202601	529.62-	0.00	0.00	0.00 CERT	529.62	0.00 RF
2025 RF260203	400276	202601	0.00	0.00	0.00	0.00 CERT	529.62-	529.62-RF
2025 RF260205	400935	202601	667.97-	0.00	0.00	0.00 CERT	667.97	0.00 RF
2025 RF260205	400935	202601	0.00	0.00	0.00	0.00 CERT	667.97-	667.97-RF
2025 RF260203	401105	202601	0.00	0.00	0.00	0.00 CERT	1,342.61-	1,342.61-RF
2025 RF260203	401105	202601	1,342.61-	0.00	0.00	0.00 CERT	1,342.61	0.00 RF
2025 719021126CHC	401236	202602	2,510.65-	0.00	0.00	0.00 CERT	0.00	2,510.65-TR
2025 RF260225	405751	202602	2,833.19-	0.00	198.33-	0.00 CERT	3,031.52	0.00 RF
2025 RF260225	405751	202602	0.00	0.00	0.00	0.00 CERT	3,031.52-	3,031.52-RF
2025 RF260203	412046	202601	252.17-	0.00	0.00	0.00 CERT	252.17	0.00 RF
2025 RF260203	412046	202601	0.00	0.00	0.00	0.00 CERT	252.17-	252.17-RF
2025 908022626T	414263	202512	1,293.84-	0.00	0.00	0.00 CERT	0.00	1,293.84-TR
2025 RF260214	516180	202602	297.86-	0.00	20.85-	0.00 CERT	318.71	0.00 RF
2025 RF260214	516180	202602	0.00	0.00	0.00	0.00 CERT	318.71-	318.71-RF
2025 719021026CHC	524684	202601	5,711.68-	0.00	0.00	0.00 CERT	0.00	5,711.68-TR
2025 908022726T	524704	202512	4,769.01-	0.00	0.00	0.00 CERT	0.00	4,769.01-TR
2025 864020526CHC	601288	202601	566.56-	0.00	0.00	0.00 D08	0.00	566.56-TR
2025 908022426T	602002	202602	2,678.76-	0.00	187.52-	0.00 CERT	0.00	2,866.28-TR
2025 908022626T	605214	202602	2,715.47-	0.00	190.09-	0.00 CERT	0.00	2,905.56-TR
2025 908022626T	733970	202602	1,386.47-	0.00	97.06-	0.00 CERT	0.00	1,483.53-TR
2025 908022626T	733970	202602	506.33-	0.00	35.44-	0.00 CERT	0.00	541.77-TR
2025 QR260224	733970	202602	506.33-	0.00	0.00	0.00 CERT	0.00	506.33-TR
2025 QR260224	733970	202602	506.33-	0.00	0.00	0.00 CERT	0.00	506.33-TR
2025 QR260224	733970	202602	470.87-	0.00	0.00	0.00 CERT	0.00	470.87-TR
2025 RF260214	733970	202602	1,892.80-	0.00	132.50-	0.00 CERT	2,025.30	0.00 RF
2025 RF260214	733970	202602	0.00	0.00	0.00	0.00 CERT	2,025.30-	2,025.30-RF
2025 908022726T	739742	202602	11.82-	0.00	0.71-	0.00 CERT	0.00	12.53-TR
	2025 TOTAL		114,109.75-	0.00	2,208.30-	0.00	0.00	116,318.05-
	ALL YEARS							
	REFUNDS		60,057.08-	0.00	1,754.78-	0.00	0.00	61,811.86-
	RETURNED ITEMS		49,024.44-	0.00	0.00	0.00	0.00	49,024.44-
	TRANSFERS/REVERSALS		119,137.98-	0.00	2,661.82-	0.00	0.00	121,799.80-
	TOTAL		228,219.50-	0.00	4,416.60-	0.00	0.00	232,636.10-

SUMMARY OF PAYMENTS AND REVERSALS
FROM: 02/01/2026 THRU 02/28/2026
JURISDICTION: 337 FRIENDWD CITY

YEAR DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT
	2013 TOTAL		53.86	0.00	75.35	24.67	0.00	153.88
	2014 TOTAL		190.94	0.00	274.95	93.18	0.00	559.07
	2015 TOTAL		170.09	0.00	221.99	77.78	0.00	469.86
	2016 TOTAL		160.25	0.00	193.90	70.83	0.00	424.98
	2018 TOTAL		0.88	0.00	0.85	0.35	0.00	2.08
	2019 TOTAL		63.03	0.00	53.57	23.32	0.00	139.92
	2021 TOTAL		0.17	0.00	0.00	0.00	0.00	0.17
	2022 TOTAL		1,204.45	0.00	377.99	144.30	0.00	1,726.74
	2023 TOTAL		6,304.56	0.00	2,085.07	1,454.34	0.00	9,843.97
	2024 TOTAL		10,003.35	0.00	2,332.23	2,261.71	0.00	14,597.29
	2025 TOTAL		3,824,192.14	0.00	29,640.87	518.85	0.00	3,854,351.86
	TOTAL PAYMENTS		3,842,343.72	0.00	35,256.77	4,669.33	0.00	3,882,269.82
	2025 TOTAL		114,109.75-	0.00	2,208.30-	0.00	0.00	116,318.05-
	TOTAL REVERSALS		114,109.75-	0.00	2,208.30-	0.00	0.00	116,318.05-
	TOTAL FOR UNIT		3,728,233.97	0.00	33,048.47	4,669.33	0.00	3,765,951.77

FISCAL START: 08/01/2025 END: 07/31/2026 JURISDICTION: 0337 FRIENDWD CITY

	CERT TAXABLE VALUE	ADJUSTMENTS	ADJ TAX VALUE		TAX RATE	TAX LEVY	PAID ACCTS
CURRENT YEAR	5,921,204,982	297,726,594	6,218,931,576	0	00.514172	29,522,897.40	16,532

YEAR	TAXES DUE	MONTH ADJ	ADJUSTMENT YTD	LEVY PAID	PAID YTD	BALANCE	COLL %	YTD UNCOLL
2025	28,085,783.72	1,437,113.68	1,437,113.68	27,695,086.20	27,695,086.20	1,827,811.20	93.81	0.00
2024	292,504.02	59,093.38-	59,093.38-	37,032.43	37,032.43	196,378.21	15.87	0.00
2023	90,269.76	27,455.39-	27,455.39-	6,992.45-	6,992.45-	69,806.82	11.13-	0.00
2022	46,639.80	627.71	627.71	4,199.59	4,199.59	43,067.92	8.88	0.00
2021	27,567.15	2,129.84-	2,129.84-	439.53	439.53	24,997.78	1.73	0.00
2020	19,946.57	.00	0.00	749.21	749.21	19,197.36	3.76	0.00
2019	15,213.80	.00	0.00	372.31	372.31	14,841.49	2.45	0.00
2018	12,293.33	.00	0.00	389.00	389.00	11,904.33	3.16	0.00
2017	11,156.64	.00	0.00	142.80	142.80	11,013.84	1.28	0.00
2016	9,727.29	.00	0.00	254.16	254.16	9,473.13	2.61	0.00
2015	9,600.44	.00	0.00	260.59	260.59	9,339.85	2.71	0.00
2014	6,417.74	.00	0.00	190.94	190.94	6,226.80	2.98	0.00
2013	6,272.78	.00	0.00	53.86	53.86	6,218.92	.86	0.00
2012	5,458.39	.00	0.00	0.00	0.00	5,458.39		0.00
2011	5,550.88	.00	0.00	0.00	0.00	5,550.88		0.00
2010	3,596.44	.00	0.00	0.59	0.59	3,595.85	.02	0.00
2009	5,154.38	.00	0.00	0.58	0.58	5,153.80	.01	0.00
2008	4,278.43	.00	0.00	0.58	0.58	4,277.85	.01	0.00
2007	1,318.21	.00	0.00	0.58	0.58	1,317.63	.04	0.00
2006	2,437.90	.00	0.00	0.58	0.58	2,437.32	.02	0.00
2005	1,170.61	.00	0.00	0.00	0.00	1,170.61		0.00
2004	1,537.12	.00	0.00	0.00	0.00	1,537.12		0.00
****	28,663,895.40	1,349,062.78	1,349,062.78	27,732,181.08	27,732,181.08	2,280,777.10		0.00
CURR	28,085,783.72	1,437,113.68	1,437,113.68	27,695,086.20	27,695,086.20	1,827,811.20		0.00
DELQ	578,111.68	88,050.90-	88,050.90-	37,094.88	37,094.88	452,965.90		0.00

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2025
JURISDICTION: 0337 FRIENDWD CITY

ALL PROPERTY

INCLUDES AG ROLLBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/28/2026
LAND VALUE	8,027,944,608	8,027,944,608	79,353,734	3,514,497-	75,839,237	8,103,783,845
AG EXCLUSION	39,387,887	39,387,887	8,197,470	0	8,197,470	47,585,357
IMPROVEMENTS	1,061,342,920	1,061,342,920	351,077,400	29,027,570-	322,049,830	1,383,392,750
APPRAISED VALUE	8,027,944,608	8,027,944,608	430,431,134	32,542,067-	397,889,067	8,425,833,675
EXEMPTIONS	2,067,351,739	2,067,351,739	94,440,092	5,722,381	100,162,473	2,167,514,212
TAXABLE VALUE	5,921,204,982	5,921,204,982	335,991,042	38,264,448-	297,726,594	6,218,931,576
LEVY	28,085,783.72	28,085,783.72	1,919,553.49	482,439.81-	1,437,113.68	29,522,897.40
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,479	10,479	661	100	765	11,244
OVER 65	3,794	3,794	206	34	240	4,034
DISABLED	190	190	8	2	10	200
VETERAN	271	271	18	0	18	289
TOTAL EXEMPT	92	92	0	0	0	92

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2024
JURISDICTION: 0337 FRIENDWD CITY

ALL PROPERTY

INCLUDES AG ROLLBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/28/2026
LAND VALUE	7,686,327,908	7,686,327,908	3,343	0	3,343	7,686,331,251
AG EXCLUSION	36,196,207	36,196,207	0	0	0	36,196,207
IMPROVEMENTS	1,020,792,976	1,020,792,976	13,840,608	16,677,331-	2,836,723-	1,017,956,253
APPRAISED VALUE	7,686,327,908	7,686,327,908	13,843,951	16,677,331-	2,833,380-	7,683,494,528
EXEMPTIONS	2,032,678,237	2,032,678,237	3,505,205	5,798,703	9,303,908	2,041,982,145
TAXABLE VALUE	5,617,453,464	5,617,453,464	10,338,746	22,476,034-	12,137,288-	5,605,316,176
LEVY	292,504.02	292,504.02	53,158.95	112,252.33-	59,093.38-	233,410.64
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,666	10,666	0	36	36	10,702
OVER 65	3,772	3,772	0	8	8	3,780
DISABLED	190	190	0	2	2	192
VETERAN	268	268	0	1-	1-	267
TOTAL EXEMPT	86	86	0	0	0	86

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/28/2026
LAND VALUE	7,378,007,830	7,378,007,830	0	0	0	7,378,007,830
AG EXCLUSION	32,425,077	32,425,077	0	0	0	32,425,077
IMPROVEMENTS	942,980,218	942,980,218	0	3,873,874-	3,873,874-	939,106,344
APPRAISED VALUE	7,378,007,830	7,378,007,830	0	3,873,874-	3,873,874-	7,374,133,956
EXEMPTIONS	2,071,397,163	2,071,397,163	0	1,852,414	1,852,414	2,073,249,577
TAXABLE VALUE	5,274,185,590	5,274,185,590	0	5,726,288-	5,726,288-	5,268,459,302
LEVY	90,269.76	90,269.76	.00	27,455.39-	27,455.39-	62,814.37
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,427	10,427	0	17	17	10,444
OVER 65	3,603	3,603	0	3	3	3,606
DISABLED	178	178	0	2	2	180
VETERAN	259	259	0	1	1	260
TOTAL EXEMPT	88	88	0	0	0	88

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/28/2026
LAND VALUE	6,593,325,295	6,593,325,295	0	0	0	6,593,325,295
AG EXCLUSION	32,486,183	32,486,183	0	0	0	32,486,183
IMPROVEMENTS	873,775,097	873,775,097	0	740-	740-	873,774,357
APPRAISED VALUE	6,593,325,295	6,593,325,295	0	740-	740-	6,593,324,555
EXEMPTIONS	1,782,152,718	1,782,152,718	0	90,174-	90,174-	1,782,062,544
TAXABLE VALUE	4,778,686,394	4,778,686,394	0	89,434	89,434	4,778,775,828
LEVY	46,639.80	46,639.80	.00	627.71	627.71	47,267.51
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,595	10,595	0	1-	1-	10,594
OVER 65	3,475	3,475	0	1-	1-	3,474
DISABLED	180	180	0	0	0	180
VETERAN	253	253	0	1	1	254
TOTAL EXEMPT	84	84	0	0	0	84

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 02/28/2026
LAND VALUE	5,827,810,207	5,827,810,207	0	0	0	5,827,810,207
AG EXCLUSION	33,691,313	33,691,313	0	0	0	33,691,313
IMPROVEMENTS	775,157,465	775,157,465	0	437,058-	437,058-	774,720,407
APPRAISED VALUE	5,827,810,207	5,827,810,207	0	437,058-	437,058-	5,827,373,149
EXEMPTIONS	1,579,451,702	1,579,451,702	0	0	0	1,579,451,702
TAXABLE VALUE	4,214,667,192	4,214,667,192	0	437,058-	437,058-	4,214,230,134
LEVY	27,567.15	27,567.15	.00	2,129.84-	2,129.84-	25,437.31
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,298	10,298	0	0	0	10,298
OVER 65	3,255	3,255	0	0	0	3,255
DISABLED	181	181	0	0	0	181
VETERAN	240	240	0	0	0	240
TOTAL EXEMPT	84	84	0	0	0	84

Summary of Jurisdiction Remittances Processed Property Tax File

Batch Seq 5090388

For Remitted Deposit Dates 02/01/2026 thru 02/27/2026 as of 03/05/2026

Report run on: March 5, 2026 3:19 PM

Tax Unit		M & O Total	I & S Total	TIF Levy	TIF Interest	Fee Total	Total
337 FRIENDWD CITY							
ACH 96514	Print Date:02/18/2026						
	Current	765,786.22	219,196.58	0.00	0.00	0.00	984,982.80
	Delq	264.46	72.61	0.00	0.00	0.00	337.07
Last Deposit Date	02/03/2026	$766,050.68	$219,269.19	$0.00	$0.00	$0.00	$985,319.87
ACH 96565	Print Date:02/18/2026						
	Current	1,162,258.08	332,681.34	0.00	0.00	0.00	1,494,939.42
	Delq	849.51	231.30	0.00	0.00	0.00	1,080.81
Last Deposit Date	02/04/2026	$1,163,107.59	$332,912.64	$0.00	$0.00	$0.00	$1,496,020.23
ACH 96614	Print Date:02/18/2026						
	Current	294,904.90	84,412.85	0.00	0.00	0.00	379,317.75
	Delq	6,215.47	1,920.24	0.00	0.00	0.00	8,135.71
Last Deposit Date	02/05/2026	$301,120.37	$86,333.09	$0.00	$0.00	$0.00	$387,453.46
ACH 96665	Print Date:02/18/2026						
	Current	193,092.47	55,270.17	0.00	0.00	0.00	248,362.64
	Delq	586.49	166.74	0.00	0.00	0.00	753.23
Last Deposit Date	02/06/2026	$193,678.96	$55,436.91	$0.00	$0.00	$0.00	$249,115.87
ACH 96714	Print Date:02/18/2026						
	Current	122,146.64	34,962.90	0.00	0.00	0.00	157,109.54
Last Deposit Date	02/09/2026	$122,146.64	$34,962.90	$0.00	$0.00	$0.00	$157,109.54
ACH 96761	Print Date:02/18/2026						
	Current	6,600.60	1,889.35	0.00	0.00	0.00	8,489.95
	Delq	1,168.03	164.25	0.00	0.00	0.00	1,332.28
Last Deposit Date	02/10/2026	$7,768.63	$2,053.60	$0.00	$0.00	$0.00	$9,822.23
ACH 96805	Print Date:02/18/2026						
	Current	56,713.09	16,233.42	0.00	0.00	0.00	72,946.51
Last Deposit Date	02/11/2026	$56,713.09	$16,233.42	$0.00	$0.00	$0.00	$72,946.51
ACH 96848	Print Date:02/18/2026						
	Current	17,058.20	4,882.65	0.00	0.00	0.00	21,940.85
Last Deposit Date	02/12/2026	$17,058.20	$4,882.65	$0.00	$0.00	$0.00	$21,940.85
ACH 96890	Print Date:02/18/2026						
	Current	46,731.42	13,376.27	0.00	0.00	0.00	60,107.69
	Delq	89.62	24.40	0.00	0.00	0.00	114.02
Last Deposit Date	02/13/2026	$46,821.04	$13,400.67	$0.00	$0.00	$0.00	$60,221.71
ACH 96937	Print Date:02/18/2026						
	Current	529.59	151.59	0.00	0.00	310.79	991.97
Last Deposit Date	02/15/2026	$529.59	$151.59	$0.00	$0.00	$310.79	$991.97
ACH 96977	Print Date:02/18/2026						
	Current	32,162.98	9,206.25	0.00	0.00	0.00	41,369.23
Last Deposit Date	02/17/2026	$32,162.98	$9,206.25	$0.00	$0.00	$0.00	$41,369.23
ACH 97025	Print Date:02/18/2026						
	Current	29,858.30	8,546.55	0.00	0.00	0.00	38,404.85
	Delq	2,623.98	742.18	0.00	0.00	0.00	3,366.16
Last Deposit Date	02/18/2026	$32,482.28	$9,288.73	$0.00	$0.00	$0.00	$41,771.01

Summary of Jurisdiction Remittances Processed Property Tax File

For Remitted Deposit Dates 02/01/2026 thru 02/27/2026 as of 03/05/2026

Batch Seq 5090388

Report run on: March 5, 2026 3:19 PM

Tax Unit		M & O Total	I & S Total	TIF Levy	TIF Interest	Fee Total	Total
337 FRIENDWD CITY							
ACH 97069	Print Date:02/18/2026						
	Current	9,063.11	2,594.18	0.00	0.00	0.00	11,657.29
	Delq	267.28	84.85	0.00	0.00	0.00	352.13
Last Deposit Date	02/19/2026	$9,330.39	$2,679.03	$0.00	$0.00	$0.00	$12,009.42
ACH 97112	Print Date:02/18/2026						
	Current	45,757.63	13,097.56	0.00	0.00	0.00	58,855.19
	Delq	4,986.66	1,357.68	0.00	0.00	0.00	6,344.34
Last Deposit Date	02/23/2026	$50,744.29	$14,455.24	$0.00	$0.00	$0.00	$65,199.53
ACH 97158	Print Date:02/18/2026						
	Current	58,203.01	16,659.95	0.00	0.00	0.00	74,862.96
	Delq	1,031.36	280.80	0.00	0.00	0.00	1,312.16
Last Deposit Date	02/25/2026	$59,234.37	$16,940.75	$0.00	$0.00	$0.00	$76,175.12
ACH 97206	Print Date:02/18/2026						
	Current	39,823.65	11,399.00	0.00	0.00	0.00	51,222.65
	Delq	131.01	35.66	0.00	0.00	0.00	166.67
Last Deposit Date	02/26/2026	$39,954.66	$11,434.66	$0.00	$0.00	$0.00	$51,389.32
ACH 97253	Print Date:02/18/2026						
	Current	24,842.76	7,110.91	0.00	0.00	0.00	31,953.67
	Delq	375.61	97.29	0.00	0.00	0.00	472.90
Last Deposit Date	02/27/2026	$25,218.37	$7,208.20	$0.00	$0.00	$0.00	$32,426.57
	Total:	**$2,924,122.13**	**$836,849.52**	**$0.00**	**$0.00**	**$310.79**	**$3,761,282.44**

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 02/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider approving the minutes of the City Council Regular Meeting held on March 2, 2026.

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 2, 2026. The draft minutes are attached to the item.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. March 2, 2026 CC Meeting Minutes (DRAFT)

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD
March 2, 2026

THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD MET IN A REGULAR MEETING ON MONDAY, MARCH 2, 2026, AT 5:30 P.M. IN THE COUNCIL CHAMBERS OF THE FRIENDSWOOD CITY HALL, LOCATED AT 910 S. FRIENDSWOOD DRIVE, FRIENDSWOOD, TEXAS, WITH THE FOLLOWING MEMBERS PRESENT CONSTITUTING A QUORUM:

John Ellisor	Mayor Pro Tem
Sally Branson	Councilmember
Trish Hanks	Councilmember
Robert J. Griffon	Councilmember
Joe Matranga	Councilmember
Michael P. Ross	Councilmember
Mike Foreman	Mayor
Morad Kabiri	City Manager
Karen Horner	City Attorney
Raquel Martinez	City Secretary

1. CALL TO ORDER

Mayor Foreman called the meeting to order with a quorum present at 5:30 P.M. with all members present.

2. INVOCATION

The invocation was led by Mike Cervantes of New Hope Friendswood 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 FOR A DAY

A. Consider a proclamation declaring March 2, 2026, as Westwood Elementary School Day in the City of Friendswood, Texas.

Mayor Foreman introduced the students and teachers from Westwood Elementary. He noted the Council for a Day Program allows second graders from the four elementary schools in Friendswood to "take over" the council dais and sit-in for Council and Staff. Mayor Foreman welcomed all the students, their families, teachers, and school administrators. The participants included:

Position	Student Name	Teacher Name
City Secretary (Raquel Martinez)	Adelynn Spence	Mrs. Smiley
Councilmember Pos. No. 6 (Michael P. Ross)	Bryson Hoover	Mrs. Register

Councilmember Pos. No. 5 (Joe Matranga)	Walker Smith	Ms. Bott
Councilmember Pos. No. 4 (Robert Griffon)	Jane Pena	Ms. Bott
Mayor (Mike Foreman)	Blake Harris	Mrs. Smiley
Councilmember Pos. No. 3 (Trish Hanks)	Charlie Whittington	Mrs. Muxlow
Councilmember Pos. No. 2 (Sally Branson)	Quinlynn Lewis (Absent) Madison Harris	Mrs. Motter
Councilmember Pos. No. 1 (Mayor Pro Tem John Ellisor)	Lila Mogford	Mrs. Trahan
City Attorney (Karen Horner)	Harvey Ray	Mrs. Trahan
City Manager (Morad Kabiri)	Andrew Badalamenti	Ms. Gill

A motion was made by Councilmember Lila Mogford (John Ellisor) and seconded by Councilmember Madison Harris (Sally Branson) proclaiming March 2, 2026, as Westwood Elementary School Day in the City of Friendswood. The vote was the following:

Ayes: Mayor Blake Harris (Mike Foreman), Councilmember Lila Mogford (Mayor Pro Tem John Ellisor), Councilmember Madison Harris (Sally Branson), Councilmember Charlie Whittington (Trish Hanks), Councilmember Jane Pena (Robert Griffon), Councilmember Walker Smith (Joe Matranga), and Councilmember Bryson Hoover (Michael P. Ross)

Nays: None

The item passed unanimously.

At 5:42 P.M., Mayor Foreman recessed the meeting for the Council for a Day Reception.

At 5:51 P.M., Mayor Foreman reconvened the meeting.

5. COUNCIL COMMENTS AND REPORTS

Mayor Foreman opened the item by sharing that he attended Youth Sports Day on Saturday morning, noting about 1,000 kids are playing in softball and baseball this season. He noted there was a parade and they welcomed all of the players and gave out some awards for best floats, so he had a great time.

Councilmember Branson wished everyone a Happy Texas Independence Day and announced the following items:

- The Friendswood Historical Society is taking applications for the Joycina Baker Award, which recognizes Friendswood volunteers and all they have to do is be living and have lived in Friendswood at one point in time.
- Friendswood museums are open the first Saturday of each month from 10:00 A.M. to 2:00 P.M.
- The Friendswood Rotary Club Reverse Draw Fundraiser will be held on Saturday, April 11, organized by Lisa Camp, with a few tickets still available for purchase.

- Announced Small Business Week activities begin on Monday, April 27, for half a day over at Hope Village. They will have a panel made up of our County Commissioners who represent Friendswood, so that will include Adrian Garcia, Hank Dugie, and Dr. Robin Armstrong, as well as BAHEP representative who resides in Friendswood, Brian Freedman. Ryan Walsh, CEO with Harris County-Houston Sports Authority, will also talk about FIFA coming to town.
- Reported attending the Houston-Galveston Area Council (H-GAC) State of the Region event with Morad Kabiri and Mayor Foreman and noted that she learned the first H-GAC grant was issued in Friendswood at the old City Hall on Morningside in 1966.
- Shared that H-GAC assisted Bay Tran in securing a grant for Commute Solutions, which includes services such as emergency ride home assistance for commuters.
- Announced that Friendswood will host the H-GAC "Bringing Back Main Street" program, reviewing the last ten years of development in the city. The event will be open to the public at the City Hall Council Chambers on Wednesday, April 29.
- Congratulated organizers of the Kick Back Kickball Tournament on Saturday, February 21, which raised $51,000 for the Liufau family.
- Reported traveling to Austin to represent Region 14 (Sam Houston Region, the largest region in the Houston Area) at the Texas Municipal League (TML) Legislative Update.

Councilmember Griffon listed upcoming activities at the Friendswood Senior Activity Center, including:

- On Wednesday, March 4, the Friendswood Ninja Warriors will hold an event at the Friendswood Activity Building located at 416 Morningside Drive.
- He also announced the 25th Annual Spaghetti Fundraiser on Wednesday, March 25, from 11:00 A.M. to 1:00 P.M., where $12 plates will be available for dine-in or takeout at the Senior Activity Center.

Councilmember Matranga shared that he served as a judge for the Cardboard Boat Races at Friendswood High School's Natatorium, an event organized by the school's physics department. He relayed it is a great event held every two years and encouraged anyone interested in participating as a judge to contact Don McGowan at Friendswood High School.

Councilmember Ross asked the community to pray for the men and women in the military who are currently in harm's way. He closed his comments by reminding residents that the following day was the last day of voting in the Primaries and encouraged everyone to vote, noting that voting is one of the greatest honors you have as a citizen of the United States of America and an important part of the democratic process.

6. PUBLIC COMMENT

Mayor Foreman announced the following citizens had signed up to provide a public comment.

Mr. Randy Hale announced his candidacy for Friendswood City Council Position 5. He stated that after living in Friendswood for 30 years, he is running to support fiscal responsibility, careful decision-making, transparency, and accountability to residents. He also emphasized supporting Police, Fire and EMS personnel. Mr. Hale said he looks forward to meeting residents across the city and encouraged support for Shawna Talton as well.

Ms. Shauna Talton introduced herself as a candidate for Friendswood City Council Position 2. She said her campaign is focused on accountability, better representation for residents, and responsible use of taxpayer dollars, particularly regarding development decisions. Ms. Talton also raised concerns about ongoing flood mitigation issues nearly a decade after Hurricane Harvey, stating these concerns must be addressed while planning for the city's future.

7. COMMITTEES OR SPECIAL REPORTS

A. Receive the Planning and Zoning Commission Annual Report.

Planning and Zoning Commission Chair Tom Hinckley presented the 2025 Planning and Zoning Commission Annual Report, highlighting the commission's activities, approvals, and priorities as follows:

COMMISSION OVERVIEW

- Planning & Zoning Commission supported by staff Becky Bennett, Aubrey Harbin, and Karen Horner.
- Commissioners include: Tom Hinckley, Marcus Rives, Travis Mann, Brian Bounds, Marsha Conrad, Willie Anderson, and Stacey Phillips.
- Joe Matranga serves as Council liaison with Trish Hanks as alternate.

PLATS REVIEWED AND APPROVED (2025)

5 Preliminary Plats approved, including:

1. Wild Pines – 400 Fence Post
2. Bristol Development – 650 and 800 N. Friendswood Dr.
3. Falling Leaf Ranch (conditional approval)
4. Sterling Estates
5. NTL Parkwood Outlot

7 Final Plats/Replats approved, including:

1. Laurel Park Friendswood III
2. Liberty Tree (replat)
3. Wild Pines
4. McKreaken Manor
5. Bristol Development
6. Industry Park Friendswood Reserves E & F (replat)
7. Friendswood City Center

COMMERCIAL SITE PLAN ACTIVITY

3 new site plans approved, including:

1. APA Designs (405 Laurel)
2. Sterling Falls Venue (2600 S. Friendswood Dr.)
3. The Bristol (800 N. Friendswood Dr.)

10 site plan amendments approved, including:

1. EZ Food Mart Fuel Canopy
2. Parkwood American Grille
3. One Sixty One
4. Industry Park Friendswood II
5. Dance Expressions
6. Chick-fil-A drive thru
7. All Out Offroad
8. Coffee Shop Patio
9. Source Web Solutions
10. Hardball Academy

FUTURE LAND USE MAP (FLUM) AND ZONING RECOMMENDATIONS

- Recommended FLUM amendment for 401 W. Edgewood Dr. from Low Density Residential to Retail.
- Recommended Clear Creek Village PUD change to Mixed Use, though the proposal was ultimately denied.
- Recommended zoning changes, include:
  - 311 Laurel from MFR-M to Downtown District
  - 401 W. Edgewood from SFR to CSC
  - Friendswood City Center PUD amendments.

ORDINANCE CHANGES RECOMMENDED

- Amendments addressing temporary outdoor commercial activities, including defining when food trucks are allowed and establishing 3-day or 4-day permits.
- Updates to perimeter landscaping and screening requirements, giving the commission more flexibility based on surrounding land uses and existing conditions.

KEY 2025 COMMISSION ACTIVITY

- 14 commission meetings held in 2025, plus a retreat and subcommittee meetings.
- Commissioners attended professional training such as the APA Texas Conference.
- Internal reviews conducted on zoning rules related to lot coverage and accessory structures, with no changes recommended.

KEY PROJECTS AND PRIORITIES FOR 2026

- Review of zoning ordinance permitted uses, multi-family density, and mobile food vendor regulations.
- Evaluate landscaping requirements and potential conflicts with infrastructure and visibility.
- Consider allowing staff approval of certain site plans and plats.
- Review updates to the Subdivision Ordinance and Design Criteria Manual, including Downtown District amenity requirements

COMPREHENSIVE PLAN UPDATE

- The city is working on a Comprehensive Plan update, a long-range strategy document guiding growth, development, and quality of life.
- A consultant is preparing recommendations, and the community survey will remain open through the end of March.

Councilmember Matranga thanked Mr. Hinckley and the Planning & Zoning Commission members for the time and effort they dedicate to reviewing zoning changes and long-range planning for the city. Mr. Hinckley responded that the Commission appreciates the recognition and noted that members are currently putting additional time into work related to the Comprehensive Plan. Mayor Foreman also thanked Mr. Hinckley for his continued service, and Hinckley expressed appreciation to the council.

B. Receive the Zoning Board of Adjustments Annual Report.

With the Zoning Board of Adjustments Annual Report attached to Council's agenda packet, Mayor Foreman considered the report received.

8. CITY MANAGER'S REPORT

A. Present an update on the City of Friendswood Fish Camp to be held March 9th, 11th and 13th.

City Manager Morad Kabiri announced the first-ever Friendswood Fish Camp, designed to teach youth in the community about fishing techniques and related activities. The free event will be held March 9, 11, and 13 from 1:00 P.M. to 3:00 P.M. at Centennial Park.

B. Present an update regarding the rescheduled City's Touch-A-Truck and Winter Weather Event on Saturday, March 14, 2026.

City Manager Morad Kabiri reported the Touch-A-Truck event, originally scheduled for February, was rescheduled due to bad weather. It will now take place on Saturday, March 14, from 11:00 A.M. to 1:00 P.M. at Friendswood High School. The event allows residents to see and explore city equipment and also provides education about winter weather preparedness.

C. Present an update regarding the City's Finance Department receiving their 23rd GFOA Distinguished Budget Presentation Award.

City Manager Morad Kabiri announced the Finance Department received the Gulf Coast Finance Officers Association Distinguished Budget Presentation Award for the 23rd consecutive year. He credited Finance Director Rhonda Bloaskas and the Finance team. The award recognizes the department's efforts to clearly present financial information to the community.

D. Present an update on Friendswood EMS being guest speakers at a Student Leadership Cohort meeting at Windsong Elementary.

City Manager Morad Kabiri relayed members of Friendswood EMS, including Chief Lisa Camp and Captain Stacy Kahn, spoke to students at Windsong Elementary as part of a leadership cohort program. They discussed their work in EMS and how serving the community can make a lasting impact. Mr. Kabiri thanked them for engaging with students and promoting community service.

E. Recognize Friendswood EMS for receiving a grant from RAC - R East Texas Gulf Coast Trauma Council for the Fiscal 2026 EMS-County Assistance Contract funding.

City Manager Morad Kabiri recognized Friendswood EMS for securing a grant through the East Texas Gulf Coast Regional Trauma Advisory Council. He noted that city departments regularly pursue outside funding to supplement city resources and support operations. He thanked Chief Lisa Camp and the EMS team for their continued efforts in securing grant funding.

F. Recognize the Friendswood Police Department Dispatch Division for receiving a Service Level Shoutout for 2025 from the Greater Harris County 9-1-1 Emergency Network.

City Manager Morad Kabiri gave a shoutout to the Friendswood Police Department Dispatch Division for meeting high performance standards within the Greater Harris County 9-1-1 Emergency Network. Dispatchers are required to answer calls within 15 seconds at least 95% of the time, and Friendswood exceeded this with a 99.6% response rate, ranking fourth in the region. He commended Chief Rogers and the dispatch team for their work supporting emergency response.

9. BUSINESS ITEMS

A. Consider authorizing the Amended and Restated Utility Services Contract with D.R. Horton - Texas, LTD., and 94 Georgetown Investments, LTD., for the Georgetown Development.

City Manager Morad Kabiri explained this item continues a development project originally approved in 2014 through a Utility Services Agreement with D.R. Horton for a single-family residential development of approximately 380 acres and about 500 lots along FM 528 near Alvin. The project was postponed while the developer completed the Friendswood Trails (Sun Meadow) development. Work has resumed

and the agreement has been updated to reflect current conditions and infrastructure needs. The updated agreement includes several offsite infrastructure improvements to support water pressure and service in the southern part of the city, including a city-funded interconnect from Wilderness Trails to FM 528 and a shared project to upsize a water line from 12 inches to 16 inches through Friendswood Trails, with the city's contribution capped at $250,000, while the developer will also upgrade Lift Station 14 pumps and its generator. Staff recommends approval

Councilmember Matranga asked how the city would be compensated for its portion of the project improvements. Mr. Kabiri explained that the city-funded improvements, such as the Wilderness Trails to FM 528 interconnect, will be paid through the city's utility service revenues and 90-day capital. The developer will pay applicable impact fees for their connections.

A motion was made by Councilmember Branson and seconded by Councilmember Griffon to authorize the Amended and Restated Utility Services Contract with D.R. Horton - Texas, LTD., and 94 Georgetown Investments, LTD., for the Georgetown Development, related to Item 9.A. The vote was the following:

Ayes: Mayor Mike Foreman, Mayor Pro Tem John Ellisor, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Joe Matranga, and Councilmember Robert J. Griffon and Councilmember Michael P. Ross

Nays: None

The item passed unanimously.

B. Consider accepting the conveyance of Reserves M and N of the Friendswood City Center.

City Manager Morad Kabiri explained this item relates to the Friendswood City Center Project Reserves M and N, which are associated with a detention pond facility on the south end of the Whitcomb property. Reserve N is located along Clear Creek and will be used for a terracing and shelving project being completed in partnership with the Harris County Flood Control District. He noted this will be funded through the City's 2019 bond program and the State of Texas. The tracts were platted and recorded in 2025, and this action formally conveys the property to allow the city to proceed with the planned flood mitigation improvements.

Councilmember Ross noted the "drainage and recreation" designation on the plat and asked whether it was part of the integral park system. Mr. Kabiri confirmed that it is and that the developer will construct the park components as part of their Service and Assessment plan under the Public Improvement District (PID).

A motion was made by Councilmember Griffon and seconded by Councilmember Branson to accept the conveyance of Reserves M and N of the Friendswood City Center, related to Item 9.B. The vote was the following:

Ayes: Mayor Mike Foreman, Mayor Pro Tem John Ellisor, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Joe Matranga, and Councilmember Robert J. Griffon and Councilmember Michael P. Ross

Nays: None

The item passed unanimously.

10. PROPOSED ORDINANCES & RESOLUTIONS

A. Consider on second and final reading an ordinance amending Appendix A "Signs," Section 1 "Definitions," Section 9 "Prohibited signs," Subsection A, and Section 25 "Nonconforming signs," Subsection F "Conversion of existing billboards to changeable electronic variable message signs (CEVMS)" of the Friendswood City Code to update the CEVMS requirements and to allow the conversion to CEVMS if specified requirements are satisfied.

A motion was made by Councilmember Branson and seconded by Councilmember Ross to approve Ordinance No. 2026-09, as submitted and related to Item 10.A. The vote was the following:

Ayes: Mayor Mike Foreman, Mayor Pro Tem John Ellisor, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Joe Matranga, and Councilmember Robert J. Griffon and Councilmember Michael P. Ross

Nays: None

The item passed unanimously.

ORDINANCE NO. 2026-09

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING APPENDIX A "SIGNS," SECTION 1 "DEFINITIONS," SECTION 9 "PROHIBITED SIGNS," SUBSECTION A AND SECTION 25 "NONCONFORMING SIGNS," SUBSECTION F "CONVERSION OF EXISTING BILLBOARDS TO CHANGEABLE ELECTRONIC VARIABLE MESSAGE SIGNS (CEVMS)" OF THE FRIENDSWOOD CITY CODE TO UPDATE THE CEVMS REQUIREMENTS AND TO ALLOW THE ERECTION OF CEVMS IF SPECIFIED REQUIREMENTS ARE MET; PROVIDING A PENALTY FOR VIOLATION IN AN AMOUNT NOT TO EXCEED FIVE HUNDRED AND NO/100 DOLLARS ($500.00); REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; CONTAINING A SAVINGS CLAUSE; AND PROVIDING FOR THE PUBLICATION AND EFFECTIVE DATE.

B. Consider an ordinance amending the City's General Budget for Fiscal Year 2025-2026 by approving "Budget Amendment V" and providing for supplemental appropriation and/or transfer of certain funds.

A motion was made by Councilmember Hanks and seconded by Councilmember Griffon to approve Ordinance No. 2026-10, as submitted and related to Item 10.B. The vote was the following:

Ayes: Mayor Mike Foreman, Mayor Pro Tem John Ellisor, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Joe Matranga, and Councilmember Robert J. Griffon and Councilmember Michael P. Ross

Nays: None

The item passed unanimously.

ORDINANCE NO. 2026-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING ORDINANCE NO. 2025-23, PASSED AND APPROVED AUGUST 25, 2025, THE SAME BEING AN ORDINANCE APPROVING AND ADOPTING THE CITY'S GENERAL BUDGET FOR FISCAL YEAR 2025-26, BY APPROVING "BUDGET AMENDMENT V" THERETO; PROVIDING FOR SUPPLEMENTAL APPROPRIATION AND/OR TRANSFER OF CERTAIN FUNDS; PROVIDING FOR SEVERABILITY; PROVIDING FOR OTHER MATTERS RELATED TO THE SUBJECT; AND PROVIDING FOR THE EFFECTIVE DATE.

C. Consider a resolution ratifying Resolution No. 2025-35 finding that public convenience and necessity requires the acquisition of 5.452 acres of land located adjacent to the southeast portion of Lake Friendswood and being a part of the I & G N R R Company Survey, Section 3 Abstract 614, Galveston County, Texas, and being a part of the original Galveston-Houston Interurban Land Company Subdivision, Division A and also being that same tract of land described as Tract 2 in a deed recorded in Volume 2621, Page 279 in the Office of the County Clerk of Galveston County, Texas, for the expansion of Lake Friendswood Park and authorizing eminent domain proceedings for the acquisition of fee simple interest thereof from Joseph B. Tostado.

City Manager Morad Kabiri recalled that the city has been working to acquire this property for over 10 years, with discussions dating back to the early 1990s, as part of the long-term vision for Lake Friendswood Park. The property was previously involved in litigation that was recently dismissed by the plaintiff, but the City still considers the tract necessary for Lake Friendswood Park. The resolution ratifies the council's late-2025 authorization to proceed with eminent domain so the acquisition process can take effect. Mayor Foreman noted that the City of Friendswood rarely uses eminent domain. He explained that while the City could choose to leave the situation unresolved, moving forward with condemnation would allow the property owner, Mr. Tostado, to receive fair compensation and bring closure to the issue.

Councilmember Matranga emphasized that council does not take the use of eminent domain lightly and noted the City has made multiple offers for the property. Council is taking this step to avoid continuing to delay the issue and to move the matter toward resolution. Mr. Kabiri added that the property is currently valued on the tax rolls at $40. The City has gone through mediation in several court cases and offered six-figure compensation during those endeavors, while the property owner keeps coming back requesting $5 million even though it is valued quite a bit less than that. This action is intended to bring the matter to a close.

A motion was made by Councilmember Griffon and seconded by Mayor Pro Tem Ellisor to approve Resolution No R2026-05, as submitted and related to Item 10.C., authorizing the use of the power of eminent domain to acquire 5.452 acres of land located adjacent to the southeast portion of Lake Friendswood. The vote for the motion was the following:

Ayes: Mayor Mike Foreman, Mayor Pro Tem John Ellisor, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon, Councilmember Joe Matranga, and Councilmember Michael P. Ross

Nays: None

The item passed unanimously.

RESOLUTION NO. R2026-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, RATIFYING RESOLUTION NO. 2025-35 PASSED BY THE CITY COUNCIL AT ITS REGULAR MEETING HELD ON NOVEMBER 3, 2025, FINDING THAT PUBLIC CONVENIENCE AND NECESSITY REQUIRES THE ACQUISITION OF 5.452 ACRES OF LAND LOCATED ADJACENT TO THE SOUTHEAST PORTION OF LAKE FRIENDSWOOD AND BEING A PART OF THE I & G N R R COMPANY SURVEY, SECTION 3, ABSTRACT 614, GALVESTON COUNTY, TEXAS, AND BEING A PART OF THE ORIGINAL GALVESTON-HOUSTON INTERURBAN LAND COMPANY SUBDIVISION, DIVISION A AND ALSO BEING THAT SAME TRACT OF LAND DESCRIBED AS TRACT 2 IN A DEED RECORDED IN VOLUME 2621, PAGE 279 IN THE OFFICE OF THE COUNTY CLERK OF GALVESTON COUNTY, TEXAS, FOR THE EXPANSION OF LAKE FRIENDSWOOD PARK AND AUTHORIZING EMINENT DOMAIN PROCEEDINGS FOR THE ACQUISITION OF FEE SIMPLE INTEREST THEREOF; AND PROVIDING AN EFFECTIVE DATE.

11. CONSENT AGENDA

A motion was made by Councilmember Hanks and seconded by Councilmember Griffon to approve Consent Agenda Items 11.A. through 11.K. The vote was the following:

Ayes: Mayor Mike Foreman, Mayor Pro Tem John Ellisor, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon, Councilmember Joe Matranga, and Councilmember Michael P. Ross

Nays: None

The Consent Agenda passed.

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. R2026-06

A RESOLUTION OF THE CITY COUNCIL 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 a resolution denying the increase system-wide transmission and distribution rates proposed by Texas New-Mexico Power Company in its application filed on or about November 14, 2025.

RESOLUTION NO. R2026-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, DENYING TEXAS-NEW MEXICO POWER COMPANY'S (TNMP'S) REQUESTED RATE CHANGE; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; REQUIRING NOTICE OF THIS RESOLUTION TO TNMP AND LEGAL COUNSEL FOR THE GULF COAST COALITION OF CITIES; AND PROVIDING FOR AN EFFECTIVE DATE.

C. Consider a resolution suspending the April 18, 2026, effective date of the proposal by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas, to implement interim GRIP rate adjustments in the Houston, Texas Coast, South Texas, and Beaumont/East Texas geographic rate areas for gas utility investments in 2025.

RESOLUTION NO. R2026-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, SUSPENDING THE APRIL 18, 2026, EFFECTIVE DATE OF THE PROPOSAL BY CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS – HOUSTON, TEXAS COAST, SOUTH TEXAS, AND BEAUMONT/EAST TEXAS GEOGRAPHIC RATE AREAS, TO IMPLEMENT INTERIM RATE ADJUSTMENTS UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM FOR GAS UTILITY INVESTMENT IN 2025; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY; AND PROVIDING FOR AN EFFECTIVE DATE.

D. Consider authorizing a contract with the Friendswood Historical Society for the maintenance and preservation of historical sites in the City.

E. Consider authorizing the First Amendment to the License Agreement with Friends of Downtown Friendswood, Inc., for a portion of 408 S Friendswood Drive to provide electrical service to the "Love Friendswood" art piece.

F. Consider authorizing the First Amendment to the Memorandum of Understanding with the City of League City concerning the Grissom Road/Bay Area Boulevard CIP Partnership Project.

G. Consider authorizing an Interlocal Agreement with the Galveston County Consolidated Drainage District for the placement of flood gauges on five (5) bridges in the City.

H. Consider approving the Friendswood Downtown Economic Development Corporation's payment to SignWay & Electrical, LLC, for Downtown banner fabrication.

I. Consider authorizing an Agreement and Acknowledgment for Sale of Petroleum Products with Mansfield Oil Company of Gainesville, Inc. through OMNIA Partners Purchasing Cooperative.

J. Consider approving the ad valorem tax report for January 2026.

K. Consider approving the minutes of the City Council Regular Meeting held on February 2, 2026.

12. ADJOURNMENT

With there being no further business, Mayor Foreman adjourned the March 2, 2026, City Council Regular Meeting at 6:29 P.M.

_____
Mike Foreman, Mayor

Attest:

_____
Raquel Martinez, TRMC, City Secretary

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/02/2026

Prepared by: Raquel Martinez, City Secretary

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 Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to 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.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM

Date requested for City Council consideration: April 6, 2026

Date submitted: 03/02/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider taking appropriate action regarding the City Manager's annual performance evaluation.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to take appropriate action regarding the City Manager's annual performance evaluation.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS