



**CITY COUNCIL REGULAR MEETING
MONDAY, SEPTEMBER 14, 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. 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.

5. 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.

6. SPECIAL RECOGNITIONS AND ACKNOWLEDGEMENTS

- A. Present the City of Friendswood Five Star Spirit Award for the Second Quarter of 2026 to Karen Hart, Assistant Director of the Friendswood Library.
- B. Recognize Captain Doug Lauersdorf for his thirty-two years of service with the City of Friendswood and congratulate him on his retirement.
- C. Accept the resignation of Municipal Court Judge James Woltz, recognize him for his forty-three years of service with the City of Friendswood, and congratulate him on his retirement.

7. COMMITTEES OR SPECIAL REPORTS

- A. Receive the Friendswood Downtown Economic Development Corporation Annual Report.
- B. Receive the Friendswood Property Tax and Court Collection Report.

8. WORK SESSION TOPICS

- A. Receive and discuss the Engineering Department's Quarterly CIP Update.
- B. Receive a presentation regarding the City's Comprehensive Plan Update, to specifically discuss goals, objectives and strategies.
- C. Discuss Tax Increment Reinvestment Zone Number Two, City of Friendswood (TIRZ #2), including the City's existing obligations and options available for future projects and agreements.

9. MUNICIPAL BUDGET FOR FISCAL YEAR 2026-2027

- A. Consider on first and final reading an ordinance adopting the City of Friendswood's Proposed Fiscal Year 2026-2027 Municipal Budget.
- B. Consider ratifying the property tax increase reflected in the City of Friendswood's Budget for Fiscal Year 2026-2027.

10. TAX RATE FOR FISCAL YEAR 2026-27

- A. Conduct a public hearing regarding the City of Friendswood proposed tax rate for Fiscal Year 2026-2027.
- B. Consider on first and final reading an ordinance adopting and levying the ad valorem tax rate for maintenance and operation expenditures for the City of Friendswood's fiscal year commencing October 1, 2026, and ending September 30, 2027, and adopting and levying the ad valorem tax rate for debt service for the City of Friendswood's fiscal year commencing October 1, 2026, and ending September 30, 2027.

11. CITY MANAGER'S REPORT

- A. Recognize the Friendswood Police Department for being awarded a Rifle-Resistant Body Armor Grant from the Office of the Governor's Public Safety Office Grant Programs.
- B. Recognize the Finance Department for receiving the Investment Policy Certificate of Distinction Award from the Government Treasurers' Organization of Texas (GTOT).
- C. Recognize Assistant Director of Engineering Heather Van Dine for being selected for the Society of American Military Engineers (SAME) Texas Region Leader Development Program.
- D. Recognize the Friendswood Public Library for being awarded a Federally Funded Reimbursement Award from the Texas State Library and Archives Commission (TSLAC) for ILL Services.
- E. Present an update regarding the Friendswood Public Library improvements.
- F. Highlight the upcoming "Bet on the Library" Friends of the Library Fundraiser Gala scheduled for Saturday, September 26, 2026.
- G. Highlight the upcoming National Night Out on October 6, 2026.

12. BUSINESS ITEMS

- A. Consider authorizing a Fire and Rescue Services Agreement with the Friendswood Volunteer Fire Department for a three-year term.
- B. Consider an Interlocal Agreement with the City of League City for emergency medical services.

13. PROPOSED ORDINANCES & RESOLUTIONS

- A. Consider on second and final reading an ordinance repealing Section 2.1 of Ordinance No. 2002-16 and renaming a portion of Baker Road southeast of Stonewall Pass Road as Hackney Road.
- B. Consider on first and final reading an ordinance amending the City's General Budget for Fiscal Year 2025-2026 by approving "Budget Amendment XI" and providing for supplemental appropriation and/or transfer of certain funds.

14. CONSENT AGENDA

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a 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 Resolution No. R2026-12 concerning the Advance Funding Agreement with the Texas Department of Transportation for a Surface Transportation Block Grant Project related to the Sunset Drive Signal Improvements Project to update the City's cash match.
- B. Consider authorizing a Professional Services Agreement with Halff Associates, Inc., for engineering services related to the Sunset Drive Signal Improvements Project.
- C. Consider awarding a construction contract to Sustanite Support Services, LLC, for the Lift Station #8 Upsizing and Force Main Project (CSP No. 2026-09).
- D. Consider authorizing Change Order No. 2 to the Lift Station No. 2 Rehabilitation Project for gas line relocation and TNMP meter racks and duct banks.
- E. Consider accepting the Sterling Falls Wedding Venue Waterline Improvements Project and authorize the commencement of the contractor's one-year maintenance period.
- F. Consider authorizing a Treasury Management Services Agreement, a Bond Accounting and Safekeeping Service Agreement, and related documents with PNC Bank, National Association.
- G. Consider authorizing an agreement with NLUC, PLLC (Next Level) for certain acute and primary care medical services as part of its medical benefits package.
- H. Consider accepting the Council Chamber Renovation Project and authorizing the commencement of the contractor's one-year maintenance period.
- I. Consider approving the disposal of three (3) Police Department vehicles through America's Auto Auction.
- J. Consider authorizing the disposal of a decommissioned Fire Marshal vehicle through Public Surplus.
- K. Consider designating the person holding the position of Deputy Chief of Police as the Local Rabies Control Authority and appointing the person appointed to such position to the Animal Shelter Advisory Committee.
- L. Consider reappointing Judge Robert J. Barfield as an Associate Municipal Court Judge and designating him as the Acting Municipal Court Judge until a Municipal Court Judge is appointed to fill the position vacated due to the retirement of Judge James Woltz.
- M. Consider appointing Judge Julie K. Escalante, Judge Richard J. Cope, Jr., and Judge Richard P. Flake as Associate Municipal Court Judges.
- N. Consider reappointing Jeff Smith to the Construction Board of Appeals, effective immediately and ending on June 30, 2028.
- O. Consider approving the ad valorem tax report for July 2026.
- P. Consider approving the minutes of the City Council Special Meeting held on August 11, 2026.
- Q. Consider approving the minutes of the City Council Special Meeting held on August 24, 2026.

15. 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](http://RELAYTEXAS.COM).

City of Friendswood FYE 2025 Taxpayer Impact Statement* (Based upon Balanced Budgets)			
Description	Property Tax Bill for FYE 2024	Property Tax Bill for FYE 2025 at the No-New- Revenue Tax Rate	Property Tax Bill for FYE 2025 at the Adopted Tax Rate
Total Tax Rate (per \$100 of value)	\$0.500728	\$0.495117	\$ 0.514172
Value of Median-Valued Homestead Property in City (with 20% Homestead Exemption)	\$354,005	\$369,935	\$369,935
Tax on Median-Valued Homestead	\$1,772.60	\$1,831.61	\$ 1,902.10

*Proposed amendment does not affect the 2024 taxpayer impact statement

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
8th day of September 2026, at 5:30 P.M.

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/03/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Present the City of Friendswood Five Star Spirit Award for the Second Quarter of 2026 to Karen Hart, Assistant Director of the Friendswood Library.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Karen was nominated by a staff member due to her actions during a transitional period of time at the Library that was described as difficult. The nomination states, " ...we have been without a Director for the past year. Through it all we have remained a family and maintained excellent service to our community. We would not have survived without Karen's dedication and leadership. She has been our pillar of strength and our shoulder to cry on. Her unwavering dedication to us (her staff), to the library itself, and to the community we serve..."

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

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/13/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Recognize Captain Doug Lauersdorf for his thirty-two years of service with the City of Friendswood and congratulate him on his retirement.

Originating Department: City Secretary

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the Council to recognize Captain Doug Lauersdorf for his thirty-two years of outstanding service to the City of Friendswood and congratulate him on his well-deserved retirement.

Over the past 32 years, Captain Lauersdorf has watched policing transform from paper, radios and gut instinct into a profession driven by technology, digital evidence, body-worn cameras, sophisticated communications, and investigative tools that would have seemed impossible in 1994. Through every change, one thing remained the same, Captain Lauersdorf showed up, led from the front, and got the job done. But don't worry, he's not getting away from law enforcement quite yet! After retiring from the Friendswood Police Department, Captain Lauersdorf is reporting for his next assignment as Chief Administrator/Chief of Police for the Alvin College Police Department. Apparently, his definition of retirement is "Retire from one police department... and become the boss at another."

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. Doug Lauersdorf

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/13/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Accept the resignation of Municipal Court Judge James Woltz, recognize him for his forty-three years of service with the City of Friendswood, and congratulate him on his retirement.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Judge James W. ("Jim") Woltz earned his Juris Doctor (J.D.) from the Paul M. Hebert Law Center at Louisiana State University in 1974 and was admitted to the State Bar of Texas in 1974. On November 7, 1983, the City Council appointed Judge Woltz as an Associate Judge to the Municipal Court and on January 24, 1994, the City Council appointed him as the City of Friendswood Municipal Court Judge. Judge Woltz has lived and operated his private practice in Friendswood, Texas, for decades, and has been a pillar of the judicial and legal community for over 50 years.

We want to thank Judge Woltz for his forty-three years of service to the Friendswood community and wish him the best in his retirement.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 07/06/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Receive the Friendswood Downtown Economic Development Corporation Annual Report.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the Council to receive and discuss the Friendswood Downtown Economic Development Corporation's report outlining their activities and achievements in the last year. The report is attached and there will not be a presentation.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Receive report.

ATTACHMENTS

1.	2026 FDEDC Report
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Friendswood Downtown Economic Development Corporation (FDEDC)
Annual Report to City Council
September 14, 2026

The City Council appointed seven-member Board of Directors to the Friendswood Downtown Economic Development Corporation which includes President Rebecca Hillenburg, Vice President Elmer (Bubba) Johnson, Secretary/Treasurer Paul Marx, Arden “Trey” Hill, Chris Richardson, Scott MacKenzie and Brett Banfield.

The vision statement of the FDEDC is: *Downtown Friendswood! A family-friendly destination with beautiful streetscapes and unique businesses.* The mission of the FDEDC is to: 1. Communicate and engage with Friendswood citizens; 2. Make well-planned and strategic recommendations (to City Council) regarding improvements to the Downtown District; and 3. Exercise our fiduciary responsibilities to our taxpayers.

Since last year’s annual report to City Council, the Board has held ten meetings with the two staff liaisons, Community Development Director Aubrey Harbin and Deputy City Manager Steven Rhea.

This is a summary of the Board’s activities over the past year.

- The Downtown District street and wayfinding signage consisted of the installation of six (6) double-sided signs within the medians of the district. This signage reflects the style and color scheme of the Downtown District Improvement Plan.
- Permanent lighting for the City Hall, Activity Building and the Friendswood Public Library was installed. These city buildings will stand out with the permanent lighting kits. The color-changing commercial LED lighting provides full control of the lighting to create infinite holiday color combinations and movement patterns for visibility, enhanced security and year-round celebration.
- The purchase of additional bows and lighted garland to compliment the holiday décor and enhancements purchased the year prior. The new decorations ensure complete coverage of the downtown district.
- The creation of the *FDEDC Projects* Story Map. This addition to the City of Friendswood website provides a summary of projects completed by the FDEDC along with potential future projects, project costs and revenues. The site can be viewed at the link below.
<https://storymaps.arcgis.com/stories/9cb17412a8ed4ad68588067837b3dfc5>
- Removal of Comcast & AT&T communication lines. A long-standing project for the FDEDC, this undertaking will remove the overhead communication lines for the respective companies along FM 518 and place them underground to help eliminate aerial clutter and obstruction in the district.

Attached to this report is the latest fund summary prepared by the City which estimates the fiscal year 2025-2026 end fund balance totaling \$3,143,456. The projected revenue for the next fiscal year is \$1,008,152 which includes sales tax and interest. The projected end of fiscal year 2026-2027 fund balance is \$4,113,608 after expenditures. Of note, the FDEDC Board has increased the transfer to the City of Friendswood from \$16,000 per year to \$36,000 per year for staff services.

In closing, the Board appreciates City Council's support and looks forward to overseeing FDEDC's completion of the ongoing and upcoming projects as well as planning for future projects that will benefit Downtown Friendswood.

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 07/06/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Receive the Friendswood Property Tax and Court Collection Report.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Attached is the City's annual report of the progress of delinquent tax, municipal fine and fee, and utility account collection efforts, as submitted by the City's auditors, Perdue Brandon Feilder Collins & Motts LLP.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Awareness of the City's financial well being.

RECOMMENDATIONS

Receive report.

ATTACHMENTS

1.	Collection Report to City of Friendswood August 2026
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COLLECTION REPORT TO THE CITY OF FRIENDSWOOD

Submitted by: *Yolanda Humphrey & Damion Millington*
August 2026
www.pbfcml.com

August 25, 2026

Honorable Mike Foreman
Mayor, City of Friendswood
Members of the City Council
910 S. Friendswood Dr.
Friendswood, Texas 77546

RE: Delinquent Tax and Fine & Fee Report

Dear Mayor Foreman and Council Members:

Thank you for this opportunity to report on the progress of our delinquent tax and municipal fine and fee collection efforts on behalf of the City of Friendswood.

TAX COLLECTION ACTIVITY

Based upon the tax office reports, as of August 2026, the total amount of outstanding base taxes due through the 2025 tax year was \$715,709.84. Of that amount, the 2025 tax year balance was \$386,935.80. It should also be noted that over \$200,534.00 of the delinquent taxes owed involved accounts with over 65 deferrals and cannot be collected at this time. In general, our activities consist of several legal and quasi-legal efforts that are designed to produce payment from individuals and companies owing delinquent taxes to the City. These efforts include mailing demand letters, lawsuits, tax sales, tax resales, seizures, address research, title research on real property and individual contact with your taxpayers and lienholders.

I have enclosed graphs detailing our collection results for the 2021 - 2024 tax years, a 2025 pie chart showing how much was collected thru June 2026 and pie charts reflecting the status of the delinquent accounts by the breakdown of taxes by year and by status.

FINE AND FEE COLLECTION ACTIVITY

Regarding our fine and fee collections, historically \$10,963,674 has been turned over to us to collect. Based upon our records we have collected \$9,266,890.55 (\$4,516,009 in cash and \$4,752,813.70 in non-cash resolution) for a total liquidation rate of 84.54%. I have attached a chart giving you a snapshot of how much money was released to our firm to collect, our collection results to date, how many notices (letters and text messages) we have sent and addresses and phone numbers we have corrected, along with the number of contacts we have made. Additionally, we have attached three maps detailing the location of debtors in the Gulf Coast area and nationwide.

In the time we have been representing the City, we have developed a positive working relationship with your court and city staff. Together, we have made steady progress, and the City has been the beneficiary of this additional revenue.

If you need additional information or explanation, please let me know.

Very Truly Yours,

A handwritten signature in blue ink that reads "Yolanda M. Humphrey". The signature is written in a cursive, flowing style.

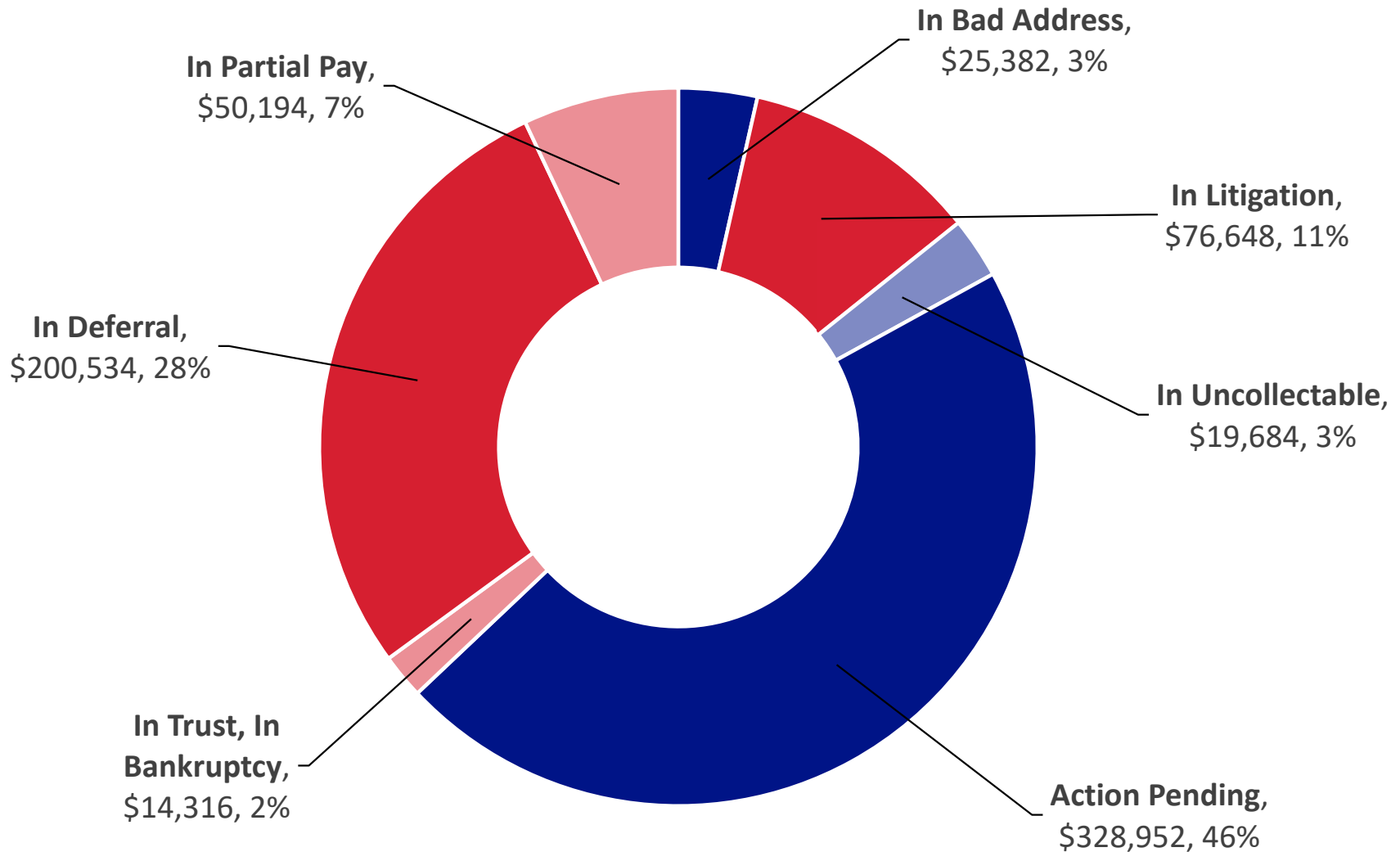
YMH/ras

Enclosure (s)



ACCOUNT BREAKDOWN CHART FOR CITY OF FRIENDSWOOD

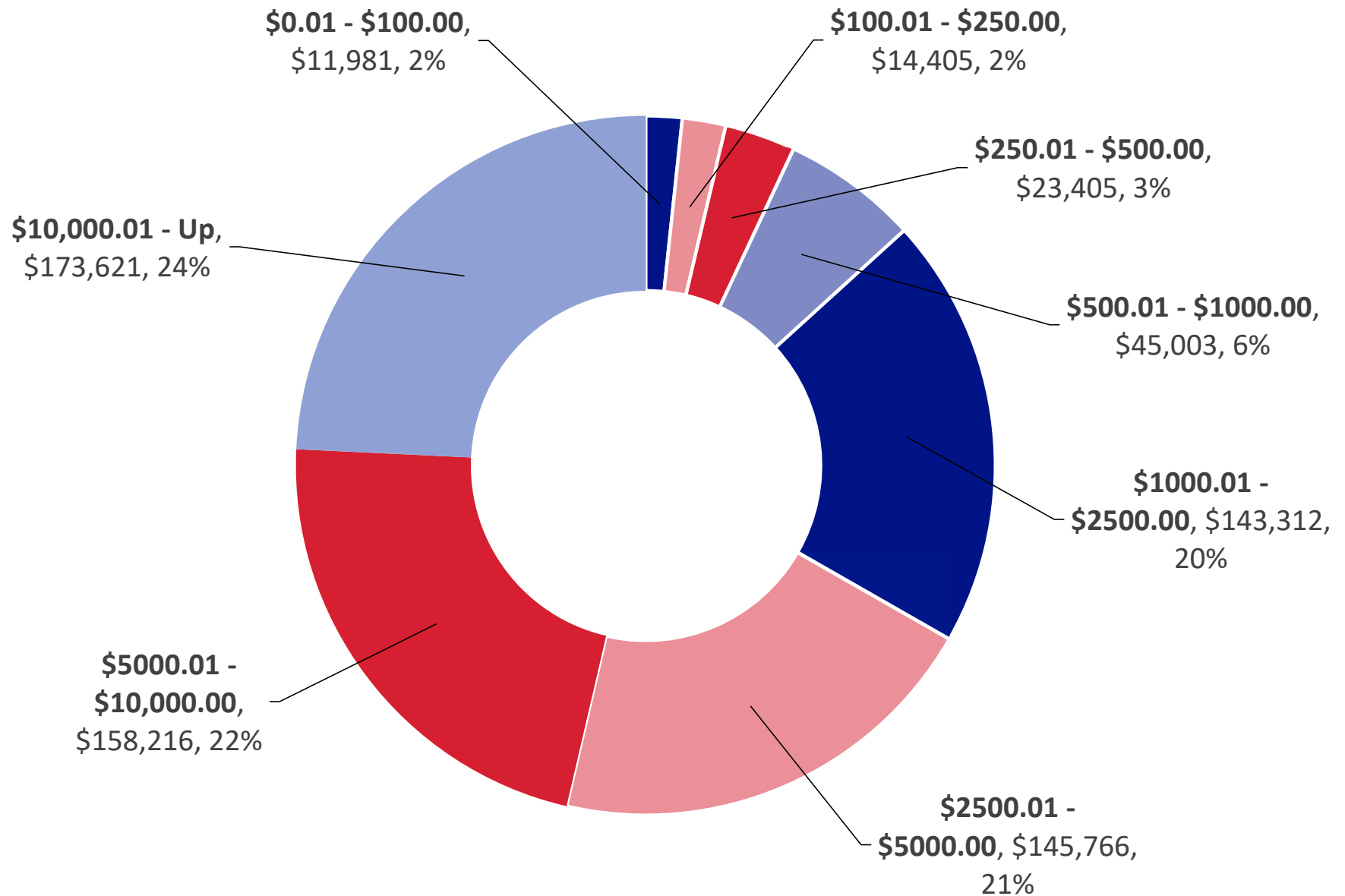
As of 8/13/2026 - Total Base Tax: \$715,710





DOLLAR RANGE CHART FOR CITY OF FRIENDSWOOD

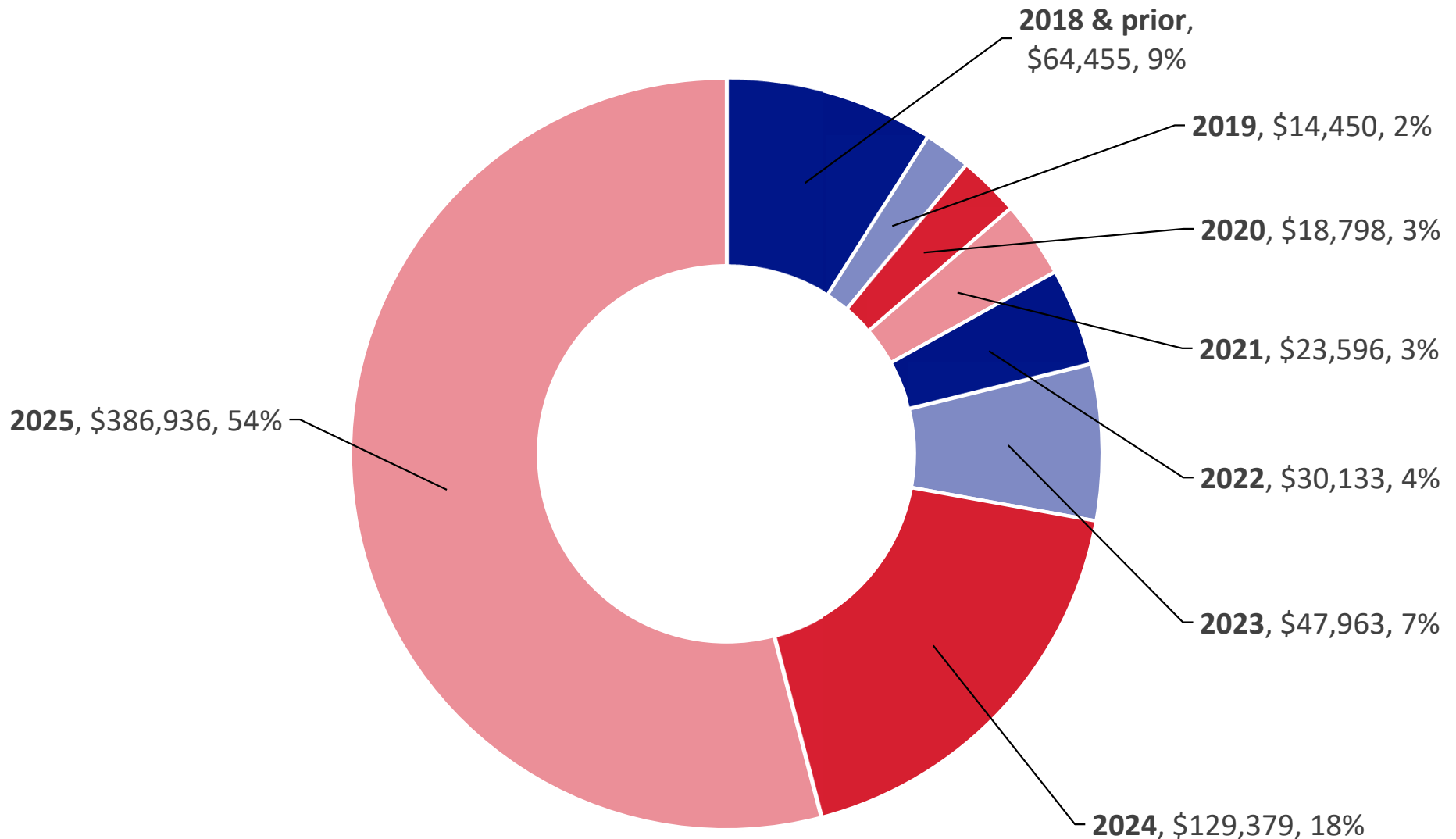
As of 8/13/2026 - Total Base Tax: \$715,710





TAX YEAR CHART FOR CITY OF FRIENDSWOOD

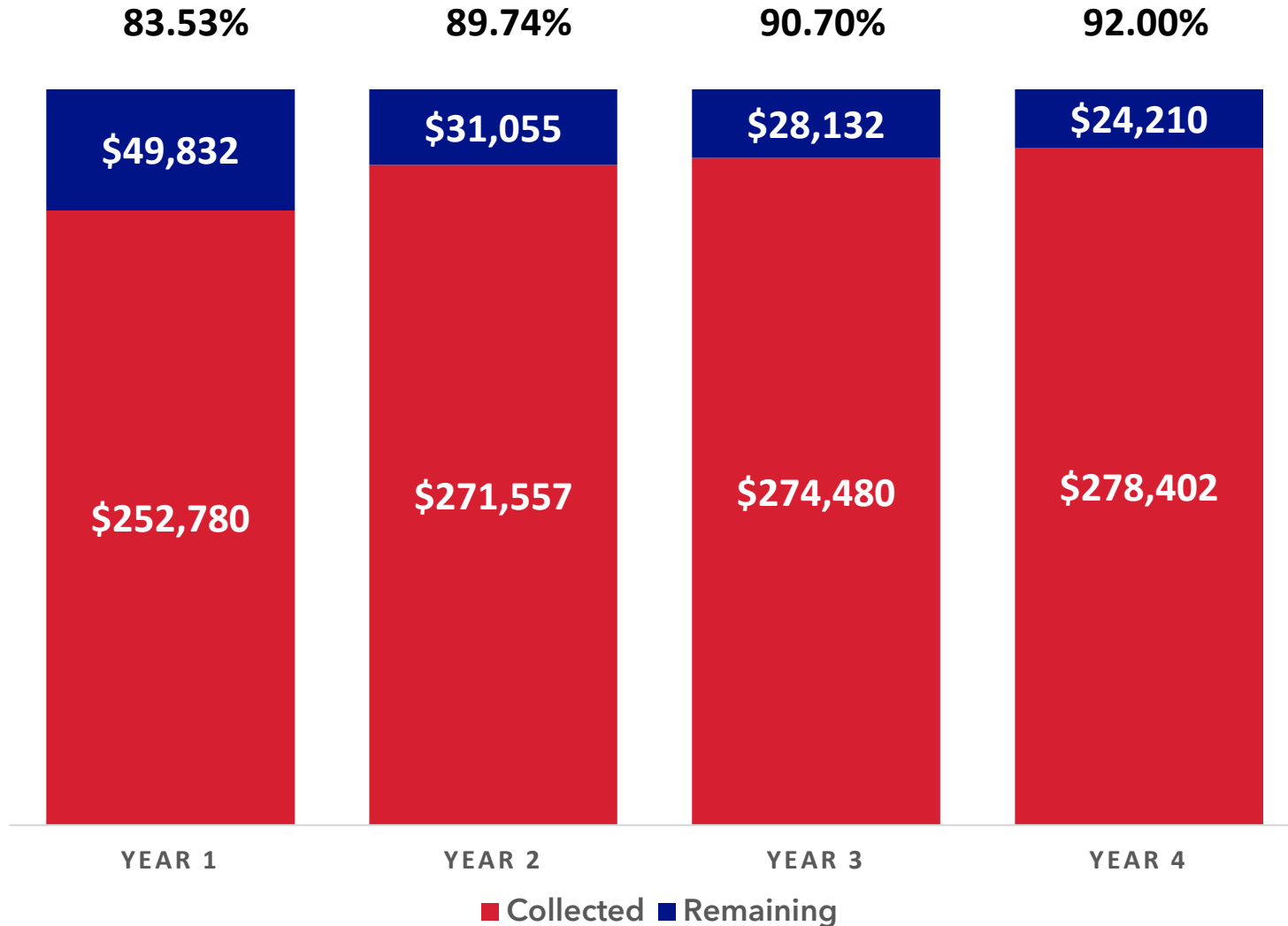
As of 8/13/2026 - Total Base Tax: \$715,710





2021 PERCENTAGE OF COLLECTION FOR CITY OF FRIENDSWOOD

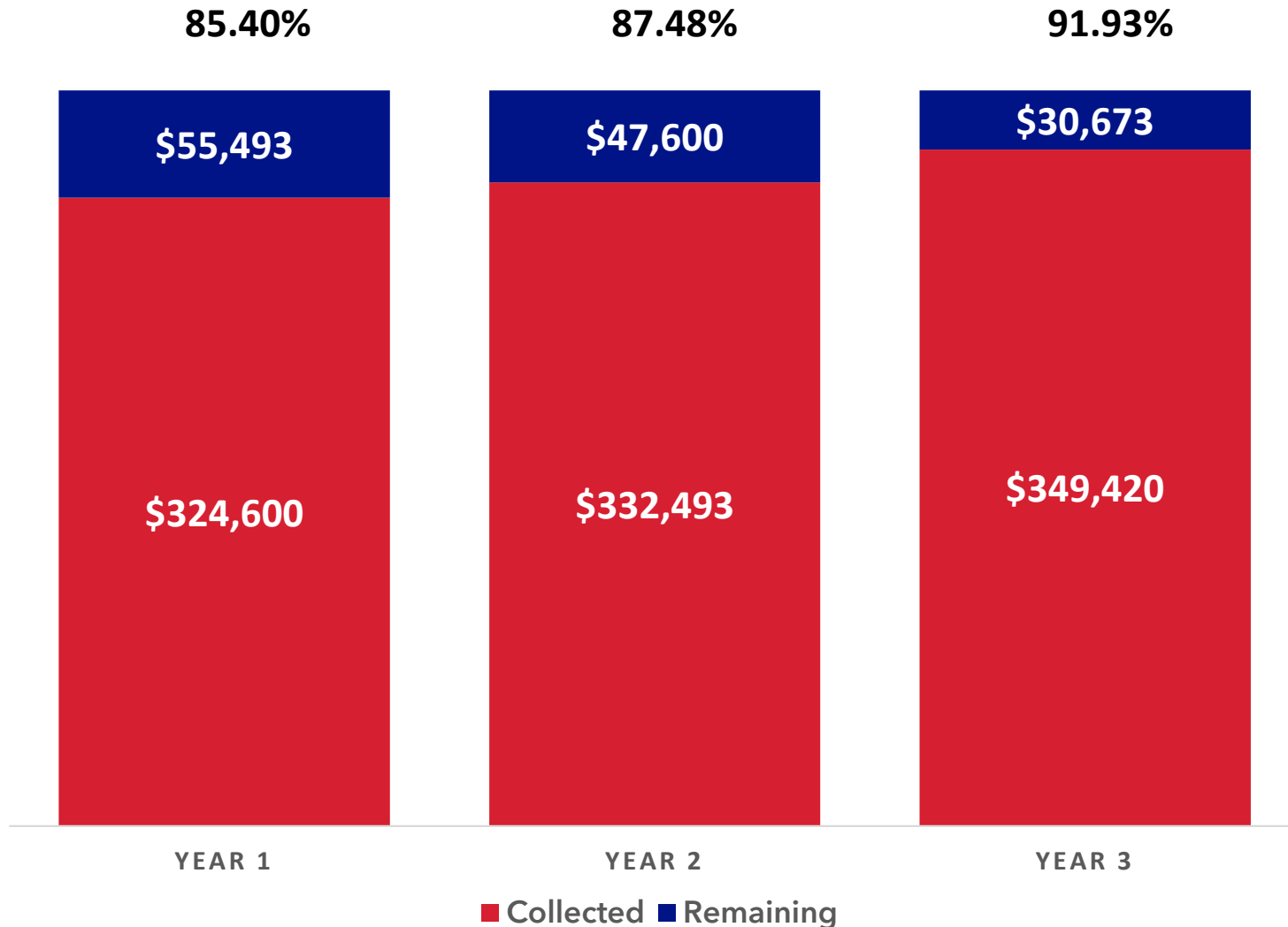
As of 07/01 - 6/30 for each year - Initial Outstanding Base Tax \$302,612





2022 PERCENTAGE OF COLLECTION FOR CITY OF FRIENDSWOOD

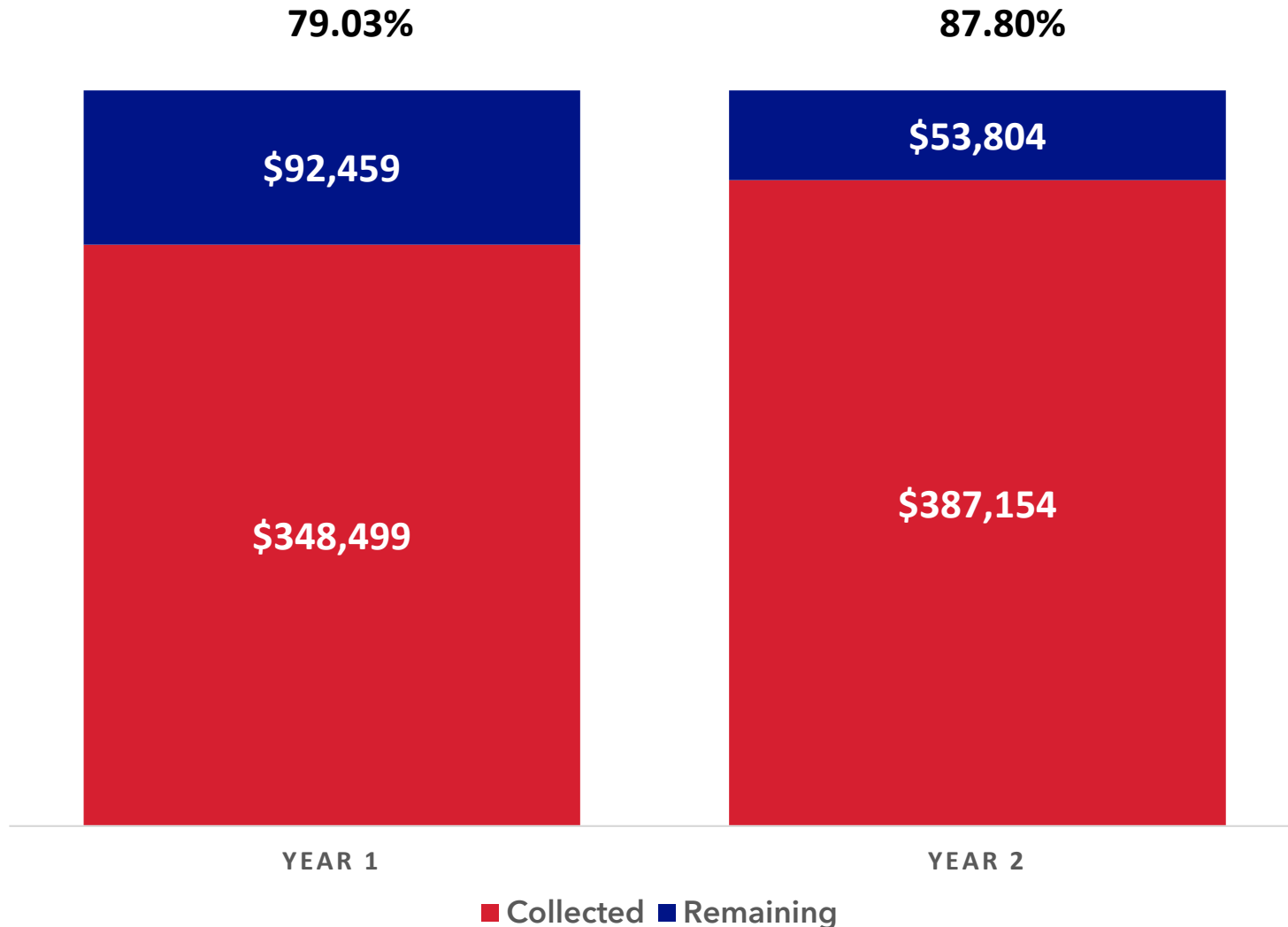
As of 07/01 - 6/30 for each year - Initial Outstanding Base Tax \$380,093





2023 PERCENTAGE OF COLLECTION FOR CITY OF FRIENDSWOOD

As of 07/01 - 6/30 for each year - Initial Outstanding Base Tax \$440,958





2024 PERCENTAGE OF COLLECTION FOR CITY OF FRIENDSWOOD

As of 07/01 - 6/30 for each year - Initial Outstanding Base Tax \$478,687

62.08%

\$181,517

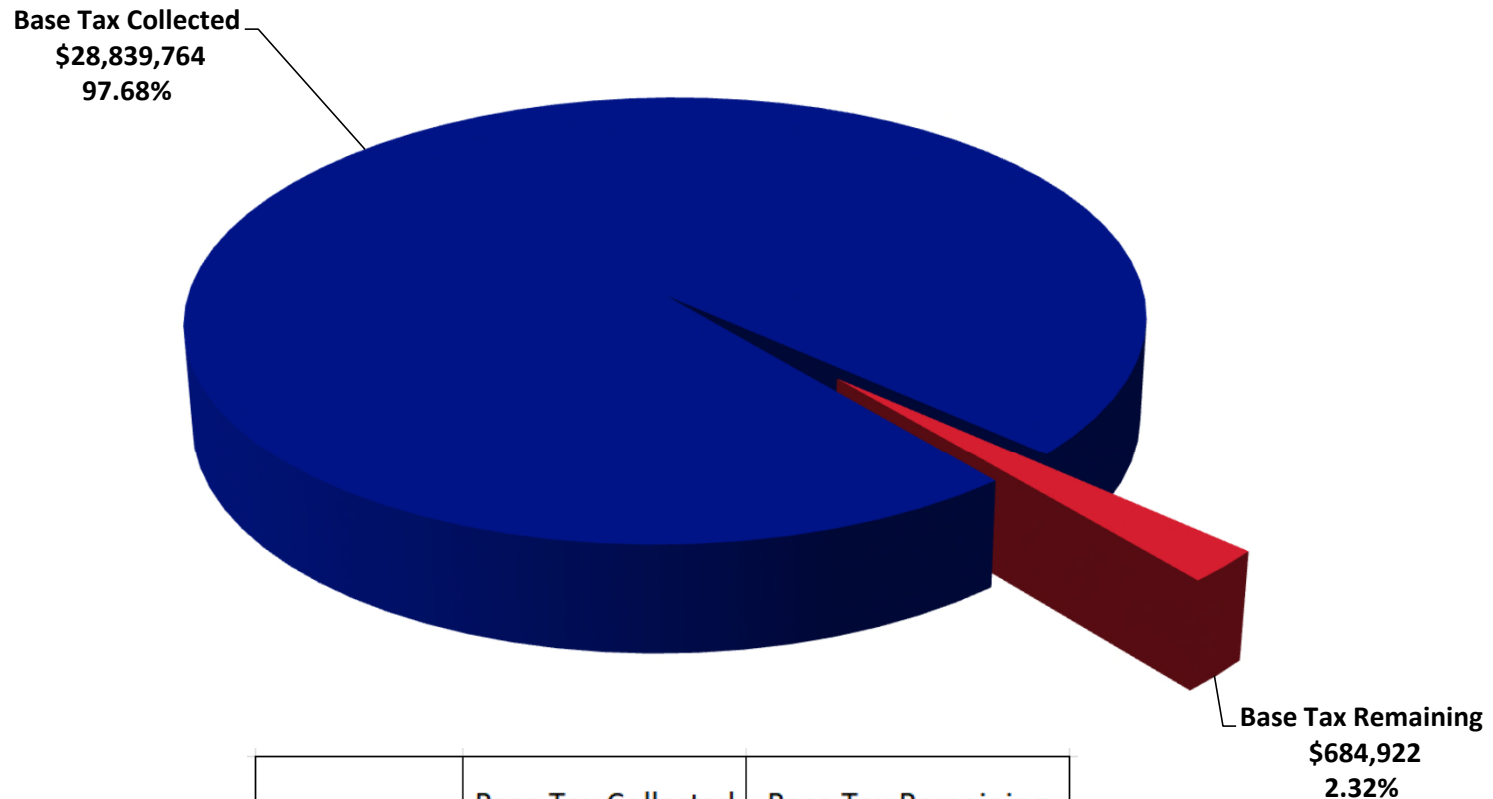
\$297,170

YEAR 1

■ Collected ■ Remaining

2025 Tax Year BASE TURNOVER CHART FOR CITY OF FRIENDSWOOD

Total 2025 Levy: \$29,524,686 *Amounts Provided by the Galveston County Tax Office



Total Levy	Base Tax Collected as of June 30, 2026	Base Tax Remaining as of June 30, 2026
\$29,524,686	\$28,839,764	\$684,922
	97.68%	2.32%

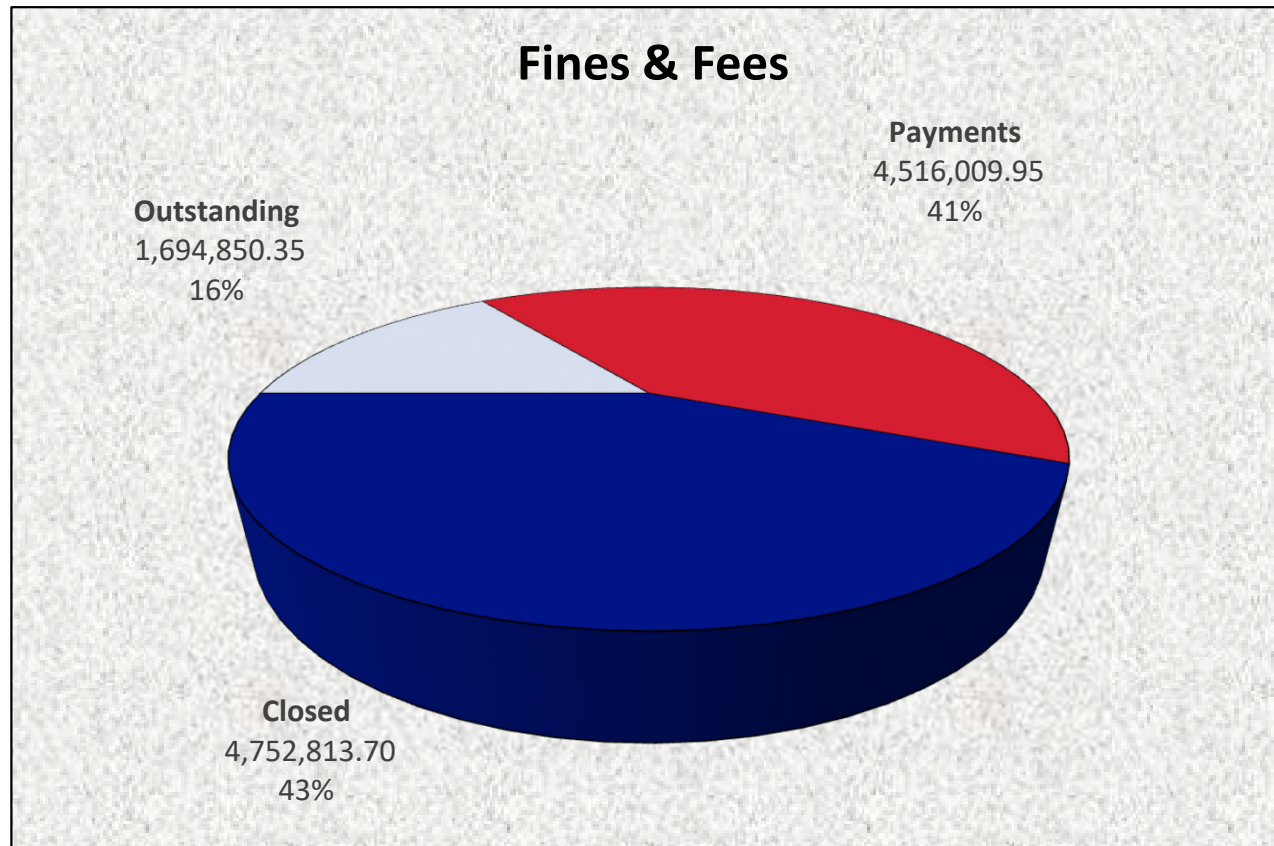


FINE & FEE COLLECTION REPORT

AS OF AUGUST 18, 2026

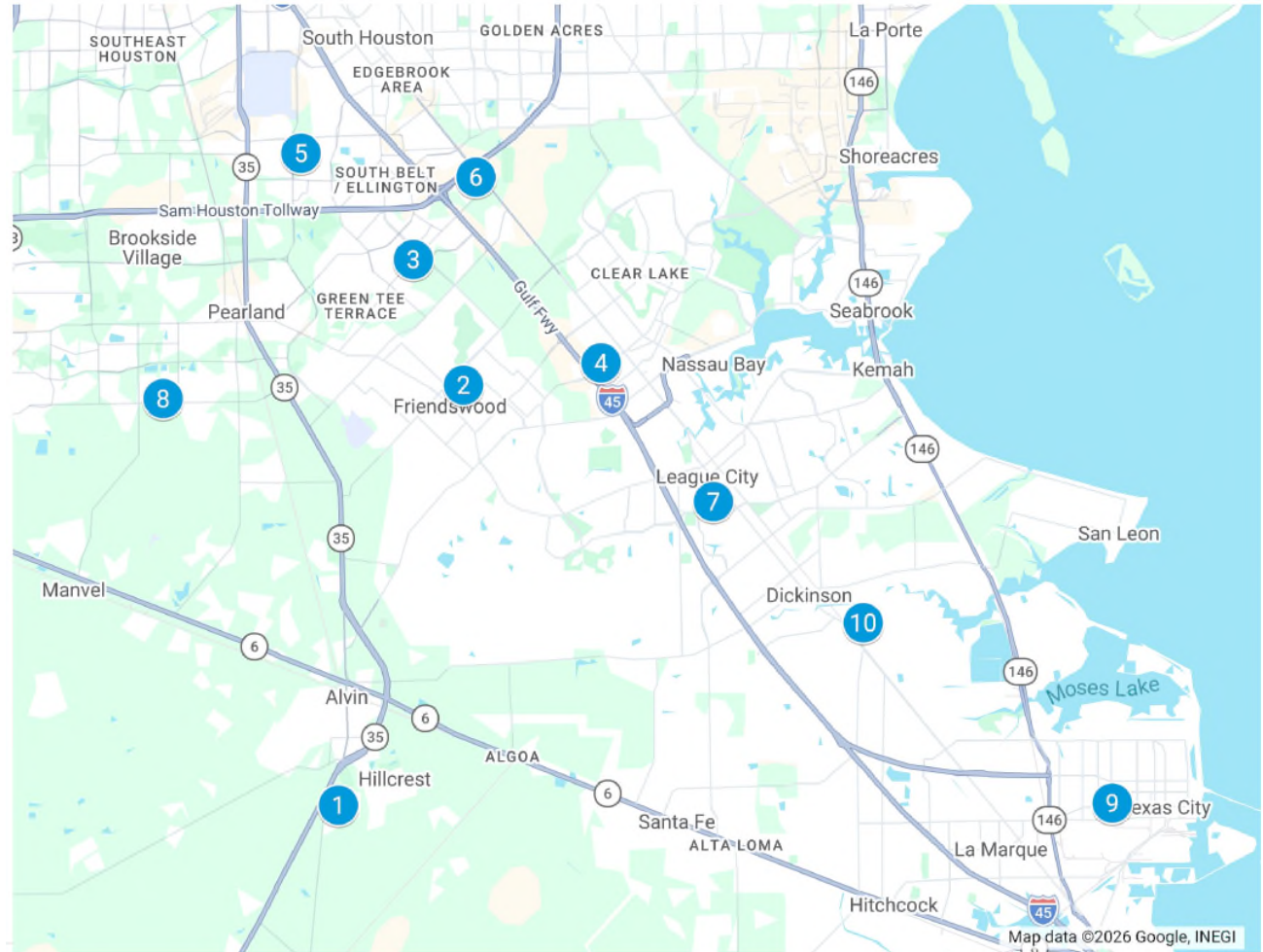
FOR THE CITY OF FRIENDSWOOD

Total Turnover		Payments and/or Partial Payments			Dismissed/Cleared			Total \$ % cleared	Address Correction	Letters Mailed	Phone # Changes	Phone Contacts	Text Contacts
\$	#	\$	#	% of \$	\$	#	% of \$						
10,963,674.00	22,413	4,516,009.95	15,111	41.19%	4,752,813.70	13,159	43.35%	84.54%	15,006	88,831	13,766	32,821	33,056



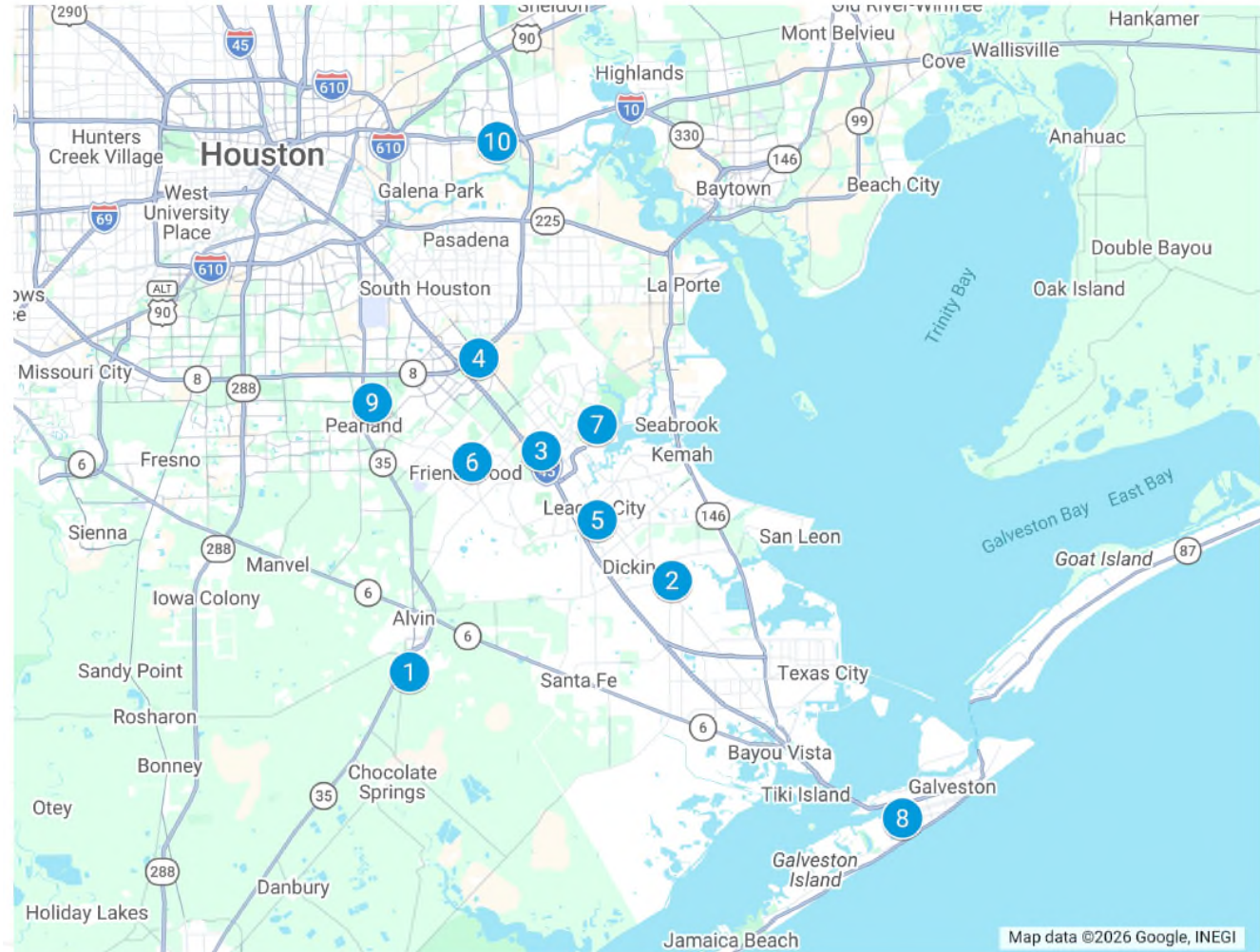
TOP 10 ACCOUNTS BY ZIP CODE FOR THE CITY OF FRIENDSWOOD

1	77511 - \$85895.47(118)
2	77546 - \$60390.79(100)
3	77089 - \$39133.07(51)
4	77598 - \$34619.26(50)
5	77075 - \$34121.03(44)
6	77034 - \$21336.80(34)
7	77573 - \$25059.96(33)
8	77584 - \$21723.57(30)
9	77590 - \$26325.60(30)
10	77539 - \$22901.60(28)



TOP 10 BAD ADDRESS ACCOUNTS BY ZIP CODE FOR THE CITY OF FRIENDSWOOD

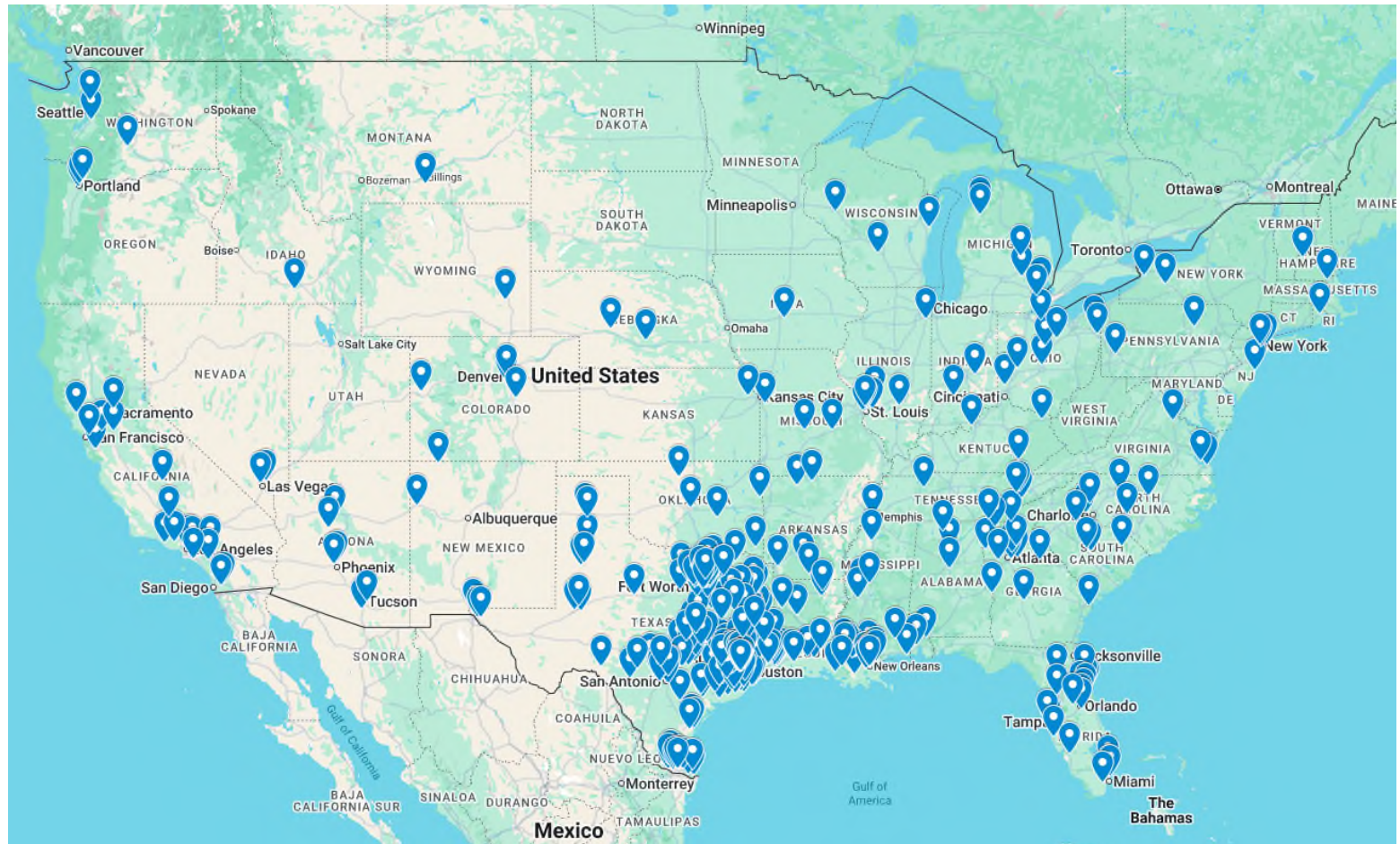
1	77511 - \$23383.08(30)
2	77539 - \$10420.50(15)
3	77598 - \$11807.00(14)
4	77034 - \$9317.00(12)
5	77573 - \$7729.30(11)
6	77546 - \$9063.30(10)
7	77058 - \$8056.62(7)
8	77551 - \$4638.24(7)
9	77581 - \$4635.68(7)
10	77015 - \$3894.93(6)





ALL ACCOUNTS FOR THE CITY OF FRIENDSWOOD


All items



**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 07/06/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Receive and discuss the Engineering Department's Quarterly CIP Update.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Engineering Department will present an update on the City's ongoing and upcoming CIP projects

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1.	CIP Update September 2026
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CITY OF FRIENDSWOOD

Capital Improvement Projects Update



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



Blackhawk Boulevard Phase II-C

LOCATION:

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

STATUS:

Completes the remaining segments of Blackhawk Boulevard reconstruction

12" water line and laterals has been constructed, pending testing

24" water line construction beginning soon

Storm sewer construction ongoing



Lift Station #2 Rehabilitation

LOCATION:

Old Public Works Deepwood Facility

STATUS:

Concrete pad for pipe header has been poured

Existing utility locations have been field verified

Contractor is finalizing his bypass plan before taking the lift station offline

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



Lift Station Mitigation Packages

LOCATION:

Lift Station No. 1 – FM 2351 @ Clear Creek
(Galveston County)

Lift Station No. 4 – Polly Ranch

Lift Station No. 17 – FM 2351 @ Clear Creek (Harris
County)

STATUS:

Lift Station 1: Wet well has been rehabbed and recoated. Yard piping will begin later this month.

Lift Station 4: Initial demolition has begun.

Lift Station 17: Demolition of existing slab complete. Concrete footings and piers for new generator have been poured.



Tank Project at Surface Water Plant #1

LOCATION:

Blackhawk Boulevard near FM 528

STATUS:

750,000-gallon concrete water tank constructed, disinfected, and initial fill completed

Construction on the extension of electrical/pump building is ongoing

Next major milestones will be programming of controls and tank commissioning



2024 H-GAC Carry-Over Spend Down Projects

LOCATIONS/STATUS:

TxDOT will be letting the following this summer:

FM 528 at FM 518 - Striping project including dual left turn lanes along FM 528 along with a right turn lane next to the new Golden Chick

FM 528 at Sunset - Restriping and signal reprogramming to add a second southbound left turn lane



\$547,000 – 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

TxDOT has signed the Advance Funding Agreement (AFA) (\$3.625 million, no local match)

City staff will have a kickoff meeting with TxDOT on September 14

RFQ for engineering and environmental services will be released soon

Sunset Drive Signal Improvements

Initial surveying and environmental are complete

City staff is scoping design with a consultant engineer

\$4.1 million grant with a 10% local match

Funding: \$7.725 Million in H-GAC Carry-Over Funds



Future H-GAC Carry-Over Spend Down Projects

LOCATIONS/STATUS:

Engineering for the following projects has been placed on hold due to recent City funding constraints:

FM 528 at Bay Area Boulevard – Additional through lanes on Bay Area Boulevard and addition of second left turn lanes along FM 528

FM 528 at Winding Way – New northbound right turn lane and southbound turn lane

FM 528 at Sunset – New southbound right turn lane

FM 528 at FM 518 – Addition of second left turn lanes and right turn lanes along FM 528

These projects were initially awarded construction funding through the COSD Program; however, TxDOT did not advance the projects in time to utilize the original funding, resulting in the loss of the original construction funding.

Engineering: \$155,000 - Unfunded



Questions / Comments



FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 07/06/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Receive a presentation regarding the City's Comprehensive Plan Update, to specifically discuss goals, objectives and strategies.

Originating Department: Community Development

Degree of importance:

SUMMARY / ORIGINATING CAUSE

At its Council meeting held on August 4, 2025, the City Council approved a contract with Ardurra Group, Inc., to perform consulting services associated with the update of the City's comprehensive plan and zoning ordinance and to provide grant administration, management, and contract compliance services under the CDBG-MIT program. At this meeting, staff will present the vision, guiding principles, goals, objectives and strategies that have been drafted as part of the plan.

A summary of actions taken to date is attached as well as a summary of the Goals, Objectives and Strategies that are drafted for the plan.

A link to the project page and drafts of the plan is provided below.

[Comprehensive Plan Project Page](#)

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

- | | |
|----|--|
| 1. | COMPREHENSIVE PLAN UPDATE Project Status Report September 2026 |
| 2. | Friendswood Comp Plan Summary for City Council 09-14-2026 |
| 3. | Comp Plan Update PPT presentation |



COMPREHENSIVE PLAN UPDATE

PROJECT STATUS

September 10, 2026

The City of Friendswood continues its Comprehensive Plan update with **Ardurra**. The project is currently in the **Future City** stage, where community input, existing conditions, and previous planning efforts are being translated into recommendations to guide Friendswood's future growth, development, mobility, neighborhoods, economic vitality, and quality of life.

PROJECT SITE

A web page has been designed and dedicated for the project to provide information for all steps of the process.

[Comprehensive Plan Project Page](#)

UPCOMING ACTIONS

September 8, 2026 | CPAC Meeting #4/P&Z Meeting

5:00–7:00 p.m.

The Comprehensive Plan Advisory Committee (CPAC) will meet to continue reviewing the plan and providing community feedback on the draft recommendations.

September 10, 2026 | Planning & Zoning Commission Work Session

Planning and Zoning Commission will receive an update on the drafts of Chapters 1-5 of Comprehensive Plan and discuss the draft recommendations.

September 14, 2026 | City Council Work Session

City Council will receive an update on the Comprehensive Plan and discuss the draft recommendations and next steps.

September 24, 2026 | Planning & Zoning Commission Work Session

Planning and Zoning Commission will receive an update on the drafts of Chapters 6-8 of Comprehensive Plan and discuss the draft recommendations.

October 5, 2026 | City Council Work Session

City Council will receive an update on the Comprehensive Plan and discuss the draft Future Land Use Map and Major Thoroughfare Plan.

October 8, 2026 | Planning & Zoning Commission Work Session

Planning and Zoning Commission will receive an update on the drafts of Chapters 9-11 of Comprehensive Plan and discuss the draft recommendations.

October 22, 2026 | Planning & Zoning Commission Work Session

Planning and Zoning Commission will receive an update on the drafts of Chapters 12-14 of Comprehensive Plan and discuss the draft recommendations.

October 20, 2026 | Town Hall Meeting

The consultant will host a Town Hall meeting to obtain input from citizens.

November 12, 2026 | Planning & Zoning Commission Public Hearing & Recommendation

Planning and Zoning Commission will hold a public hearing to receive input from the public and make a recommendation to City Council regarding adoption of the Comprehensive Plan.

December 7, 2026 | City Council Public Hearing & Ordinance

City Council will hold a public hearing to receive input from the public and consider approving an ordinance adopting the Comprehensive Plan.

October - April 2026 | Zoning Ordinance Review

The Ordinance Subcommittee is tentatively scheduled to begin reviewing recommended amendments to the City's Zoning Ordinance and Subdivision Ordinance and conversion to a Unified Development Code (UDC).

Ongoing | Draft Chapter Review

Drafts of **Chapters 1–13** have been received. Staff from various City departments reviewed the chapters and provided comments and recommendations.

PROJECT MILESTONES**SEPTEMBER 2025**

City Staff Focus Group - City staff provided input on key issues and opportunities facing Friendswood.

OCTOBER 2025

City Council Focus Group - City Council discussed community priorities and the future of Friendswood.

NOVEMBER 2025

Planning & Zoning Commission Focus Group - Commission members provided input on

planning issues and opportunities.

OCTOBER 2025

Halloween in the Park

The project team engaged residents and gathered community input at a community event.

DECEMBER 2025

CPAC Meeting #1 - CPAC held its first meeting at the Friendswood Public Library. Recurring themes included Downtown improvements, traffic, preserving Friendswood's small-town charm, and community events.

DECEMBER 2025

Regional Planning Coordination - Ardurra coordinated with The Goodman Group and HGAC regarding the ongoing Active Transportation study and community engagement efforts.

JANUARY–MARCH 2026

Community & Stakeholder Outreach

Outreach included an online survey (flyers were distributed to all elementary schools in Friendswood and the public in general); a high school student stakeholder meeting, and meetings with Friendswood Downtown Economic Development Corporation (FDEDC), Panhandle property owners, and EOC staff.

FEBRUARY 2026

CPAC Bus Tour - CPAC members toured the community to observe key corridors, neighborhoods, development areas, and potential opportunities.

APRIL 2026

CPAC Meeting #3 - CPAC continued its review of the Comprehensive Plan and provided additional community-based feedback regarding goals, objectives and strategies.

City of Friendswood COMPREHENSIVE PLAN UPDATE

VISION

Rooted in heritage and enriched by its natural environment, Friendswood is a safe, connected community with strong schools, vibrant places, balanced growth, and an exceptional quality of life for current and future generations.

GUIDING PRINCIPLES

- Foster economic vitality, opportunity & local business growth
- Enrich community character, small-town feel & sense of place
- Provide quality infrastructure, mobility & walkability
- Support housing choice & safe, strong, stable neighborhoods
- Enhance quality of life through high-quality education, parks & natural assets
- Ensure resilient, sustainable infrastructure & strategic growth

ALIGNMENT OF COMPREHENSIVE PLAN WITH CITY COUNCIL GOALS

City Council Guiding Principles	Comprehensive Plan Guiding Principles	Focus/Connection
Invest in our personnel	Provide quality services and enhance quality of life	A strong workforce supports effective public services, emergency response, community programs, and the high level of service expected by Friendswood residents.
Proactively address drainage, flooding, and mobility issues	Provide quality infrastructure, mobility & walkability and Ensure resilient, sustainable infrastructure & strategic growth	The Comp Plan builds upon this priority by addressing transportation connectivity, pedestrian and bicycle networks, stormwater management, flood resilience, and infrastructure improvements.
Diversify our tax base	Rooted in heritage and enriched by its natural environment, Friendswood is a safe, connected community	Safety remains a core community value and is expanded to include emergency preparedness, resilient infrastructure, safe neighborhoods, and accessible public spaces.
Nurture a strong sense of community	Enrich community character, small-town feel & sense of place	The Comp Plan reinforces Friendswood's identity by protecting its heritage, neighborhood character, community gathering spaces, and unique qualities that residents value.
Enhance safety	Support housing choice & strong, safe, stable neighborhoods	This builds upon the Council's community focus by addressing housing diversity, neighborhood stability, aging-in-place opportunities, and maintaining high-quality residential areas.
Nurture a Strong Sense of Community	Enhance quality of life through high-quality education, parks & natural assets	This expands the Council's vision by recognizing the importance of schools, parks, trails, open space, trees, and natural resources in maintaining Friendswood's exceptional quality of life.

GOALS, OBJECTIVES, AND STRATEGIES

LU

PLANNING FOR GROWTH - LAND USE

LU Goal 1

Promote balanced and appropriate land uses that support growth, community needs, and economic development.

Objectives

- Guide future growth through strategic land use planning, rezoning, and redevelopment that aligns with the Future Land Use Plan.
- Preserve land for civic, recreational, educational, and other community-serving uses.
- Support a balanced mix of residential, commercial, industrial, and mixed-use development in appropriate locations while ensuring compatibility between adjacent land uses.
- Strengthen commercial corridors and activity centers, including FM 528, Downtown, and the Warehouse District, to expand retail, dining, entertainment, and employment opportunities.
- Encourage infill, redevelopment, and compact development that maximizes existing infrastructure and reinforces Friendswood's character.
- Promote land use patterns that primarily serve Friendswood residents and businesses while discouraging development that encourages regional cut-through traffic.

Strategies

- Ensure that future development is in conformance with the Future Land Use Map and reinforce the desired qualities of each character district as defined in this chapter.
- Evaluate rezoning opportunities based on long-term fiscal impacts, compatibility, infrastructure capacity, and market demand.
- Promote retail, restaurant, entertainment, and employment uses in designated commercial areas and at strategic commercial nodes rather than continuous strip development.
- Maintain and strengthen industrial areas particularly within the Warehouse District, while encouraging compatible commercial and employment uses.
- Evaluate future land uses in constrained areas based on floodplain, drainage, utility availability, pipeline corridors, transportation access, and environmental conditions.
- Prepare and implement a corridor plan for FM 528 and FM 518 to guide infill development, access management, and economic development.
- Plan and prioritize infrastructure improvements—including water, wastewater, drainage, and transportation—to support redevelopment and future growth.

LU Goal 2

Promote context-sensitive development that preserves Friendswood's character, enhances corridors, and encourages reinvestment in established neighborhoods.

Objectives

- Preserve and reinforce Friendswood's small-town character, identity and sense of place.
- Ensure compatible transitions between adjacent land uses through site planning and design.
- Enhance the appearance of commercial corridors and neighborhoods by reducing visual blight and encouraging high-quality development and redevelopment

Strategies

- Establish character and corridor-based development standards that reinforce the desired land use pattern and community character.
- Discourage repetitive and cookie cutter residential development patterns, excessive strip commercial retail development, and overconcentration of auto-oriented uses that diminish corridor quality.
- Require appropriate buffering, landscaping, screening, and building setbacks where intensive commercial development is adjacent to residential neighborhoods.
- Encourage mixed-use, walkable and pedestrian-oriented development in Downtown, activity centers, and along designated corridors.
- Support reinvestment in established neighborhoods and commercial areas through policies, programs, and incentives that encourage redevelopment, rehabilitation, and long-term property maintenance. Consider strategies such as:
 - Rehabilitation or façade improvement grants
 - Code enforcement
 - Infrastructure improvements
 - Zoning amendments
 - Neighborhood conservation standards
 - Incentives for redevelopment
 - Tree planting or streetscape improvements
 - Historic preservation programs

LU Goal 3

Use land efficiently and responsibly to maximize the value of Friendswood's remaining developable land while minimizing long-term infrastructure and public service costs.

Objectives

- Promote efficient land use patterns that optimize the use of existing infrastructure and developable land.
- Encourage redevelopment, infill development, and adaptive reuse to reduce pressure for greenfield development.
- Integrate environmental stewardship, drainage, and open space into land use planning to improve resilience and quality of life.

Strategies

- Encourage shared parking, structured parking, and parking located behind buildings in Downtown, commercial centers, and other appropriate mixed-use areas.
- Promote compact site design and coordinated access to reduce unnecessary pavement and improve land efficiency.
- Integrate regional drainage, detention, and green infrastructure into the planning and design of new development and redevelopment.
- Design detention facilities, where feasible, as community amenities with landscaping, trails, and long-term maintenance standards.
- Preserve flood-prone, environmentally sensitive, and natural areas as open space, conservation areas, or other low-intensity uses.
- Encourage redevelopment of underutilized and obsolete commercial and industrial properties where infrastructure capacity exists.
- Consider flood risk, drainage capacity, environmental constraints, and long-term infrastructure costs when evaluating development and redevelopment opportunities.

LU Goal 4

Plan for long-term growth by aligning land use policies with demographic trends, market demand, infrastructure capacity, and fiscal sustainability.

Objectives

- Align land use policies with changing market conditions and long-term community needs.
- Encourage development and redevelopment that strengthens Friendswood's tax base, expands employment opportunities, and provides desired goods and services.
- Support development patterns that retain investment within the City and promote fiscally responsible growth.
- Promote fiscally sustainable growth that maximizes the long-term value of public infrastructure investments.

Strategies

- Periodically evaluate land use policies and development regulations to ensure they remain responsive to demographic trends, housing needs, and market demand.
- Provide flexibility in development patterns, densities, and site design where supported by infrastructure capacity, compatibility, and high-quality design standards.
- Encourage a diverse mix of lot sizes, housing types, commercial uses, and employment centers to meet the needs of current and future residents.
- Promote the adaptive reuse and redevelopment of underutilized commercial properties to support evolving market demands.
- Streamline development review processes and improve predictability to encourage quality private investment and redevelopment.
- Consider targeted incentives to encourage redevelopment, façade improvements, adaptive reuse, and reinvestment in strategic commercial and residential areas where they provide a clear public benefit.

HN HOUSING AND NEIGHBORHOODS

HN-H Housing

HN-H Goal 1

Expand housing choice to meet the needs of residents at different life stages, incomes, and household sizes while maintaining Friendswood's character and quality of life.

Objectives:

- Encourage a diverse mix of housing types that meet the needs of residents throughout all stages of life.
- Preserve attainable housing and support reinvestment in established neighborhoods.
- Promote compatible housing development and redevelopment initiatives that reflect neighborhood character and infrastructure capacity.

Strategies:

- Encourage a range of housing types, including smaller-lot single-family homes, townhomes, patio homes, senior housing, and appropriately located multifamily development.
- Identify areas suitable for incremental increases in residential density, including duplexes, townhomes, and small-lot development, where compatible with surrounding neighborhoods and supported by infrastructure.
- Periodically review zoning, subdivision, parking, and development regulations to remove unnecessary barriers and increase housing flexibility while maintaining neighborhood compatibility and high-quality design.
- Encourage infill housing and redevelopment that complement the scale, character, and design of existing neighborhoods.
- Support the preservation and rehabilitation of existing housing to extend the life of the City's housing stock and maintain neighborhood stability.

HN-H Goal 2

Promote resilient, high quality, and compatible housing development that supports long-term community sustainability.

Objectives

- Coordinate housing development with infrastructure capacity and the provision of public services.
- Reduce housing vulnerability to flooding and other environmental hazards.
- Ensure new housing is thoughtfully designed and compatible with surrounding neighborhoods.

Strategies

- Coordinate residential development with transportation, water and wastewater systems, drainage, parks, and other public infrastructure.
- Encourage resilient site design and building practices that reduce flood risk and improve long-term durability.
- Evaluate traffic, drainage, utility capacity, and other infrastructure impacts as part of the development review process.
- Establish appropriate transitions in scale and density between new housing and existing neighborhoods through setbacks, buffering, building orientation, and other design measures.
- Promote high-quality residential design through appropriate building scale, durable materials, landscaping, and site design standards.

HN-H Goal 3

Promote equitable access to quality housing opportunities throughout Friendswood.

Objectives

- Expand access to attainable and accessible housing for residents at different life stages, household sizes, and income levels.
- Encourage housing opportunities in locations that provide convenient access to community amenities, services, and employment.
- Consider housing needs and fair housing principles in community planning and investment decisions.

Strategies

- Encourage housing opportunities for first-time homebuyers, workforce households, seniors, and residents seeking to downsize.
- Promote accessible and age-friendly housing near parks, schools, healthcare, shopping, employment, and civic facilities.
- Encourage a range of housing options and price points throughout the community to expand access to quality housing.
- Consider housing needs and fair housing principles when prioritizing public investments, redevelopment initiatives, and community improvements.

HN-H Goal 4

Preserve and enhance Friendswood's existing housing stock to maintain neighborhood stability, expand attainable housing opportunities, and support long-term residency.

Objectives

- Preserve and reinvest in existing housing that provides attainable housing opportunities.
- Encourage maintenance, rehabilitation, and modernization of established neighborhoods.
- Improve the safety, resilience, and long-term viability of the existing housing stock while minimizing displacement.

Strategies

- Strengthen property maintenance standards and enforcement to protect housing quality, neighborhood stability, and community appearance.
- Encourage the rehabilitation, modernization, and maintenance of older homes through public and private investment.
- Promote resilient upgrades that reduce flood risk, improve energy efficiency, and increase the long-term durability of existing homes.
- Periodically evaluate regulations to remove unnecessary barriers to rehabilitation, renovation, and adaptive reuse while maintaining health and safety standards.
- Support programs and incentives that preserve existing housing, improve housing quality, maintain long-term affordability, and minimize displacement.
- Prioritize housing preservation and reinvestment efforts in neighborhoods with older housing stock and greater reinvestment needs.

HN-N Neighborhoods

HN-N Goal 1

Enhance neighborhood connectivity and access to parks, schools, Downtown, and other community destinations.

Objectives:

- Improve pedestrian, bicycle, and multimodal connectivity throughout the community.
- Increase safe and convenient connections between neighborhoods and major destinations.
- Create a transportation network that is safe and accessible for people of all ages and abilities.

Strategies:

- Implement the City's 2026 Active Transportation Plan to expand sidewalks, trails, bicycle facilities, and safe street crossings.
- Identify and prioritize gaps in the pedestrian and bicycle network and improve connections between neighborhoods, parks, schools, Downtown, and other activity centers.
- Incorporate pedestrian, bicycle, and multimodal connections into new development and redevelopment.
- Update subdivision and zoning regulations, as appropriate, that require interconnected pedestrian and bicycle facilities and connections between neighborhoods and community destinations.

HN-N Goal 2

Invest in safe, resilient, and well-maintained neighborhoods.

Objectives

- Maintain and improve neighborhood infrastructure and public facilities.
- Reduce neighborhood vulnerability to flooding and other environmental hazards.
- Promote safe, attractive, and environmentally healthy neighborhoods.

Strategies

- Prioritize investment in sidewalks, drainage, streets, lighting, utilities, landscaping, and street trees based on infrastructure condition, community needs, and available resources.
- Coordinate neighborhood improvements with drainage and flood mitigation projects and incorporate greenways, open space, and other nature-based solutions where appropriate.
- Encourage green infrastructure and sustainable design practices that improve neighborhood resilience and environmental quality.
- Maintain effective property maintenance standards and enforcement to protect housing quality, neighborhood stability, and community appearance; evaluate the property maintenance code periodically to address identified gaps.
- Strengthen rental inspection and compliance programs in established neighborhoods where appropriate.
- Consider Crime Prevention Through Environmental Design (CPTED) principles in the planning and design of public spaces, streets, parks, and neighborhood improvements.

HN-N Goal 3

Preserve neighborhood character while encouraging compatible development, reinvestment and equitable public investment.

Objectives

- Preserve the character and identity of established neighborhoods while allowing them to evolve.
- Encourage compatible infill, redevelopment and neighborhood reinvestment.
- Prioritize neighborhood investments based on community needs, infrastructure conditions, and equitable access to amenities and services.

Strategies

- Preserve mature trees, landscaping, open space, and other features that contribute to neighborhood character.
- Explore conservation-oriented development approaches, such as conservation development or clustered housing, that preserve open space and rural character while providing diverse housing opportunities.
- Encourage a compatible mix of housing types that support neighborhood stability, aging in place, and diverse household needs.
- Encourage integration of schools, parks, recreation, and neighborhood services with safe pedestrian and bicycle connections.
- Promote context-sensitive infill and redevelopment that respects surrounding lot patterns, setbacks, building scale, and neighborhood character.
- Prioritize neighborhood investments using objective criteria such as infrastructure conditions, accessibility, environmental risk, access to parks and public facilities, and community needs.

UC URBAN CHARACTER

UC-D Downtown

UC-D Goal 1

Preserve and enhance Downtown's unique character while encouraging high-quality, compatible redevelopment that strengthens Friendswood's identity and economic vitality.

Objectives

- Reinforce Downtown's historic, small-town character through compatible design, development, and public improvements.
- Encourage high-quality redevelopment and reinvestment that respects Downtown's established scale, character, and architectural identity.
- Strengthen Friendswood's identity and sense of place through distinctive design, landscaping, public art, and other community features.

Strategies

- Adopt Downtown-specific design standards for architecture, signage, landscaping, streetscapes, sidewalks, and site design that reinforce the area's historic, small-town character.
- Encourage new construction and renovations that complement Downtown's scale and architectural character while accommodating contemporary uses.
- Incorporate recognizable Friendswood elements, including the acorn motif, into public art, signage, streetscape features, and other appropriate public and private improvements.
- Encourage shared parking and coordinated access among Downtown businesses to reduce pavement and create opportunities for landscaping and streetscape improvements.
- Improve the appearance of commercial properties along FM 518 through enhanced landscaping, screening, building orientation, and site design.
- Discourage building designs and site improvements that are inconsistent with Downtown's established character.
- Develop incentives that encourage high-quality redevelopment and reinvestment consistent with the Downtown vision.
- Balance historic preservation, community character, and economic vitality when evaluating redevelopment proposals.

UC-D Goal 2

Establish Downtown as Friendswood's vibrant civic, cultural, and social heart by creating welcoming public spaces and supporting year-round community activity.

Objectives

- Create attractive public spaces that encourage gathering, recreation, and community events.
- Support a diverse mix of uses and activities that bring residents and visitors Downtown throughout the day, evening, and year.
- Strengthen Downtown's role as a destination for civic, cultural, dining, shopping, and entertainment activities.

Strategies

- Create a cohesive network of sidewalks, public spaces, plazas, pocket parks, outdoor seating, and gathering areas throughout Downtown.

- Explore opportunities for a central civic gathering space, potentially in conjunction with the Friendswood Public Library or other civic uses.
- Encourage restaurants, retail, entertainment, and mixed-use development that support evening and weekend activity.
- Encourage outdoor dining, shaded seating, and other pedestrian-oriented amenities along FM 518.
- Consider locating additional civic and community-serving uses Downtown to increase activity and strengthen its role as a community gathering place.
- Support festivals, holiday celebrations, school-related activities, and other events that bring residents together.
- Expand year-round programming and after-hours events that encourage civic participation, local shopping, and community interaction.
- Use banners, public art, seasonal displays, and other temporary installations to support Downtown events and create a sense of activity and identity.

UC-D Goal 3

Improve Downtown mobility, accessibility, parking, and streetscape while maintaining a safe and pedestrian-oriented environment.

Objectives

- Create a safe, accessible, and connected pedestrian and bicycle network throughout Downtown.
- Improve the comfort, appearance, and usability of Downtown streets and sidewalks.
- Manage parking efficiently to support businesses while preserving a walkable and attractive Downtown.

Strategies

- Develop a cohesive, continuous multimodal corridor along FM 518 with enhanced sidewalks, bicycle facilities, landscaping, and connections to adjacent neighborhoods and planned creek paths.
- Complete missing sidewalk segments and improve pedestrian crossings throughout Downtown.
- Address accessibility barriers, uneven sidewalks, and other pedestrian safety and mobility deficiencies.
- Plant large, shade-producing street trees and incorporate landscaping to improve pedestrian comfort and reduce heat exposure.
- Implement rear parking, shared parking, coordinated access, and other parking management strategies to reduce unnecessary drive aisles and pedestrian conflicts along FM 518.
- Encourage parking lots to use coordinated design, landscaping, and materials that contribute to a cohesive Downtown appearance.
- Explore structured, permeable, or other innovative parking solutions where additional parking capacity is needed.
- Provide convenient and secure bicycle and stroller parking at strategic Downtown locations to encourage walking and bicycling.
- Coordinate streetscape improvements with utility relocation, drainage improvements, and other infrastructure projects to reduce visual clutter and maximize public investment.

Corridors

UC-C Goal 1

Transform major corridors into attractive, safe, multimodal connections that strengthen community character and support compatible development.

Objectives

- Improve the safety, accessibility, functionality, and appearance of major corridors for all users.
- Establish consistent corridor design standards that reinforce Friendswood's character and support high-quality development.
- Improve the visual quality and cohesiveness of major commercial corridors.

Strategies

- Establish coordinated streetscape standards for FM 518, FM 528, FM 2351, and Friendswood Parkway including landscaping, street trees, sidewalks, bicycle facilities, lighting, furnishings, and pedestrian buffers.
- Develop enhanced intersection and streetscape treatments, including pavers or other distinctive materials, using scalable designs appropriate to the size and traffic volume of each corridor.
- Improve pedestrian and bicycle connections along major corridors, with particular emphasis on FM 518 outside Downtown, FM 528, FM 2351, Friendswood Parkway, and connections to Blackhawk Boulevard.
- Review and update corridor overlay standards for signage, landscaping, setbacks, architectural design, access management, and building and garage placement.
- Reduce visual clutter through coordinated signage, utility improvements, landscaping, screening, and removal of redundant infrastructure where feasible.
- Encourage coordinated access, parking, landscaping, and site design that improve the appearance and functionality of commercial properties.
- Improve the visual quality of older commercial areas through landscaping, screening, buffering, and strategic redevelopment.
- Develop an enhanced pedestrian environment along FM 518 that extends the Downtown experience into adjacent commercial areas.

UC-C Goal 2

Develop an interconnected network of green corridors that expands recreation, improves connectivity, and protects Friendswood's natural resources.

Objectives

- Connect neighborhoods, parks, schools, civic facilities, Downtown, and other destinations through trails and shared-use paths.
- Expand public access to creeks and natural areas while protecting environmental resources and flood-management functions.
- Incorporate recreation, native landscaping, and environmental enhancements into green corridor planning.

Strategies

- Prioritize trail connections that link green corridors to neighborhoods, major roadways, parks, schools, Downtown, and community facilities.
- Establish a hierarchy of trails and pathways that accommodates a range of experiences, from natural surface trails to paved multimodal paths.
- Provide safe and equitable access points to creeks and green corridors at appropriate locations.
- Incorporate active and passive recreation opportunities, native landscaping, environmental enhancements, and educational signage into green corridor improvements.
- Restore and enhance riparian vegetation along applicable creek and drainage corridors to improve habitat, aesthetics, and flood resilience.
- Develop coordinated maps, wayfinding, and educational signage to increase awareness and use of the City's trail and green corridor network.

UC-C Goal 3

Strengthen connections between neighborhoods and areas of Friendswood to create a more unified and accessible community.

Objectives

- Improve connections across Clear Creek and other physical and jurisdictional barriers.
- Strengthen pedestrian, bicycle and roadway connections between neighborhoods and community destinations.
- Ensure public investments improve connectivity and access throughout the community.

Strategies

- Improve roadway, pedestrian, and bicycle crossings across Clear Creek and other significant barriers.
- Explore opportunities for pedestrian and bicycle crossings that connect neighborhoods separated by Clear Creek.
- Coordinate transportation and streetscape improvements across county boundaries and along corridors that connect Friendswood's different areas.
- Improve continuity of street names, wayfinding, and directional signage where doing so would improve navigation and community identity.
- Coordinate improvements along FM 2351, FM 528, Friendswood Parkway/Friendswood Link Road, and other cross-boundary corridors.
- Prioritize neighborhood connectivity and infrastructure investments based on documented needs, accessibility, safety, and equitable access to community destinations.

Gateways and Entryways

UC-G Goal 1

Create welcoming, attractive, and recognizable gateways that reflect Friendswood's character and establish a cohesive sense of arrival.

Objective 1

- Create distinctive entry features that reinforce Friendswood's identity and sense of place.
- Establish consistent design elements that connect gateways, Downtown, and major corridors.
- Encourage high-quality development and landscaping along major entry corridors.

Strategies

- Establish consistent gateway treatments—including monuments, landscaping, lighting, signage, and other design elements—at major entrances to Friendswood.
- Clearly identify city boundaries and reinforce Friendswood's identity at primary entrances and perceived gateways.
- Incorporate native trees, seasonal plantings, decorative elements, and other landscape improvements into gateway areas.
- Coordinate gateway design with Downtown and corridor improvements to establish a cohesive community-wide visual identity.
- Incorporate recognizable Friendswood elements, including the acorn motif, into gateway features, bridge ornamentation, public art, and other appropriate locations.
- Use enhanced intersection or pavement treatments at appropriate gateways to reinforce arrival points and community identity.
- Encourage attractive site design, landscaping, buffering, and building improvements along major entry corridors.
- Reduce visual clutter at gateways through coordinated utility, signage, landscaping, and infrastructure improvements.

T TRANSPORTATION

T Goal 1

Create a safe, connected and multimodal transportation network that serves all users.

Objectives

- Improve pedestrian, bicycle, automobile, and multimodal mobility throughout Friendswood.
- Provide safe and convenient connections between neighborhoods, schools, parks, Downtown, commercial areas and civic destinations.

- Expand opportunities for walking, bicycling, trails, rideshare, and other alternatives to auto-only travel.
- Improve transportation safety and accessibility for people of all ages and abilities.

Strategies

- Identify and prioritize gaps in the sidewalk, bicycle, and trail network to improve connectivity and safety.
- Expand sidewalks, bicycle facilities, and shared-use paths, with appropriate separation from vehicular traffic where feasible.
- Improve pedestrian crossings, lighting, striping, shoulders, and other safety features throughout the transportation network.
- Expand trail and sidewalk connections linking neighborhoods to parks, schools, Downtown, commercial areas, and public facilities.
- Implement improvements identified in the City's Active Transportation Network Plan and other adopted mobility plans.
- Conduct a citywide Walk Audit to identify and prioritize pedestrian safety and accessibility improvements.
- Coordinate with H-GAC and local school districts to evaluate Safe Routes to School opportunities at schools with significant pedestrian and bicycle activity.
- Evaluate microtransit, rideshare, and other emerging mobility options to address local transportation gaps.
- Incorporate multimodal improvements into roadway reconstruction, development, and capital improvement projects where feasible.
- Maintain a balanced transportation system that accommodates automobiles, pedestrians, bicyclists, emergency response, and future transportation needs.
- Incorporate resilience, drainage, and future flood conditions into the planning and design of major transportation improvements.

T Goal 2

Improve roadway safety, traffic flow, and regional connectivity while maintaining neighborhood character.

Objectives

- Improve the safety, efficiency, and performance of major roadways and intersections.
- Address congestion, access, and safety concerns along key corridors.
- Strengthen connections between Friendswood, neighboring communities, and regional transportation networks.
- Coordinate transportation investments with regional partners and pursue opportunities for outside funding.

Strategies

- Evaluate traffic impacts associated with significant development and identify appropriate mitigation measures.
- Evaluate safety, truck traffic, access, and roadway capacity concerns along Beamer Road and coordinate improvements with Harris County, the Harris County Flood Control District, and TxDOT.

- Coordinate with TxDOT to improve access management, medians, turn lanes, striping, shoulders, and signalization along state-maintained corridors.
- Evaluate opportunities for additional traffic signals, turn lanes, intersection improvements, and signal timing adjustments at priority locations.
- Advance the completion and improvement of Friendswood Parkway and other strategic roadway connections identified in the City's long-range transportation network.
- Improve connections to I-45, FM 518, FM 528, FM 2351, Pearland, Houston, League City, and the broader Clear Lake area.
- Coordinate transportation planning and investments with H-GAC, TxDOT, Harris and Galveston counties, and neighboring communities.
- Integrate pedestrian and bicycle improvements into roadway projects wherever feasible.
- Improve cross-creek roadway connections between the Harris County and Galveston County portions of Friendswood.
- Manage roadway improvements to improve regional mobility while minimizing cut-through traffic and protecting established neighborhoods.

T Goal 3

Strengthen transportation resilience and emergency access by protecting critical routes and improving flood preparedness.

Objectives

- Maintain reliable access from neighborhoods to major corridors and regional evacuation routes during flood events and other emergencies.
- Reduce transportation vulnerabilities associated with flooding, overtopping, roadway low points, and limited neighborhood access.
- Improve real-time awareness, emergency wayfinding, and roadway closure decisions.
- Prioritize transportation and drainage improvements based on current and future flood risks.

Strategies

- Identify collector streets and major neighborhood roads that serve as critical emergency-access and evacuation routes.
- Evaluate the flood vulnerability of critical transportation routes under current and future flood scenarios.
- Prioritize roadway elevation, reconstruction, drainage, and other improvements at locations vulnerable to flooding or overtopping.
- Identify neighborhoods with limited points of access and evaluate opportunities to provide secondary or redundant emergency routes.
- Improve storm sewers, roadside drainage, culverts, and related infrastructure along critical emergency and evacuation corridors.
- Install flood sensors, roadway-depth gauges, warning lights, and closure signage at known flood-prone locations where appropriate.
- Provide clear and illuminated evacuation-route signage along designated emergency and regional corridors.

- Coordinate flood monitoring, emergency access, and transportation improvements with Harris County, Galveston County, TxDOT, flood-control agencies, and emergency service providers.
- Incorporate future flood conditions and climate resilience into long-range transportation and infrastructure planning.

INFRASTRUCTURE

I WWD Water, Wastewater, Drainage

WWD Goal 1

Maintain reliable, resilient, and fiscally sustainable water and wastewater infrastructure to support existing and future community needs.

Objectives

- Maintain and modernize aging water and wastewater infrastructure.
- Ensure adequate water supply, storage, pressure, fire flow, wastewater capacity, and system redundancy.
- Coordinate infrastructure planning with growth, redevelopment, and long-term land use patterns.
- Improve the efficiency, reliability, and resilience of water and wastewater systems.

Strategies

- Continue to evaluate and update the Capital Improvement Program to reflect infrastructure conditions, changing community needs, projected growth, project costs, and available funding.
- Develop an asset management program that documents infrastructure age, condition, capacity, maintenance needs, and replacement priorities.
- Implement recommendations from the Water System Improvements Plan and the Wastewater Master Plan and incorporate priority projects into the Capital Improvement Program.
- Inspect, rehabilitate, and replace deteriorated wastewater lines, manholes, lift stations, and service connections that contribute to inflow and infiltration.
- Evaluate the consolidation, rehabilitation, and capacity of lift stations to improve system efficiency and reliability.
- Loop and extend water lines where appropriate to improve pressure, fire flow, and operational reliability.
- Coordinate with regional water and wastewater providers to maintain adequate treatment capacity, emergency service, and system redundancy.
- Evaluate infrastructure capacity, lifecycle costs, and long-term maintenance obligations when reviewing major development and redevelopment proposals.
- Continue transitioning toward surface-water supplies while maintaining groundwater facilities for emergency and peak-demand support.

I WWD Goal 2

Reduce flood risk and strengthen drainage and watershed resilience.

Objectives

- Reduce localized and regional flooding affecting neighborhoods, roadways, public facilities, and emergency access.
- Maintain, modernize, and expand drainage infrastructure to address current and future flood risks.
- Preserve natural floodplains, creek corridors, and other areas that provide stormwater storage and conveyance.
- Coordinate flood mitigation across watersheds, jurisdictions, drainage districts, and regional partners.

Strategies

- Implement recommendations from the Master Drainage Plan and prioritize projects using hydrologic and hydraulic modeling, historical data, infrastructure conditions, and community input.
- Construct regional detention and flood-risk reduction projects in partnership with other governmental agencies where appropriate.
- Evaluate opportunities for detention facilities to incorporate recreational amenities, trails, landscaping, and open space.
- Pursue regional detention, channel-capacity improvements, and other watershed-scale flood mitigation projects.
- Inspect, maintain, rehabilitate, and replace aging storm sewers, inlets, culverts, roadside ditches, and other drainage assets.
- Evaluate localized drainage improvements in low-lying areas and neighborhoods served by aging infrastructure.
- Continue applying Atlas 14 rainfall standards and periodically update drainage criteria to reflect current engineering practices and rainfall data.
- Strengthen maintenance, inspection, and accountability requirements for privately owned detention and stormwater facilities.
- Incorporate Low Impact Development (LID), green infrastructure, and nature-based stormwater management practices into City ordinances and design standards where appropriate.
- Protect natural floodplains, creek corridors, and open spaces from development that could reduce flood-storage or conveyance capacity.
- Coordinate flood-reduction investments with the Harris County Flood Control District, Galveston County Consolidated Drainage District, neighboring jurisdictions, and other regional partners.

I WWD Goal 3

Coordinate infrastructure planning and investment to maximize public value, minimize disruption, and support long-term community resilience.

Objectives

- Coordinate water, wastewater, drainage, roadway, and other infrastructure improvements to maximize efficiency and minimize construction conflicts.
- Prioritize infrastructure investment based on condition, capacity, risk, community needs, and long-term lifecycle costs.

- Integrate infrastructure planning with land use, redevelopment, and major development projects.
- Use technology and data to improve infrastructure management, planning, and decision-making.

Strategies

- Coordinate roadway, drainage, water, wastewater, and utility improvements to reduce construction conflicts, repeated disruptions, and unnecessary costs.
- Evaluate infrastructure capacity and lifecycle costs when reviewing major development and redevelopment proposals.
- Coordinate infrastructure investments with major corridors, redevelopment areas, and other areas identified for future growth.
- Maintain GIS-based inventories of infrastructure assets and use data to identify service gaps, condition issues, and capital priorities.
- Develop dashboards and other tools to support transparent infrastructure planning and capital investment decisions.
- Incorporate predictive maintenance and condition-monitoring tools where appropriate to identify potential failures before they result in service disruptions.
- Evaluate innovative materials, construction methods, and nature-based solutions that improve infrastructure durability and resilience.
- Allow pervious parking surfaces in appropriate locations, including industrial areas, where they are compatible with drainage requirements, maintenance capabilities, and site conditions.
- Coordinate utility resilience planning with the City's hazard mitigation, emergency management, and capital improvement planning.

I U Utilities

I U Goal 1

Ensure reliable, resilient, and accessible utility services that support community needs and long-term growth.

Objective

- Improve the reliability and resilience of electric, natural gas, telecommunications, and other essential utility infrastructure.
- Expand access to high-speed, reliable broadband throughout the community.
- Coordinate utility planning and improvements with development, redevelopment, transportation projects, and emergency preparedness.
- Improve coordination between the city and utility providers to support system reliability and emergency response.

Strategies

- Coordinate with electric, gas, telecommunications, and other utility providers on infrastructure upgrades, maintenance, system capacity, and long-term planning.
- Encourage hardening and, where feasible and appropriate, underground placement of critical utility infrastructure to reduce vulnerability to hurricanes, flooding, extreme heat, and other hazards.

- Support vegetation management and other measures that improve utility reliability and reduce outage risks.
- Encourage adoption of smart-grid, outage-management, and other technologies that improve system monitoring and response.
- Encourage expansion of fiber and other high-capacity broadband services, particularly in underserved areas and established neighborhoods.
- Consider broadband infrastructure and utility capacity during subdivision and major development review.
- Encourage shared utility trenches and coordinated utility installation to reduce costs and minimize repeated construction.
- Maintain utility corridor and infrastructure information within the City's GIS system.
- Coordinate utility extensions and upgrades with roadway projects, redevelopment, and right-of-way planning.
- Develop and maintain emergency coordination procedures with utility providers to support rapid response and service restoration following major events.
- Integrate utility infrastructure into hazard mitigation and emergency response planning.
- Support public education regarding gas leaks, electrical safety, utility emergencies, and 811 "Call Before You Dig."

RS RESILIENCY AND SUSTAINABILITY

RS Goal 1

Integrate sustainability and resilience into long-term planning, development, and public investment decisions.

Objectives

- Incorporate environmental, social, economic, and resilience considerations into City planning and investment decisions.
- Ensure policies and projects consider current conditions as well as future growth, infrastructure needs, and environmental risks.
- Promote long-term value, resource efficiency, and community resilience while maintaining Friendswood's character.

Strategies

- Integrate sustainability and resiliency considerations into planning, permitting, capital improvement, and infrastructure decisions.
- Continue to evaluate and update codes, standards, and design criteria to incorporate appropriate sustainability and resilience practices.
- Consider recognized sustainability and resilience frameworks, such as Envision and LEED, when appropriate for major public projects.

- Evaluate lifecycle costs and long-term maintenance requirements for major infrastructure and public projects.
- Evaluate major planning and development decisions for long-term environmental, social, economic, and community impacts.
- Incorporate resilience, resource efficiency, and future conditions into the City's long-range plans and capital investment decisions.
- Encourage resilient and context-sensitive design that reinforces Friendswood's community character.

RS Goal 2

Reduce flood and environmental risks while protecting natural systems and expanding the community benefits of open space.

Objectives

- Reduce vulnerability to flooding, drainage deficiencies, drought, extreme heat, and other environmental hazards.
- Protect floodplains, wetlands, creek corridors, natural areas, and other environmentally sensitive resources.
- Incorporate natural systems, green infrastructure, and open space into development and infrastructure planning.
- Improve water conservation and the long-term sustainability of water resources.

Strategies

- Strengthen floodplain management and discourage development in areas where flood risk cannot be appropriately mitigated.
- Evaluate floodplain, drainage, and infrastructure impacts as part of development and redevelopment decisions.
- Continue applying current rainfall and flood modeling standards, including Atlas 14, and update criteria as engineering practices and data evolve.
- Explore appropriate flood mitigation approaches, including compensatory storage, detention, elevation, and other site-specific strategies.
- Require critical utilities and infrastructure to be appropriately protected from flood hazards consistent with adopted regulations and engineering standards.
- Preserve natural floodplains, wetlands, creek corridors, and other environmentally sensitive areas that provide flood storage, water quality, habitat, and recreational benefits.
- Integrate green infrastructure, nature-based solutions, and Low Impact Development practices into appropriate development and public infrastructure projects.
- Coordinate land use, drainage, watershed, detention, and regional flood mitigation planning.
- Use creeks and drainage corridors, where appropriate, as opportunities for combined flood management, recreation, trails, habitat, and public open space.
- Promote water conservation, drought preparedness, water reuse, and drought-tolerant landscaping.

- Evaluate landscape and maintenance practices that conserve water, protect ecosystems, and reduce long-term maintenance needs.
- Conduct environmental assessments or studies when appropriate to identify critical natural resources and environmentally sensitive areas before significant development or infrastructure projects.

RS Goal 3

Prepare the community to anticipate, respond to, and recover from hazards and extreme events.

Objectives

- Improve community preparedness, emergency response, and recovery capacity.
- Reduce risks associated with flooding, hurricanes, tropical storms, extreme heat, drought, tornadoes, hazardous materials, and other hazards.
- Coordinate hazard mitigation and resilience planning with regional partners.
- Improve the City's ability to adapt to changing conditions and recover from disruptive events.

Strategies

- Continue participating in and implementing the adopted Harris County and Galveston County Hazard Mitigation Plans, as applicable to Friendswood.
- Periodically review the adopted hazard mitigation plans and incorporate applicable updates, priorities, and mitigation actions into City planning and capital improvement efforts.
- Coordinate hazard mitigation, emergency preparedness, and recovery efforts with Harris County, Galveston County, H-GAC, neighboring jurisdictions, and other regional partners.
- Integrate hazard mitigation considerations into land use, infrastructure, transportation, capital improvement, and emergency management planning.
- Identify critical facilities, infrastructure, and community assets that are particularly vulnerable to hazards and prioritize appropriate mitigation measures.
- Improve public education and communication regarding emergency preparedness, flood awareness, extreme heat, water conservation, and other community hazards.
- Incorporate changing hazard conditions and future risks into long-term planning and capital investment decisions.

PF PUBLIC FACILITIES

PF Goal 1

Maintain high-quality, accessible, efficient, and resilient public facilities

Objectives

- Maintain public buildings and operational facilities in good condition.
- Address documented facility, space, accessibility, and building-system deficiencies.
- Improve the efficiency, security, functionality, and resilience of public facilities.

- Coordinate facility investments with service needs, staffing, population growth, and available resources.

Strategies

- Conduct periodic facility condition and space-needs assessments for city hall, the library, activity building, public safety building, Blackhawk Facility, animal control building, and other municipal properties.
- Establish and implement preventive maintenance and building-system replacement priorities for roofing, HVAC, plumbing, electrical, structural, drainage, and other critical systems.
- Upgrade existing facilities to improve ADA accessibility, including accessible parking, entrances, restrooms, service counters, signage, and interior circulation.
- Modernize public facilities with appropriate information technology, audiovisual systems, access controls, surveillance, cybersecurity, and secure records storage.
- Prioritize facility improvements through the Capital Improvement Program based on condition, service needs, risk, cost, and public benefit.
- Evaluate opportunities to consolidate, repurpose, or adapt existing facilities before pursuing major new facilities.

PF Goal 2

Provide inclusive community facilities and programs that serve residents of all ages and support education, recreation, culture, and community gathering.

Objectives

- Provide appropriate facilities and programs for residents of different ages and abilities.
- Improve library, senior, recreation, cultural, and multipurpose community facilities.
- Maximize the use of existing public and partner facilities.
- Ensure major community facility investments are financially sustainable and responsive to demonstrated needs.

Strategies

- Evaluate the replacement of the activity building to accommodate senior programming, exercise, meetings, storage, kitchen, staff, and support functions, as well as a polling location.
- Advance improvements to the Friendswood Public Library, including study areas, maker space, flexible meeting space, technology, staff space, and parking.
- Evaluate the need for a multipurpose recreation facility that may include fitness, indoor recreation, aquatic facilities, events, and programs for residents of all ages.
- Design new community facilities to be flexible and adaptable to changing programs and community needs.
- Explore joint-use agreements with Friendswood ISD, Clear Creek ISD, churches, nonprofit organizations, and other community partners.
- Expand arts, cultural, educational, and intergenerational programming through the library, activity building, parks, amphitheater, and other community facilities.

- Maintain affordability and fiscal sustainability when evaluating major new community facilities.

PF Goal 3

Maintain resilient public safety and operational facilities that support emergency response and continuity of City services.

Objectives

- Maintain reliable emergency-response coverage throughout Friendswood.
- Provide adequate facilities, equipment, and support space for police, fire, EMS, emergency management, public works, and Animal Control.
- Protect critical facilities from flooding, hurricanes, power outages, extreme heat, and other hazards.
- Improve operational redundancy, emergency communications, and continuity of government.

Strategies

- Evaluate and prioritize improvements, expansion, replacement or relocation of fire and EMS facilities to accommodate current and projected service needs, staffing levels, equipment, emergency response requirements, and geographic coverage.
- Advance the planned replacement of Fire Station No. 3 as part of the Friendswood City Center development, while ensuring the facility meets current and projected fire and EMS service needs.
- Prioritize facility improvements for public safety staff based on service demand, geographic coverage, facility condition, emergency access, and community risk.
- Maintain adequate emergency response capacity in areas that may become isolated or difficult to access during flooding or other major events, including areas north of Clear Creek.
- Continue maintaining and modernizing the Public Safety Building, Emergency Operations Center, communications systems, evidence storage, security, backup power, and other critical functions.
- Provide backup power, redundant communications, secure data systems, and emergency supplies at critical municipal facilities.
- Incorporate hazard-resistant design and operational redundancy into critical facility renovations and new construction.

PRO PARKS, RECREATION, AND OPEN SPACE

PRO Goal 1

Provide safe, accessible, and connected access to parks and recreational destinations throughout Friendswood.

Objectives

- Improve pedestrian, bicycle, and multimodal access to parks and recreation facilities.

- Connect parks with neighborhoods, schools, Downtown, civic facilities, and other community destinations.
- Reduce gaps and barriers in the pedestrian and bicycle network.
- Improve accessibility for people of all ages and abilities.

Strategies:

- Implement the recommendations and priorities of the City's adopted Parks Master Plan and periodically update the plan to reflect changing community needs, demographics, development patterns, and available resources.
- Coordinate parks and trail improvements with the City's Active Transportation Network Plan, roadway projects, drainage improvements, and utility projects.
- Identify and address gaps in pedestrian, bicycle, trail, and accessibility connections to parks and recreation facilities.
- Prioritize park access improvements in underserved areas and areas with limited connectivity.
- Develop cohesive wayfinding and signage connecting parks, trails, neighborhoods, Downtown, schools, and other community destinations.

PRO Goal 2

Provide diverse, high-quality parks, recreation facilities, and programs that serve residents of all ages and abilities.

Objectives

- Provide recreational opportunities that respond to changing community needs.
- Maintain and enhance existing parks and recreation facilities.
- Provide flexible facilities and programs for residents of all ages and abilities.
- Maximize the use of existing facilities and partnerships.

Strategies

- Use the adopted Parks Master Plan as the City's primary guide for park improvements, recreation facilities, programming, parkland needs, and implementation priorities.
- Implement priority park and recreation facility improvements identified in the Parks Master Plan as funding and resources permit.
- Coordinate major park and recreation facility investments with the Capital Improvement Plan and other applicable City master plans.
- Explore partnerships with schools, nonprofit organizations, and other community organizations to expand recreational, cultural, educational, and community programming.
- Evaluate opportunities for new or expanded facilities based on demonstrated community need, geographic access, facility capacity, operational costs, and long-term fiscal sustainability.

PRO Goal 3

Protect and enhance parks and open spaces as community, environmental, and resilience assets.

Objectives

- Preserve floodplains, creek corridors, natural areas, and environmentally sensitive lands.
- Integrate parks and open spaces with drainage, green infrastructure, and resilience planning.
- Provide open spaces that offer multiple community benefits.

Strategies

- Coordinate implementation of the Parks Master Plan with the City's resiliency, drainage, green corridor, and open-space initiatives.
- Preserve floodplains, riparian corridors, and environmentally sensitive areas as open space or low intensity uses where appropriate.
- Explore opportunities to incorporate trails, landscaping, and recreational amenities into detention and drainage areas where feasible.
- Incorporate native and drought-tolerant landscaping, tree canopy, and green infrastructure into park design and improvements.
- Explore opportunities to use creek and drainage corridors as trail and greenway connections while maintaining their flood-management functions.

PRO Goal 4

Maintain a financially and operationally sustainable parks and recreation system.

Objectives

- Align park investments with community needs, growth and available resources.
- Maximize the long-term value of existing parks and facilities.
- Reduce long-term maintenance and operating costs.

Strategies

- Use the adopted Parks Master Plan and Capital Improvement Plan together to prioritize and phase park and recreation investments.
- Periodically evaluate parkland dedication requirements, park zones, and destination fees to ensure that new development appropriately contributes to the parks system.
- Pursue grants, partnerships, sponsorships, and other funding opportunities to supplement City resources.
- Consider long-term operations and maintenance costs when evaluating new parks, facilities, and amenities.
- Incorporate sustainable landscaping, irrigation, maintenance, and facility practices that reduce long-term operating costs.

ED ECONOMIC DEVELOPMENT

ED Goal 1

Diversify and strengthen Friendswood's economic base while maintaining community character and fiscal sustainability.

Objectives:

- Increase employment-generating businesses and industries that complement Friendswood's workforce and community character.
- Strengthen the city's non-residential tax base and balance residential and non-residential development.
- Attract and retain high-quality businesses in targeted industries such as aerospace, technology, healthcare, professional services, and advanced manufacturing.
- Support strategic employment areas and redevelopment opportunities that maximize the city's remaining developable land.
- Promote economic growth that maintains Friendswood's high quality of life and small-town identity.

Strategies:

- Coordinate with the Bay Area Houston Economic Development Partnership and other regional economic development organizations to recruit and retain businesses in targeted industries, including aerospace, technology, healthcare, professional services, and advanced manufacturing.
- Target businesses that complement Friendswood's educated workforce, location, quality of life, and proximity to regional employment centers.
- Preserve and enhance strategically located employment areas along FM 518, FM 528, and other major corridors for future business investments and opportunities.
- Support continued development of the Warehouse District (area along the city boundary on the northeast part of the city) as an employment generator that strengthens the tax base by attracting industrial, aerospace, technology, and business park uses.
- Encourage infill, redevelopment, and adaptive reuse of underutilized commercial properties and aging retail centers while protecting strategically located industrial and employment areas.
- Coordinate economic development efforts with land use, transportation, infrastructure, drainage, utilities, and workforce planning.
- Maintain marketing materials that highlight Friendswood's workforce, schools, quality of life, location, infrastructure, and regional connectivity.

ED Goal 2

Strengthen Downtown and commercial areas as center of business, services, and community activity.

Objectives

- Strengthen Downtown as a recognizable civic, commercial, and community center.
- Increase the diversity of retail, restaurant, office, service, and mixed-use opportunities.
- Encourage reinvestment and redevelopment of aging commercial properties.
- Improve the attractiveness and marketability of commercial areas.
- Support small businesses and locally owned establishments.

Strategies

- Support implementation of the Downtown Improvement Plan and coordinate its recommendations with current City plans and capital projects.
- Encourage compatible mixed-use redevelopment along major corridors and within Downtown.
- Recruit destination restaurants, retail, entertainment, professional services, and other businesses that complement Friendswood's market and community character.
- Encourage redevelopment and modernization of aging shopping centers and vacant land through appropriate incentives, façade improvements, landscaping, and updated design standards.
- Support community events and gathering spaces that increase Downtown activity and support local businesses.
- Coordinate Downtown economic development initiatives with the Downtown, Corridors, and Parks chapters.

ED Goal 3

Support business retention, entrepreneurship, workforce development and investment.

Objectives

- Support the retention and expansion of existing businesses.
- Encourage entrepreneurship and locally owned business development.
- Improve the City's business climate and development process.
- Strengthen workforce and educational partnerships.
- Encourage investment that provides long-term community and fiscal benefits.

Strategies

- Establish regular business retention and expansion outreach to existing businesses.
- Provide technical assistance, mentoring, and connections to resources for entrepreneurs and small businesses.
- Continue to streamline permitting and development review processes to reduce unnecessary costs and delays for businesses.
- Encourage coworking, flexible office and other employment spaces that support small businesses and emerging industries.
- Partner with Friendswood ISD, Clear Creek ISD, regional educational institutions and workforce organizations to strengthen career pathways, internships, apprenticeships, and training opportunities.
- Strengthen coordination with the Bay Area Houston Economic Development Partnership, the Community and Economic Development Committee, the Friendswood Downtown Economic Development Corporation, chambers of commerce, and other regional and local partners.

- Evaluate economic development incentives and public investments based on employment, tax-base growth, infrastructure costs, service demands, and long-term community benefits.
- Maintain current market and business data to identify emerging opportunities, development trends, and potential gaps in goods and services.

DRAFT

Comprehensive Plan

*Establishes the plan
and direction for the
future of Friendswood.*

Land Use & Character...where and how Friendswood grows

Housing & Neighborhoods...how residents live and neighborhoods evolve

Downtown & Corridors...how Friendswood looks, connects, & functions

Infrastructure & Transportation...how the city supports growth and resilience

Parks & Public Facilities...how the city serves residents

Economic Development...how Friendswood strengthens its economic future

Resiliency & Sustainability...how Friendswood prepares for the future



Comprehensive Plan

Public engagement

1

Halloween in the Park

Staff and consultants attended a public event whereby participants provided feedback verbally and through exercises. Flyers were distributed with the survey link.

2

Online survey

Online survey with questions regarding current and future Friendswood. Approximately 300 responses were received.

3

Stakeholder meetings

Staff and consultants met with high school students, Friendswood Downtown Economic Development Corporation (FDEDC), property owners in the panhandle area (over 90 invitations were mailed), and Emergency Operations Center (EOC) staff members.

4

Focus Group meetings

These meetings consisted of the consultant receiving input from City Council, the Planning and Zoning Commission, and staff.

5

CPAC meetings

The CPAC had three stationary meetings and one bus tour. Members of the CPAC represent a variety of interest throughout the city including realtors, school employees, etc.



Comprehensive Plan

VISION STATEMENT:

Rooted in heritage and enriched by its natural environment, Friendswood is a safe, connected community with strong schools, vibrant places, balanced growth, and an exceptional quality of life for current and future generations.

Guiding Principles:

- Foster economic vitality, opportunity, and local business growth.
- Enrich community character, small-town feel and sense of place.
- Provide quality infrastructure, mobility, and walkability.
- Support housing choice and safe, strong, stable neighborhoods.
- Enhance quality of life through high-quality education, parks and natural assets.
- Ensure resilient, sustainable infrastructure and strategic growth.

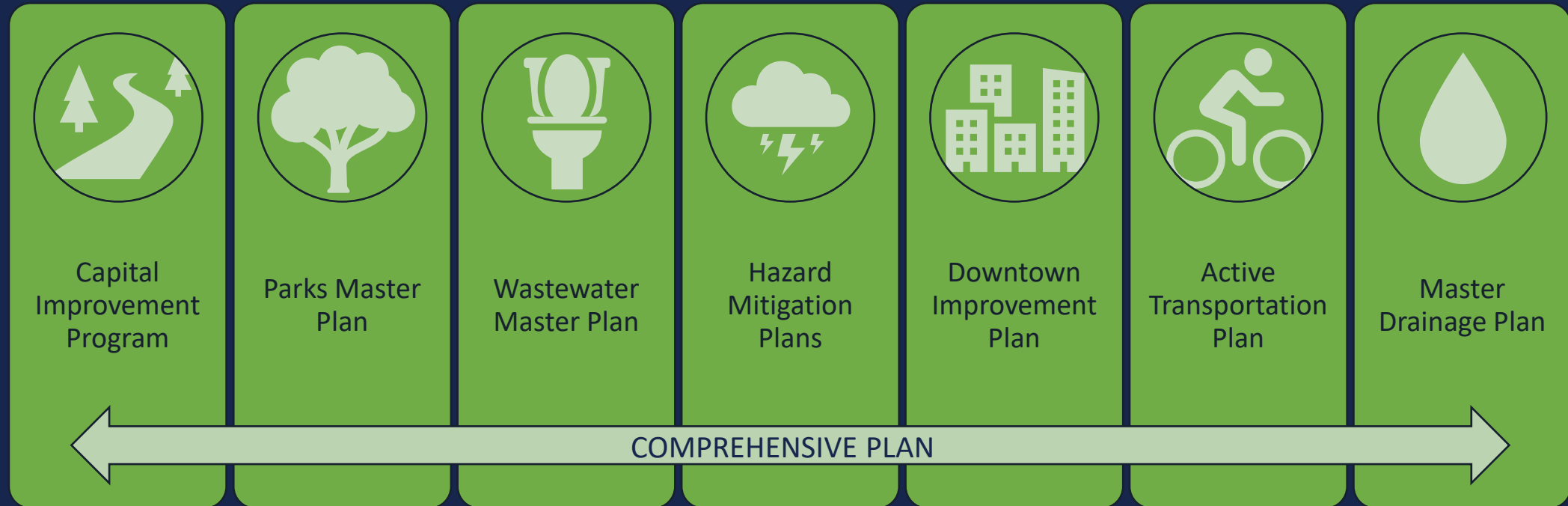


ALIGNMENT OF COMPREHENSIVE PLAN WITH CITY COUNCIL GOALS

City Council Guiding Principles	Comprehensive Plan Guiding Principles	Focus/Connection
Invest in our personnel	Provide quality services and enhance quality of life	A strong workforce supports effective public services, emergency response, community programs, and the high level of service expected by Friendswood residents.
Proactively address drainage, flooding, and mobility issues	Provide quality infrastructure, mobility & walkability and Ensure resilient, sustainable infrastructure & strategic growth	The Comp Plan builds upon this priority by addressing transportation connectivity, pedestrian and bicycle networks, stormwater management, flood resilience, and infrastructure improvements.
Diversify our tax base	Rooted in heritage and enriched by its natural environment, Friendswood is a safe, connected community	Safety remains a core community value and is expanded to include emergency preparedness, resilient infrastructure, safe neighborhoods, and accessible public spaces.
Nurture a strong sense of community	Enrich community character, small-town feel & sense of place	The Comp Plan reinforces Friendswood's identity by protecting its heritage, neighborhood character, community gathering spaces, and unique qualities that residents value.
Enhance safety	Support housing choice & strong, safe, stable neighborhoods	This builds upon the Council's community focus by addressing housing diversity, neighborhood stability, aging-in-place opportunities, and maintaining high-quality residential areas.
Nurture a Strong Sense of Community	Enhance quality of life through high-quality education, parks & natural assets	This expands the Council's vision by recognizing the importance of schools, parks, trails, open space, trees, and natural resources in maintaining Friendswood's exceptional quality of life.



Comprehensive Plan



Land Use

Guiding growth while protecting Friendswood's character



LU Goal 1

Promote balanced and appropriate land uses.



LU Goal 2

Promote context-sensitive development



LU Goal 3

Use land efficiently and responsibly



LU Goal 4

Plan for long-term growth and market reality

Key Strategies:

- Direct growth to appropriate locations based on the Future Land Use Map.
- Encourage infill, redevelopment, adaptive reuse, and compact growth.
- Protect strategically located industrial and employment areas.
- Prepare and implement a corridor plan for FM 528 and FM 518 to guide infill development.
- Support compatible mixed-use development and Downtown reinvestment.
- Balance development opportunities with infrastructure, drainage, fiscal, and neighborhood impacts.



Housing & Neighborhoods

Expanding choice while reinforcing connected, livable neighborhoods



HN – H Goal 1

Expand housing choices



HN – H Goal 2

Promote resilient, high-quality housing



HN – H Goal 3

Support equitable access to housing



HN – H Goal 4

Preserve existing housing stock

Key Strategies

- Encourage missing-middle housing, smaller lots, townhomes, patio homes, senior housing, and appropriately located multifamily.
- Review regulations to remove unnecessary barriers while maintaining neighborhood compatibility.
- Coordinate housing growth with infrastructure, transportation, drainage, parks, and services.
- Encourage rehabilitation and resilient upgrades to existing homes.
- Preserve attainable housing and support reinvestment in older neighborhoods.



Housing & Neighborhoods

Expanding choice while reinforcing connected, livable neighborhoods



HN – N Goal 1

Enhance neighborhood connectivity



HN – N Goal 2

Invest in safe, resilient, well-maintained neighborhoods



HN – H Goal 3

Preserve neighborhood character while encouraging reinvestment

Key Strategies:

- Close sidewalk and trail gaps.
- Connect neighborhoods to parks, schools, Downtown, and community services.
- Coordinate infrastructure improvements with drainage and flood mitigation.
- Strengthen property maintenance and rental inspection programs.
- Encourage context-sensitive infill and redevelopment.
- Prioritize neighborhood investments using objective needs, accessibility, environmental risk, and service criteria.



Urban Character - Downtown

Creating stronger places and a clearer sense of arrival



UC - D Goal 1

Preserve character & encourage compatible redevelopment



UC - D Goal 2

Establish Downtown as the civic, cultural and social heart



UC – D Goal 3

Improve mobility, accessibility, and parking

Key Strategies:

- Establish coordinated Downtown design standards.
- Strengthen Friendswood's identity through architecture, public art, signage, landscaping, and the acorn motif.
- Create cohesive sidewalks and pedestrian connections along FM 518.
- Encourage restaurants, retail, entertainment, mixed-use, and upper-story uses.
- Improve shared and rear parking strategies.
- Create gathering spaces and year-round community activity.



Urban Character – Corridors & Gateways

Creating stronger places and a clearer sense of arrival



UC - Corridors Goal 1
Major corridors



UC - Corridors Goal 2
Green corridors



UC – Corridors Goal 3
Connections between neighborhoods



UC – Gateways and Entryways Goal 1
Create recognizable gateways into Friendswood

Key Strategies:

- Create consistent streetscape and landscaping standards.
- Improve sidewalks, bicycle facilities, crossings, lighting, and furnishings.
- Reduce visual clutter from signage and utilities.
- Improve buffering of strip retail and parking areas.
- Strengthen connections across Clear Creek and between the City's two counties.
- Coordinate landscaping, lighting, signage, branding, monuments, and other identity elements.
- Reinforce Friendswood's small-town character and sense of place.



Transportation

Building a safe, connected, multimodal network



T - Goal 1

Create a safe and connected multimodal network



T - Goal 2

Improve roadway safety and corridor performance



T - Goal 3

Strengthen resilient transportation and emergency access

Key Strategies:

- Close sidewalk and bicycle network gaps.
- Expand trails and shared-use paths.
- Improve major intersections, signals, turn lanes, shoulders, and access management.
- Coordinate with TxDOT, H-GAC, Harris County, Galveston County, and neighboring communities.
- Minimize cut-through traffic while improving regional connections.
- Identify and improve critical flood-prone evacuation and emergency routes.



Infrastructure – Water, Wastewater, Drainage

Invest in systems that support growth and resilience



I – WWD Goal 1

Maintain reliable infrastructure



I – WWD Goal 2

Reduce flood risk and improve drainage



I – WWD Goal 3

Prioritize and plan infrastructure investment

Key Strategies:

- Continue monitoring and improving the City's existing Capital Improvement Program based on infrastructure condition, capacity, risk, funding, and community needs.
- Implement recommendations from the Wastewater and Master Drainage Plans.
- Establish comprehensive asset management and infrastructure condition tracking.
- Reduce inflow and infiltration in aging wastewater systems.
- Expand regional and watershed-scale flood mitigation.
- Protect natural floodplains, creek corridors, and drainage systems.



Infrastructure – Utilities

Invest in systems that support growth and resilience



Utilities – Goal 1

Ensure reliable, resilient and accessible utilities

Electric, gas, telecommunications, broadband

The city does not provide these services; however, our residents rely on them heavily and they influence quality of life.

Key Strategies

- Coordinate with CenterPoint, TNMP, telecommunications providers, and other utility partners.
- Encourage infrastructure hardening and underground utilities where feasible.
- Expand fiber and high-capacity broadband.
- Coordinate utility improvements with roadway and development projects.
- Verify utility capacity during development review.
- Integrate utilities into emergency preparedness and hazard planning.



Resiliency & Sustainability

Protecting the community while managing long-term costs



RS Goal 1

Integrate sustainability and resilience into decision making



RS Goal 2

Reduce flood risks and protect natural resources



RS Goal 3

Prepare for hazards and extreme events

Key Strategies:

- Incorporate resilience and sustainability into planning, permitting, and capital projects.
- Strengthen floodplain management and resilient development practices.
- Preserve floodplains, wetlands, creek corridors, and environmentally sensitive areas.
- Expand green infrastructure and nature-based solutions.
- Promote water conservation and drought-resilient landscaping.
- Continue implementing the City's adopted Hazard Mitigation Plans in coordination with Harris and Galveston Counties.



Public Facilities

Maintaining the facilities that support an exceptional quality of life



PF Goal 1

Maintain high quality, accessible and efficient facilities



PF Goal 2

Expand community, library, senior, and recreation facilities



PF Goal 3

Strengthen public safety and operational capacity

Key Strategies:

- Prioritize facility improvements through the existing Capital Improvement Program.
- Evaluate replacement of the activity building and the need for a multipurpose recreation center.
- Modernize technology, security, emergency communications, and backup power.
- Improve community, library, senior, and recreation facilities.
- Maintain adequate facilities for police, fire, EMS, Public Works, utilities, and Animal Control.
- Improve facility resilience to flooding, hurricanes, extreme heat, and power outages.



Parks, Recreation, and Open Space

Creating places that support health, connection, and community identity



PRO - Goal 1

Improve accessibility and multimodal connections to parks



PRO - Goal 2

Expand and enhance recreation opportunities



PRO - Goal 3

Leverage open space for resilience



PRO – Goal 4

Maintain a sustainable parks system

Key Strategies:

- Use the **adopted Parks & Recreation Master Plan** to guide detailed park priorities, projects, programming, and phasing.
- Improve trails, sidewalks, crossings, accessibility, lighting, and wayfinding.
- Explore opportunities to use creek and drainage corridors as trail and greenway connections.
- Periodically review parkland dedication requirements and fees to ensure that new development contributes to the parks system.
- Pursue partnerships, grants, and sustainable maintenance practices.



Economic Development

Strengthening the local economy through targeted opportunity



ED Goal 1

Diversity & strengthen the economic base



ED - Goal 2

Strengthen Downtown & Commercial Areas



ED - Goal 3

Support business retention, entrepreneurship, workforce development & investment

Key Strategies:

- Coordinate with the Bay Area Houston Economic Development Partnership to pursue targeted industries including aerospace, technology, healthcare, professional services, and advanced manufacturing
- Preserve strategic industrial and employment areas.
- Support the Warehouse District as a compatible employment center.
- Encourage commercial infill, redevelopment, and adaptive reuse.
- Strengthen Downtown retail, restaurant, service, and mixed-use opportunities.
- Support existing businesses, workforce partnerships, streamlined permitting, and targeted incentives.



Comprehensive Plan

Community Character	Protect Friendswood's small-town identity while allowing appropriate growth.	Infrastructure	Coordinate land use and development with available infrastructure capacity.
Resilience	Make flood risk, emergency access, and severe weather considerations part of long-term decisions.	Fiscal Sustainability	Prioritize investments that provide long-term public value.
Connectivity	Connect neighborhoods, parks, schools, Downtown, commercial areas, and employment centers.	Quality Development	Encourage compatible, attractive, durable, and context-sensitive development.



**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 09/01/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Discuss Tax Increment Reinvestment Zone Number Two, City of Friendswood (TIRZ #2), including the City's existing obligations and options available for future projects and agreements.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This workshop item was placed on the agenda at the request of Councilmembers Hale and Ross. Such request is attached to this item.

Representatives from P3 Works and Bracewell will be present to answer questions regarding TIRZ#2, the City's existing obligations, and options available to Council regarding future projects and agreements.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

- | | |
|----|--|
| 1. | 09.01.2026 CC TIRZ workshop agenda request letter to mayor |
| 2. | TIRZ No. 2 Map |

September 1, 2026

The Honorable Mike Foreman

Mayor, City of Friendswood

City of Friendswood

910 S. Friendswood Drive

Friendswood, Texas 77546

RE: Request for TIRZ #2 Workshop Session

Dear Mayor Foreman:

We request that a **workshop session regarding Tax Increment Reinvestment Zone No. 2 (TIRZ #2)** be placed on the next available City Council agenda.

The purpose of the workshop would be to provide Council and the public with a better understanding of TIRZ #2, how it currently operates, and what options are available to the City as future development projects and development agreements within the TIRZ are considered.

We also request that representatives from **P3 Works and Bracewell** be present and prepared to answer questions regarding the TIRZ, the City's existing obligations, and the options available to Council regarding future projects and agreements.

The intent of the workshop is not to propose or take action on any particular change. It is simply to make sure Council has a clear understanding of the available options before future decisions regarding TIRZ #2 are made.

Thank you for placing this workshop on the next available agenda.

Sincerely,

_____, September 1, 2026

Randal Hale

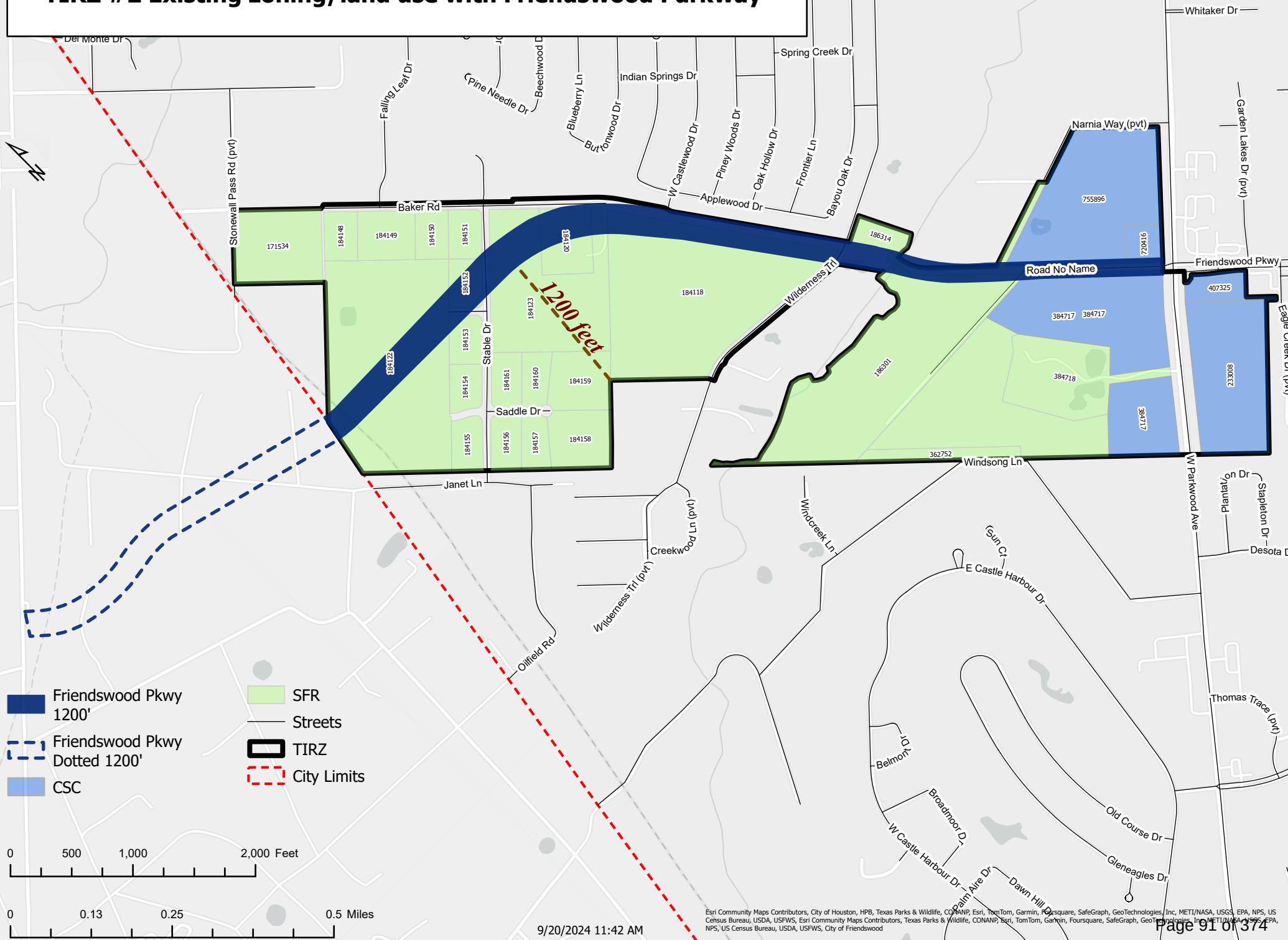
Councilmember, City of Friendswood

_____, September 1, 2026

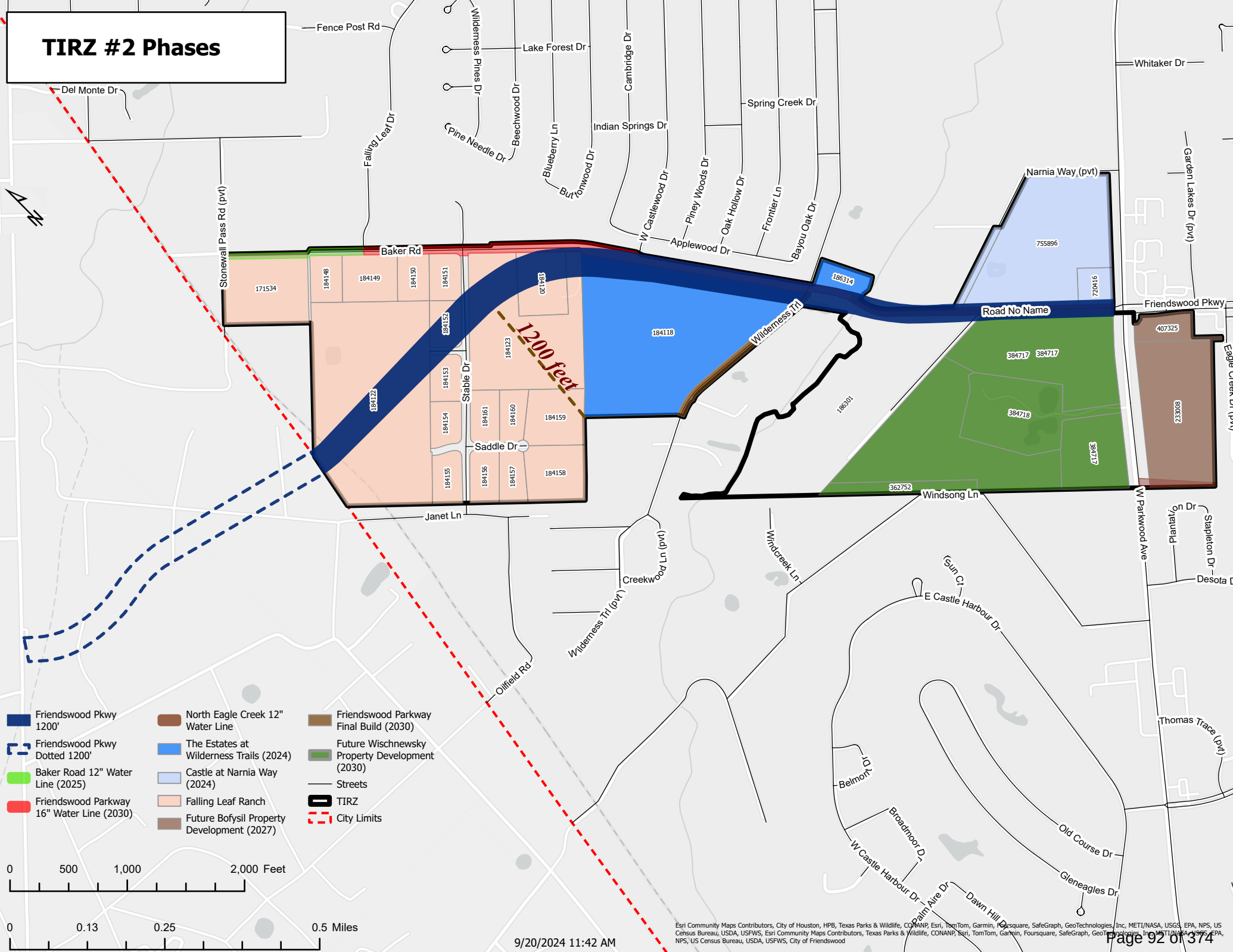
Michael Ross

Councilmember, City of Friendswood

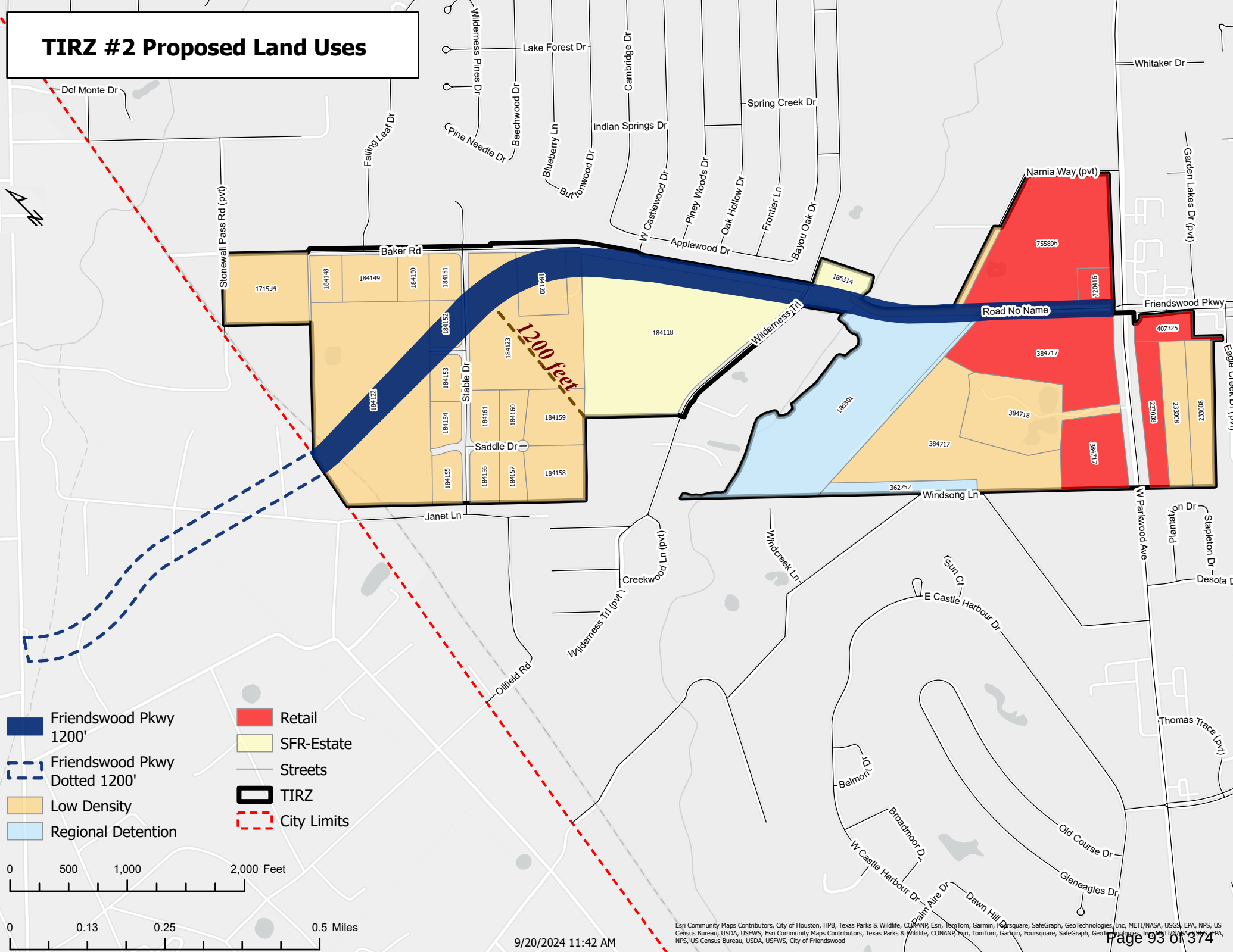
TIRZ #2 Existing zoning/land use with Friendswood Parkway



TIRZ #2 Phases



TIRZ #2 Proposed Land Uses



Friendswood Pkwy 1200'

Friendswood Pkwy Dotted 1200'

Low Density

Regional Detention

Retail
 SFR-Estate
 Streets
 TIRZ
 City Limits

0 500 1,000 2,000 Feet

0 0.13 0.25 0.5 Miles

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/25/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider on first and final reading an ordinance adopting the City of Friendswood's Proposed Fiscal Year 2026-2027 Municipal Budget.

Originating Department: Finance

Degree of importance: Critical importance.

SUMMARY / ORIGINATING CAUSE

This item allows the City Council to discuss the City of Friendswood's Proposed Fiscal Year 2026-2027 Municipal Budget and the input received at the public hearing on August 24, 2026, and to take action as required by Section 102.007 of the Texas Government Code.

Since no action was taken after the Public Hearing on August 24, 2026, Council must vote to approve the City's of Friendswood's Proposed Fiscal Year 2026-2027 Municipal Budget and then separately ratify the property tax increase reflected in the adopted budget.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Compliance with the Local Government Code and the City Charter.

RECOMMENDATIONS

Staff recommends approval of the proposed FY2026-27 municipal budget.

ATTACHMENTS

1.	FY27 Financial Management Policy - Redlined
2.	Exhibit A - FY2026-2027 Proposed Budget Summary - Revised
3.	FY27 PROPOSED BUDGET PRESENTATION 09.14.2026
4.	Ordinance - Budget Adoption



Financial Policies

The **Financial Management Policy** is reviewed every year. The goal of this policy is to help the City achieve a long-term, stable, and positive, financial condition. The purpose of this policy is to provide guidance for planning and directing the City’s daily financial affairs.

Revisions to the Financial Management Policy are brought to City Council for approval within a proposed budget.

The last financial policy revision was adopted with the August 25, 2025 budget document. The proposed revisions indicated for deletions are in red font and struck through, while additions are in red font.

The **Investment Policy** is reviewed and approved annually. It is brought to City Council for approval outside the budget process. The policy states that the Director of Finance is designated as the Investment Officer of the City and is responsible for the implementation of these policies. The Policy also states how the investment committee is formed and functions. The committee includes three unpaid private sector financial professionals appointed by the City Council to serve staggered three-year terms. The Investment Committee shall serve in an advisory capacity only. The committee meets quarterly.

Financial Management Policy

Introduction

The City of Friendswood assumes an important responsibility to its citizens and customers to carefully account for public funds, to manage City finances wisely and to plan for the adequate funding of services desired by the public.

The main goal of this Policy is to help the City achieve a long-term, stable and positive, financial condition. The City's financial management, as directed by this Policy, is based on the foundation of integrity, prudent stewardship, planning, accountability and full disclosure.

The purpose of the Policy is to provide guidance for planning and directing the City's daily financial affairs. This Policy provides a framework in pursuit of the following objectives.

Financial Objectives

Revenues

- ▶ Design and administer a revenue system that will assure a reliable, equitable and sufficient revenue stream to support desired City services.

Expenditures

- ▶ Identify priority services, establish and define appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of these services.

Fund Balance/Retained Earnings

- ▶ Maintain the fund balance and retained earnings of the various operating funds at levels sufficient to protect the City's credit worthiness, as well as its financial position, during times of emergency.

Capital Expenditures and Improvements

- ▶ Annually review and monitor the condition of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives and availability of resources.

Debt Management

- ▶ Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements, while minimizing the impact of debt payments on current and future revenues.

Investments

- ▶ Invest the City's operating cash to ensure its safety, provide necessary liquidity and maximize yield. Return on investment is of least importance compared to the safety and liquidity objectives.

Intergovernmental Relations

- ▶ Coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis and support appropriate favorable legislation at the state and federal levels.

Grants

- ▶ Aggressively investigate, pursue and effectively administer federal, state and foundation grants-in-aid, which address the City's current priorities and policy objectives.

Economic Development

- ▶ Initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy and tax base.

Fiscal Monitoring

- ▶ Analyze financial data and prepare reports that reflect the City's financial performance and economic condition.

Accounting, Auditing and Financial Reporting

- ▶ Comply with prevailing federal, state and local statutes and regulations. Conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA).

Internal Control

- ▶ Maintain an environment to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition.

Risk Management

- ▶ Prevent and/or reduce financial impact to the City of claims and losses through prevention and transfer of liability.

Budget

- ▶ Develop and maintain a balanced budget (defined as a term signifying budgeted expenditures being offset by budgeted revenues), which presents a clear understanding of goals, service levels and performance standards. The document shall, to the extent possible, be "user-friendly" for citizens.

I. Revenues

The City shall use the following guidelines to design and administer a revenue system that will assure a reliable, equitable and sufficient revenue stream to support desired City services.

Balance and Diversification in Revenue Sources

- ▶ The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one source due to changes in economic conditions, which adversely impact that source.

User Fees

- ▶ For services that benefit specific users, where possible, the City shall establish and collect fees to recover the full direct and indirect cost of those services. City staff shall review user fees on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure and to recommend adjustments where necessary.

Property Tax Revenues/Tax Rate

- ▶ The City shall endeavor to reduce its reliance on property tax revenues by revenue diversification, implementation and continued use of user fees and economic development. The City shall also strive to stabilize its tax rate and minimize tax rate increases.

Utility/Enterprise Funds User Fees

- ▶ Utility rates and enterprise funds user fees shall be set at levels sufficient to cover operating expenditures, meet debt obligations, provide additional funding for capital improvements and provide adequate levels of working capital.

Administrative Services Charges

- ▶ The City shall prepare a cost allocation plan annually to determine the administrative services charges due the General Fund from enterprise funds for overhead and staff support. Where appropriate, the enterprise funds shall pay the General Fund for direct services rendered.

Revenue Estimates for Budgeting

- ▶ In order to maintain a stable level of services, the City shall use a conservative, objective and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year, which otherwise could result in mid-year service reductions.

Revenue Collection and Administration

- ▶ The City shall maintain high collection rates for all revenues by keeping the revenue system as simple as possible to facilitate payment. In addition, since a revenue source should exceed the cost of producing it, the City shall strive to control and reduce administrative costs. The City shall pursue to the full extent allowed by state law all delinquent taxpayers and others overdue in payments to the City.

II. Expenditures

The City shall use the following guidelines to identify necessary services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

Current Funding Basis

- ▶ The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues.

Avoidance of Operating Deficits

- ▶ The City shall take immediate corrective action, if at any time during the fiscal year, expenditure and revenue estimates are such that an operating deficit is projected at year- end.

Maintenance of Capital Assets

- ▶ Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs and to continue acceptable service levels.

Periodic Program Reviews

- ▶ Periodic program review for efficiency and effectiveness shall be performed. Programs not meeting efficiency or effectiveness objectives shall be brought up to required standards, or be subject to reduction or elimination.

Purchasing

- ▶ The City shall make every effort to maximize any discounts offered by creditors/vendors. The City will follow state law and the City of Friendswood Purchasing Manual concerning the amount of purchase requiring formal bidding procedures and approval by the City Council. For purchases where competitive bidding is not required, the City shall obtain the most favorable terms and pricing possible. Every effort will be made to include minority owned businesses in the bidding process.

- ▶ The City Manager, or his designee, shall have the authority to approve and sign contracts and/or purchases for budgeted goods or services that do not exceed the state law bid limitation of \$100,000. Contracts or purchases for items in excess of the state law bid limit shall be placed on a Council agenda for action authorizing the Mayor, or his designee's, signature.

III. Fund Balance/Working Capital/Net Assets

The City shall use the following guidelines to maintain the fund balance and retained earnings of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position from unforeseeable emergencies.

General Fund Unassigned Fund Balance

- ▶ The City shall strive to 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.
- ▶ Formal action of City Council is required to appropriate the Unassigned General Fund Balance and commit funds for a specific purpose. Amendments or modifications of the committed fund balance must also be approved by formal action of the City Council. All commitments of fund balance must occur prior to the City's fiscal year end. By resolution, the City Council has authorized the City Manager or his designee to assign fund balance for a specific purpose. Assignments of fund balance shall be documented in writing and maintained by the Finance Department. Assignments of fund balance may be redirected if necessary.
- ▶ During the annual financial reporting process, the Director of Finance shall review all committed and assigned fund balance classifications to ensure they remain appropriate and are reported in accordance with generally accepted accounting principles.
- ▶ When an expenditure is incurred for the purposes for which restricted, committed, assigned, and unassigned fund balances are available, the City shall spend resources in the following order unless otherwise required by law or specific City Council action:
 - Restricted fund balance
 - Committed fund balance
 - Assigned fund balance
 - Unassigned fund balance
- ▶ Documentation supporting all committed and assigned fund balance classifications shall be retained in accordance with the City's records retention policies and shall be available for audit and financial reporting purposes.

Unrestricted Net Position of Other Operating Funds; Water and Sewer Working Capital

- ▶ In other operating funds, the City shall strive to maintain a positive unrestricted net position to provide sufficient reserves for emergencies and revenue shortfalls. The minimum working capital in the Water and Sewer Fund shall be 90 days of prior year audited operating expenses.
- ▶ 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.

Use of Fund Balance/ Working Capital

- ▶ Fund Balance/ Working Capital may be used in one or a combination of the following ways:

- Emergencies;
 - One-time expenditures that do not increase recurring operating costs;
 - Major capital purchases; and
 - Start-up expenditures for new programs undertaken at mid-year, provided such action is considered in the context of multiyear projections of program revenues and expenditures.
- ▶ Should such use reduce the balance below the appropriate level set as the objective for that fund, the City shall take action necessary to restore the unassigned fund balance or working capital to acceptable levels within three years.

IV. Capital Expenditures and Improvements

The City shall annually review and monitor the condition of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives and availability of resources.

Capital Improvements Planning Program

- ▶ The City shall annually review the Capital Improvements Planning Program (CIP), the current status of the City's infrastructure, replacement and renovation needs and potential new projects and update the program as appropriate. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. For every project, all operation, maintenance and replacement costs shall be fully costed. The CIP shall also present the City's long-term borrowing plan, debt payment schedules and other debt outstanding or planned, including general obligation bonds, revenue bonds and certificates of obligation.

Capital Maintenance Fund

- ▶ It shall be the intent of the City to make an annual contribution to the Capital Maintenance Fund primarily through transfers from the General Fund. The purpose of these funds is to accumulate funding for capital improvements including repairs and maintenance. The balance will be evaluated annually to determine which if any capital improvements should be funded. This fund excludes maintenance of assets owned by the Enterprise Fund.

Replacement of City Vehicles

- ▶ The City shall annually prepare a schedule for the replacement of its vehicles. Within the resources available each fiscal year, the City shall replace these assets according to this schedule.
- ▶ The Vehicle Replacement Fund will purchase all City vehicles. Departments will then make annual contributions to this fund, based on the life expectancy of their equipment, to replace the funds used to purchase vehicles.
- ▶ Heavy equipment that cost more than \$50,000 may be funded by one of the capital expenditure financing methods discussed below.

Capital Expenditures Financing

- ▶ The City recognizes that there are several methods of financing capital items. It can budget the funds from current revenues; take the funds from fund balance/working capital, as allowed by the Fund Balance/working capital Policy; utilize funds from grants; or it can borrow the money through some form of debt instrument. Debt financing includes general obligation bonds, revenue bonds, certificates of obligation and public property finance contracts issued under Texas Local Government Code Section 271.005.

Capitalization Threshold for Tangible Capital Assets

The Government Finance Officers Association (GFOA) recommends that "best practice" guidelines be followed in establishing capitalization thresholds for tangible capital-type items. Accordingly, the following criteria shall be established with the adoption of this policy.

- ▶ Individual items costing \$5,000 or more will be capitalized and depreciated according to Governmental Accounting Standards Board rules. This amount will be adjusted as changes are recommended in GFOA's "best practices" guidelines.
- ▶ Tangible capital-type items will only be capitalized if they have any estimated useful life of at least five years following the date of acquisition.
- ▶ Groups of assets purchased together (e.g. computers) whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant will be capitalized.
- ▶ Adequate control procedures at the department level will be established to ensure adequate control over non-capitalized tangible items.

V. Debt Management

The City shall use the following guidelines for debt financing used to provide needed capital equipment and infrastructure improvements, while minimizing the impact of debt payments on current and future revenues.

Use of Debt Financing

- ▶ Debt financing, to include general obligation bonds, revenue bonds, certificates of obligation and public property finance contracts issued under Texas Local Government Code Section 271.005, shall only be used to acquire capital assets.

Amortization of Debt

- ▶ Amortization of debt shall be structured in accordance with a multi-year capital improvement plan. The term of a debt issue will never exceed the useful life of the capital asset being financed.

Affordability Targets

- ▶ The City shall use an objective, analytical approach to determine whether it can afford to assume new debt beyond the amount it retires each year. This process shall compare generally accepted standards of affordability to the current values for the City. These standards shall include debt per capita, debt as a percent of taxable value and debt service payments as a percent of current revenues and current expenditures. The process shall also examine the direct costs and benefits of the proposed expenditures as determined in the City's annual update of the Capital Improvements Planning Program. The decision on whether or not to assume new debt shall be based on these costs and benefits and on the City's ability to afford new debt as determined by the aforementioned standards.

Sale Process

- ▶ The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated bid.

Rating Agencies Presentation

- ▶ Full disclosure of operations and open lines of communication shall be made available to the rating agencies. City staff, with assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies.

Continuing Disclosure

- ▶ The City is committed to continuing disclosure of financial and pertinent credit information relevant to the City's outstanding issues.

Debt Refunding

- ▶ City staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. A proposed refunding of debt, for interest cost savings, should provide a present value benefit as a percent of refunded principal of at least 3%.

Continuing Compliance with Federal Tax Covenants

▶ Arbitrage Compliance

Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Responsible Person (as defined below) will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

- Procedures applicable to Obligations issued for construction and acquisition purposes. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Issuer's City Manager (such officer, together with other employees of the Issuer who report to such officer, is collectively, the "Responsible Person") will:
 - Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed with the Obligations (the "Project") that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations are entered into within 6 months of the date of closing of the Obligations (the "Issue Date") and that (ii) the Project must proceed with due diligence;
 - Monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within 3 years of the Issue Date;
 - Monitor the yield on the investments purchased with proceeds of the Obligations and restrict the yield of such investments to the yield on the Obligations after 3 years of the Issue Date;
 - Monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period; and
 - Ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.
- ▶ Procedures applicable to Obligations with a debt service reserve fund. In addition to the foregoing, if the Issuer issues Obligations that are secured by a debt service reserve fund, the Responsible Person will:
 - Assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.
- ▶ Procedures applicable to Escrow Accounts for Refunding Issues. In addition to the foregoing, if the Issuer issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:
 - Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;
 - Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and
 - Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied (see Closing Documents).

- ▶ Procedures applicable to all Tax-exempt Obligation Issues. For all issuances of Obligations, the Responsible Person will:
 - Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
 - Ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
 - Assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

▶ Private Business Use

Generally, to be tax-exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Persons will review the Closing Documents periodically (at least once a year) for the purpose of determining that the use of the facilities financed or refinanced with the proceeds of the Obligations (the "Project") do not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Persons will:

- Develop procedures or a "tracking system" to identify all property financed with tax-exempt debt;
- Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;
- Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- Monitor and record whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and
- Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Order related to the public use of the Project.

▶ Record Retention

The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt Obligations, such records shall be maintained until the three (3) years after the refunding Obligations are completely extinguished. Such records can be maintained in paper or electronic format.

▶ Responsible Persons

Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the Council whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking Council approval to engage or utilize existing advisors and agents for such purposes.

VI. Investments

The City's cash shall be invested in such a manner so as to ensure the absolute safety of principal and interest, to meet the liquidity needs of the City and to achieve the highest possible yield in accordance with the City's Investment Policy. Interest earned from investments shall be distributed to the City's funds from which the money was provided.

VII. Intergovernmental Relations

The City shall coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing government services on an equitable basis and support appropriate favorable legislation at the state and federal levels.

Interlocal Cooperation in Delivery of Services

- ▶ In order to promote the effective and efficient delivery of services, the City shall work with other local jurisdictions to share on an equitable basis the costs of services, to share facilities and to develop joint programs to improve service to its citizens.

Legislative Program

- ▶ The City shall cooperate with other jurisdictions to actively oppose any state or federal regulation or proposal that mandates additional City programs or services and does not provide the funding necessary for implementation.

VIII. Grants

The City shall seek to obtain and effectively administer federal, state, and local grants that address the City's current and future priorities and policy objectives identified by City Council.

- ▶ Allowability of Costs
 - Grant funds must be expended for the programs, activities, and strategies that meet the needs of the citizens served. All applicable requirements of the Federal and grant funds regulations, other applicable laws and regulations, and the Uniform Guidance apply to the use of Federal awards. All costs must be reasonable and necessary to carry out the intent of the award/program.
 - The Department Director or his/her designee shall review invoices to ensure costs meet the following general criteria to be allowable under 2 CFR 200:
 - ▶ Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
 - ▶ Be allocable to Federal awards under the provisions of the Uniform Guidance.
 - ▶ Be authorized or not prohibited under State or local laws or regulations.
 - ▶ Conform to any limitations or exclusions set forth in these principles, Federal laws, terms, and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
 - ▶ Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the City.

- ▶ Be accorded consistent treatment. A cost shall not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- ▶ Except as otherwise provided for in the Uniform Guidance, be determined in accordance with generally accepted accounting principles (GAAP).
- ▶ Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation. See 2 Code of Federal Regulations (CFR) 200.306(b).
- ▶ Be the net of all applicable credits.
- ▶ Be adequately documented. See 2 CFR 200.300 through 200.309.
- ▶ Cost shall be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent periods pursuant to 2 CFR 200.308 (e)(3).

▶ Reasonable Costs

- A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominantly federally funded. In determining reasonableness of a given cost, consideration must be given to:
 - ▶ Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the City or the proper and efficient performance of the Federal award.
 - ▶ The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, and other laws and regulations; and terms and conditions of the Federal award.
 - ▶ Market prices for comparable goods or services for the geographic area.
 - ▶ Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.
 - ▶ Significant deviations from the established practices and policies of the City which may unjustifiably increase the Federal award's cost.

▶ Allocable Costs

- A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received. This standard is met if the cost:
 - ▶ Is incurred specifically for the Federal award;
 - ▶ Benefits both the Federal award and other work of the governmental unit and can be distributed in proportions that may be approximated using reasonable methods; and
 - ▶ Is necessary to the overall operation of the governmental unit and is assignable in part to the Federal award in accordance with the principles in this subpart.
- All activities which benefit from the governmental unit's indirect facilities & administrative (F&A) cost, including unallowable activities and donated services by the governmental unit or third parties, will receive an appropriate allocation of indirect costs.
- Any cost allocable to a particular Federal award or cost objective under the principles provided for in the Uniform Guidance may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms and conditions of the Federal awards, or for other reasons.
 - ▶ This prohibition would not preclude the governmental unit from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.

- The City shall recover indirect costs to the maximum amount allowed by the funding source. The City may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.
 - ▶ Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required.
- Direct cost allocation principles are applicable:
 - ▶ If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit.
 - ▶ If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding the Uniform Guidance, the costs may be allocated or transferred to benefited projects on any reasonable documented basis.
 - ▶ Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also 2CFR 200.310 through 200.316 and 200.439.
 - ▶ If a contract is subject to Cost Accounting Standards (CAS), costs must be allocated to the contract pursuant to the CAS. To the extent that CAS is applicable, the allocation of costs in accordance with CAS takes precedence over other allocation provisions in this part.

Accounting Control of Purchases and Invoices

- ▶ Invoices shall be submitted to the relevant department head for approval. His or Her review shall include verification of work/quantities completed and to ensure no duplication of work exists. The department representative will consult with appropriate staff, consultants, and agencies to determine eligibility of proposed costs.
- ▶ The Finance department shall keep a detailed ledger identifying the budgeted funds for each program as well as a list of all expenditures to determine allowability of costs. Expenditures will be compared to the budget prior to approval to ensure costs are within budgeted amounts.
- ▶ Once approved, invoices shall be provided to the Finance department for processing and submittal to appropriate agency (if applicable) and for issuance of checks or electronic payment consistent with existing financial policies. The Finance department will then send to the appropriate vendor in accordance with the terms of the contract and in accordance with program requirements.
- ▶ All purchases made shall be pursuant to written or electronic authorization from the Department Director or agency whose appropriation will be changed, and no contract or order shall be issued to any seller unless and until the Finance department verifies that there is to the credit of such department or agency a sufficient unencumbered appropriation balance to pay for the supplies, materials, equipment or contractual services for which the contract or purchase order is to be issued.

Grant Review

- ▶ The City shall review all grant submittals requiring an in-kind match requirement to determine their potential impact on the operating budget, and the extent to which they meet the City's policy objectives. If there is a cash match requirement, the source of funding shall be identified and approved prior to application.
- ▶ Prior to submission, all grant requests will be reviewed by the Finance department to ensure the benefits to the City exceed the administrative costs incurred throughout the life of the grant.

Grant Program Termination

- ▶ The City shall terminate grant-funded programs and associated positions as directed by the City Council when grant funds are no longer available, unless alternate funding is identified.

IX. Economic Development

The City shall initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy and tax base.

Commitment to Expansion and Diversification

- ▶ The City shall encourage and participate in economic development efforts to expand Friendswood's economy and tax base, to increase local employment and to invest when there is a defined, specific long-term return. These efforts shall not only focus on new areas, but on established sections of the City where development can generate additional jobs and other economic benefits.

Tax Abatements

- ▶ The City of Friendswood is committed to the promotion of quality development in all parts of the City. On a case-by-case basis, the City will give consideration to providing tax abatement on the increment in value added to a particular property by a specific development proposal, which meets the economic goals and objectives of the City.
- ▶ The tax abatement shall not apply to any portion of the inventory or land value of the project.
- ▶ Tax abatement may be offered on improvements to real property owned by the applicant and/or on new personal property brought to the site by the applicant.
- ▶ Tax abatement will not be ordinarily considered for projects which would be developed without such incentives unless it can be demonstrated that higher development standards or other development and community goals will be achieved through the use of the abatement.

Increase Non-Residential Share of Tax Base

- ▶ The City's economic development program shall seek to expand the non-residential share of the tax base to decrease the tax burden on residential homeowners.

Coordinate Efforts With Other Jurisdictions

- ▶ The City's economic development program shall encourage close cooperation with other local jurisdictions to promote the economic well-being of this area.

X. Fiscal Monitoring

Reports shall be prepared and presented on a regular basis that analyze, evaluate and forecast the City's financial performance and economic condition.

Financial Status and Performance Reports

- ▶ Monthly reports shall be prepared comparing expenditures and revenues to original and amended budgets. Explanatory notes will be included, as needed.

XI. Accounting, Auditing and Financial Reporting

The City shall comply with prevailing local, state and federal regulations. Its accounting practices and financial reporting shall conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA). The City Council shall select an independent firm of certified public accountants to perform an annual audit of its accounting and financial reporting practices.

XII. Internal Control

The Director of Finance is responsible for developing citywide, written guidelines on accounting, handling of cash and other financial matters. The Director of Finance will assist Department Directors as needed, in tailoring these guidelines into detailed written procedures to fit each department's specific requirements.

Each Department Director is responsible to ensure that good internal controls are followed throughout his or her department, that all guidelines on accounting and internal controls are implemented and that all independent auditor internal control recommendations are addressed.

XIII. Risk Management

The City will utilize a safety program, an employee health program and a risk management program to prevent and/or reduce the financial impact to the City due to claims and losses. Transfer of liability for claims through transfer to other entities through insurance and/or by contract will be utilized where appropriate. Prevention of loss through the safety program and the employee health program will be employed.

XIV. Operating Budget

The City shall establish an operating budget that shall link revenues and expenditures to City Council goals, service and performance standards.

Any transfer of intradepartmental appropriations shall be authorized, in writing, by the City Manager. Transfers from personnel expenditure category line items to non-personnel expenditure category line items of the adopted budget are permitted, with City Manager approval, when the expense for which the transfer is made is directly related to personnel. No transfer of more than \$50,000 shall be authorized by the City Manager without prior approval of the City Council. Written justification shall be attached to each request to the City Manager for a transfer of appropriation and, if authorized, the written justification shall be attached to the City Manager's written authorization. All applicable bidding and purchasing laws shall be followed. New capital projects or projects not otherwise provided for in the budget shall not be funded through transfers.

"Exhibit A"
CITY OF FRIENDSWOOD
PROPOSED BUDGET SUMMARY
FISCAL YEAR 2026-2027

	PROPOSED BUDGET
REVENUES	
Taxes	47,876,463
Charges for Services	26,648,350
Permits and Licenses	739,026
Fines	978,912
Intergovernmental Revenues	9,179,717
Interest	2,246,301
VRF Internal Lease Payments	1,418,436
Miscellaneous Receipts	931,738
TOTAL REVENUES	90,018,943
Fund Balance Used or (Carried Forward)	
General Fund	-
Police Investigation Fund	(6,049)
Community Development Block Grant Fund - Galveston County	137,520
2021 Coronavirus State & Local Fiscal Recovery Grant Fund	105,539
2022 Community Development Block Grant - Mitigation	-
Hazard Mitigation Grant Program - Master Drainage Plan	-
2025 CDBG - Resilient Communities Program	-
Fire/EMS Donation Fund	23,246
Friendswood Tax Increment Reinvestment Zone #1	(21,499)
Friendswood Tax Increment Reinvestment Zone #2	(134,766)
Municipal Court Fund	7,029
Tax Debt Service Fund	(91,017)
2016/2017 GO Bond Funds	-
2020 GO Bonds Fund	-
2021 GO Bonds Fund	2,500,000
2023 GO Bonds Fund	13,050,000
Sidewalk Installation Fund	-
Capital Maintenance Fund	(39,111)
Park Land Dedication Fund	(56,459)
Streets Improvement Fund	8,686,823
Fwd Downtown Economic Development Improvements Fund	(948,695)
1776 Part Trust Fund	(453)
Water & Sewer Operations Fund	-
2016 Water & Sewer Bond Construction Fund	39,268
2018 Water & Sewer Bond Construction Fund	45,000
2021 Water & Sewer Bond Construction Fund	-
2025 Water & Sewer Bond Construction Fund	16,108,323
Water Impact Fees	(32,930)
Sewer Impact Fees	67,566
Water and Sewer Revenue Debt Service	(110,409)
Vehicle Replacement Plan Fund	(504,581)
	38,824,345
Total Resources Available	128,843,288
EXPENDITURES	
General Government	10,812,123
Public Safety	23,308,688
Community Development	1,914,822
Public Works	15,939,590
Engineering	1,337,087
Parks & Recreation	6,361,446
Library	1,616,581
Vehicle Replacement Fund	1,007,970
Capital Improvements	53,199,676
Debt Service	13,345,305
TOTAL EXPENDITURES	128,843,288
REVENUES OVER (UNDER) EXPENDITURES	-
BEGINNING FUND BALANCE	91,361,815
ENDING FUND BALANCE	52,537,470

CITY OF FRIENDSWOOD

FY 2026-2027 Proposed Budget
September 14, 2026



PROPOSED BUDGET CHANGES

(since August 3rd Council Meeting)

PROPOSED TAX RATE CHANGE

From \$0.559723 to **\$0.524843**

- **NNRR + \$0.01**
- **Lowered \$0.03488**

GENERAL FUND

REVENUES – From \$48.1M to **\$46.4M**

(net decrease of \$1.7M)

- **Property Tax Decrease – (\$2M)**
- **Sales Tax Increase - \$319K**

PROPOSED BUDGET CHANGES

(since August 3rd Council Meeting)

GENERAL FUND

EXPENDITURES – From \$48.1M to \$46.4M

(decrease of \$1.7M)

- Deletion – Fire/EMS VRF Establishment (\$600K)
- Deletion – Deferred Maintenance (\$500K)
- Deletion – Severe Weather Reserve (\$500K)
- Addition – 1 FTE Deputy City Attorney \$150K
- Deletion – Special Election Services (\$150K)
- Deletion – Economic Dev. Division (\$28.4K)
- Deletion – Recodification Services (\$17.5K)
- Transfer to FDEDC – Santa in the Park (\$48K)

PROPOSED BUDGET CHANGES

(since August 3rd Council Meeting)

VEHICLE REPLACEMENT FUND

- Deletion - Transfer from General Fund (FVFD/EMS Equip.) **(\$600K)**

CAPITAL MAINTENANCE FUND

- Deletion - Transfer from General Fund **(\$500K)**

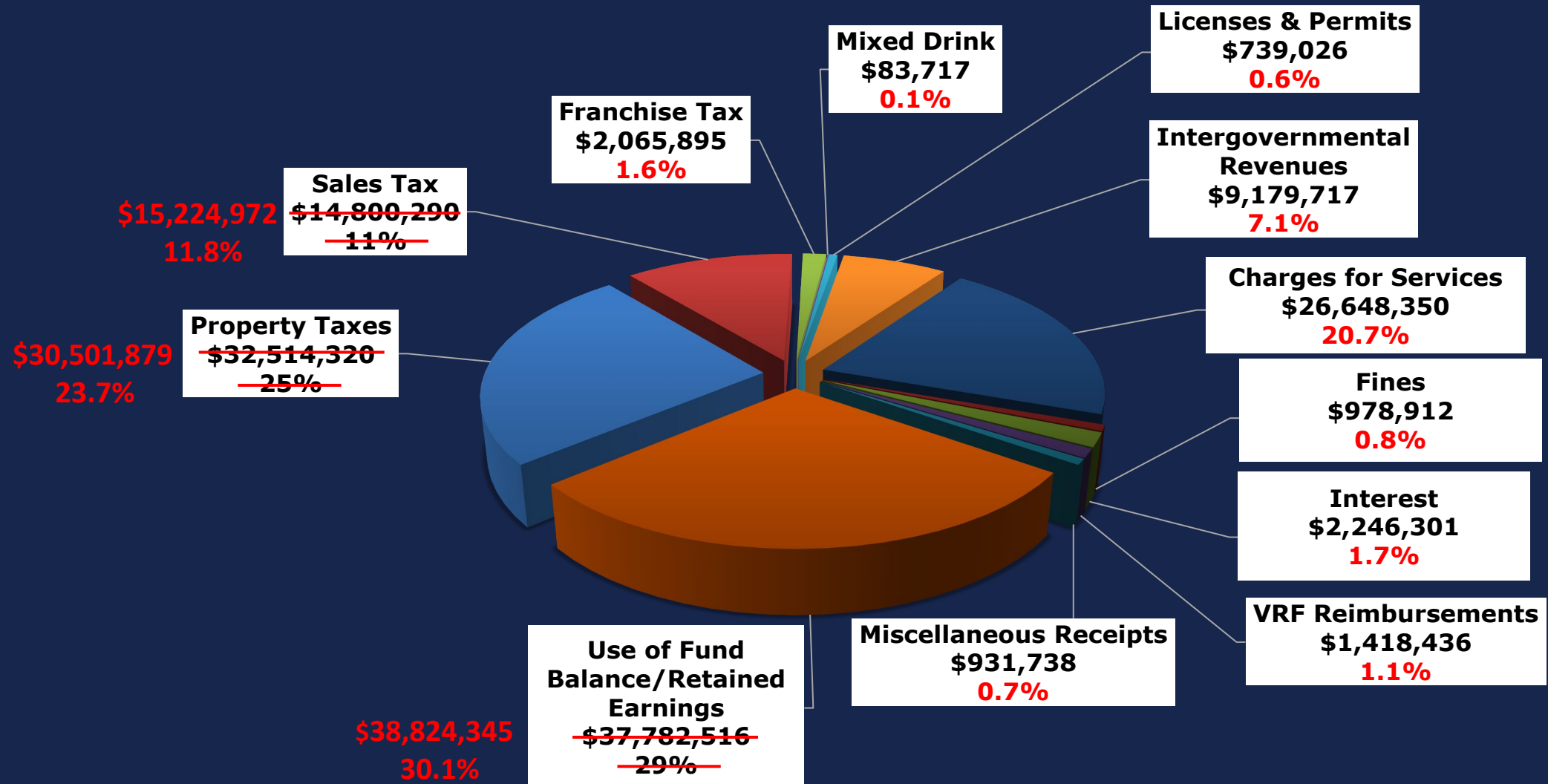
STREETS IMPROVEMENT FUND

- Addition - Sales Tax Increase **\$79,628**

FRIENDSWOOD DOWNTOWN ECONOMIC DEVELOPMENT IMPROVEMENT FUND

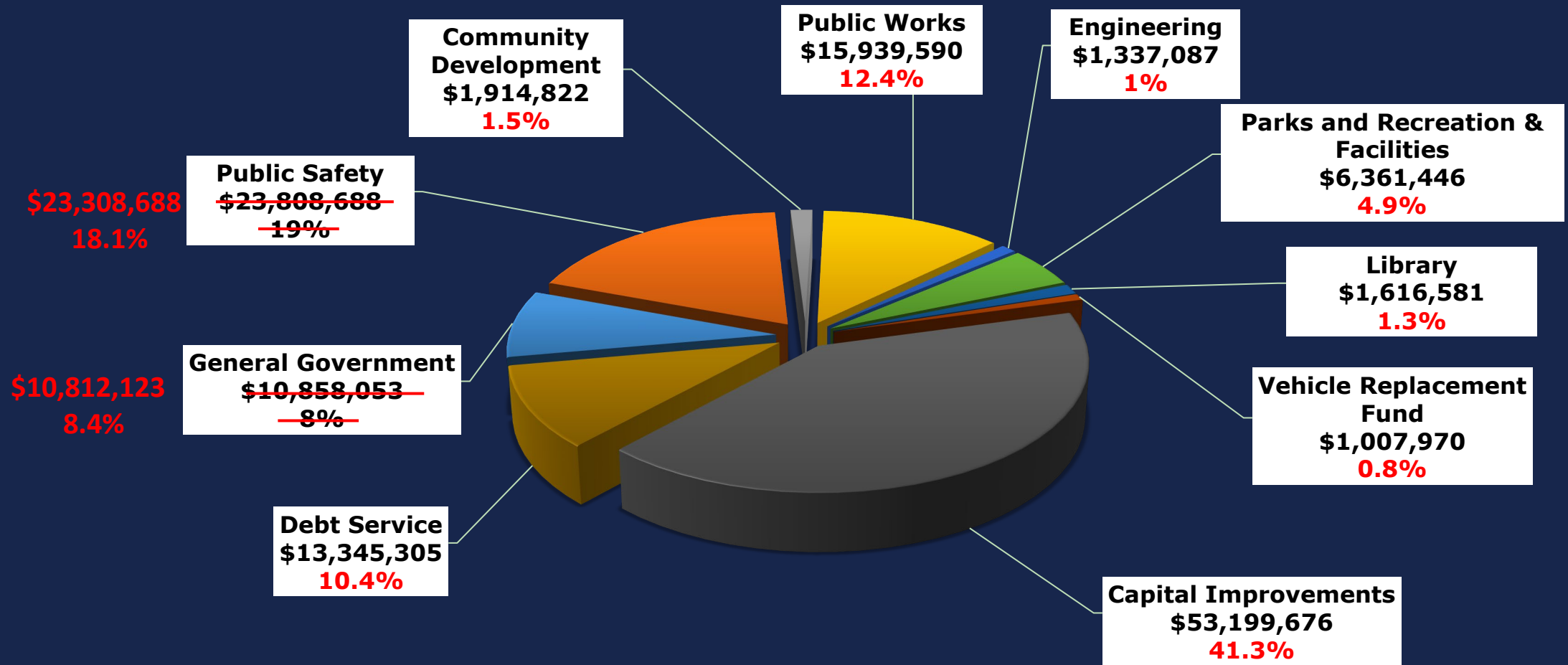
- Addition - Sales Tax Increase **\$26,543**
- Transfer from General Fund - Christmas in the Park **\$48,000**

Total Proposed Revenue (All Funds) ~ ~~\$129.4M~~ \$128.8M



Use of fund balance/retained earnings includes bond funds issued, and grant funds received in prior years to complete capital improvement projects in FY27.

Total Proposed Expenditures (All Funds) ~ ~~\$129.4M~~ \$128.8M





NEXT STEPS

- **Key Dates**

- ✓ Proposed Budget to be Delivered – 08/01/2026
- ✓ Budget Work Session – 08/03/2026
- ✓ Budget Workshop (**Special Meeting**) – 08/11/2026
- ✓ Proposed Budget Public Hearing (**Special Meeting**) – 08/24/2026
 - Budget Adoption – 09/14/2026
 - Public Hearing on Tax Rate – 09/14/2026
 - Tax Rate Adoption – 09/14/2026

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, APPROVING AND ADOPTING THE CITY OF FRIENDSWOOD, TEXAS, GENERAL BUDGET FOR FISCAL YEAR 2026-27; MAKING APPROPRIATIONS FOR THE CITY FOR SUCH FISCAL YEAR AS REFLECTED IN SAID BUDGET, AND MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATED THERETO; AND PROVIDING FOR THE PUBLICATION AND EFFECTIVE DATE THEREOF.

WHEREAS, on July 31, 2026, the City Manager submitted to the City Council a proposed budget of the expenditures of the City of Friendswood for the fiscal year 2026-27 along with an accompanying budget message, a summary copy of which is attached hereto as Exhibit "A" and is made a part hereof; and

WHEREAS, on August 3, 2026, the City Council called a public hearing on the budget for August 24, 2026, at 5:30 p.m. in the Council Chamber of the Friendswood City Hall; and

WHEREAS, after posting proper notice, the City Council, on August 24, 2026, conducted a public hearing on the proposed budget, at which hearing any person had the opportunity to be present and participate in the hearing; and

WHEREAS, the City Council has considered the proposed budget and has made such changes therein as, in the City Council's judgment, were warranted and were in the best interest of the citizens and taxpayers of the City; and

WHEREAS, in accordance with Section 8.03(a) of the City Charter, the City Council has reviewed estimates of revenue to be derived by the City during the 2026-27 fiscal year, and has determined that the proposed budgeted expenditures will not exceed total estimated income plus funds available from prior years; 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. In accordance with Section 8.03(e) of the City Charter, the City Council hereby approves and adopts the budget for the ensuing fiscal year beginning October 1, 2026, and ending September 30, 2027, as finally submitted to the City Council by the City Manager, a copy of which is on file with the City Secretary.

Section 3. In support of said budget and by virtue of the adoption thereof, there are hereby appropriated out of available cash funds and out of the general and special revenues of the City that will be received in the treasury during the fiscal year 2026-27, the amounts set forth in said approved budget for the various purposes stated therein. The total amounts now

thus appropriated and the funds from which the same are derived are as follows and are further summarized in Exhibit "A," which is attached hereto and incorporated herein for all intents and purposes:

Beginning Fund Balance 10/1/2026	\$91,361,815
Total Revenues	\$90,018,973
Total Resources Available for Appropriation	\$128,843,288
Total Expenditures and Other Financing Uses	\$128,843,288
Ending Fund Balance.....	\$52,537,470

Section 4. This ordinance shall remain in full force and effect from and after its passage and approval by the City Council, and it shall be published in accordance with law.

INTRODUCED, READ AND PASSED on first and final reading by the affirmative, record vote of the City Council of the City of Friendswood on this the 14th day of September, 2026.

MIKE FOREMAN, Mayor

ATTEST:

RAQUEL MARTINEZ, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/25/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider ratifying the property tax increase reflected in the City of Friendswood's Budget for Fiscal Year 2026-2027.

Originating Department: Finance

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

Pursuant to Section 102.007(c) of the Texas Local Government Code, the City Council must take a separate vote to ratify the property tax increase reflected in the budget since the budget will require raising more revenue from property taxes than in the previous year. This vote is separate and distinct from the vote adopting the budget and the vote on the tax rate required by Chapter 26 of the Texas Tax Code.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Compliance with the State regulations and Truth-in-Taxation guidelines

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 07/06/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Conduct a public hearing regarding the City of Friendswood proposed tax rate for Fiscal Year 2026-2027.

Originating Department: Finance

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

Based on Texas Constitution Article VIII, Section 21 and Tax Code Chapter 26, Texas' truth-in-taxation principles provide that a taxing unit, other than a water district or small taxing unit which are covered by special provisions, must publish special notice and hold a public hearing before adopting a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate; which could result in an increase of property taxes imposed by a taxing entity on properties taxed in both the current and preceding tax years.

On August 3, 2026, the City Council took action to propose a tax rate of \$0.559723 per \$100 property valuation for 2026. The proposed tax rate exceeds the lower of the no-new-revenue tax rate or voter-approval tax rate by 8.7 percent and would result in a tax revenue increase of approximately \$2.6 million from properties taxed in, both, the current and preceding tax years. Also, on August 3, 2026, the City Council scheduled a public hearing on the proposed tax increase for September 14, 2026. As required by truth-in-taxation guidelines, the date, time and location of the meeting to adopt the tax rate will be announced at the public hearing.

A quarter-page advertisement for the notice of public hearing on the tax increase was published in the Friendswood "Reporter News" on August 26, 2026. The notice explains the proposed change to the property tax rate and reflects the public hearing date. The notice is posted on the City's website and PEG channel.

City Council may decide to move forward with adopting this rate or proposing and adopting a rate lower than this without having to publish any additional notice of the 2026 tax year proposed property tax rate.

The City of Friendswood fiscal year 2026-2027 budget was developed with a tax rate of \$0.524843 per \$100 property valuation, comprising a maintenance and operations rate of \$0.406285 and interest and sinking (debt service) rate of \$0.118558. The tax rate used to develop the budget exceeds the no-new-revenue tax rate by 1.94 percent and would result in a tax revenue increase of approximately \$166,823 from properties taxed in, both, the current and preceding tax years.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

The public hearing gives City Council an opportunity to receive comments from the public regarding the proposed tax revenue increase.

RECOMMENDATIONS

Hold public hearing.

ATTACHMENTS

1.	2026 Friendswood Tax Rate Public Hearing Notice
2.	FY27 TAX RATE HEARING PRESENTATION

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.559723 per \$100 valuation has been proposed by the governing body of City of Friendswood.

PROPOSED TAX RATE	\$0.559723 per \$100
NO-NEW-REVENUE TAX RATE	\$0.514843 per \$100
VOTER-APPROVAL TAX RATE	\$0.586980 per \$100

The no-new-revenue tax rate is the tax rate for the 2026 tax year that will raise the same amount of property tax revenue for City of Friendswood from the same properties in both the 2025 tax year and the 2026 tax year. The voter-approval rate is the highest tax rate that City of Friendswood may adopt without holding an election to seek voter approval of the rate. The proposed tax rate is greater than the no-new-revenue tax rate. This means that City of Friendswood is proposing to increase property taxes for the 2026 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 14, 2026 AT 5:30 PM AT FRIENDSWOOD CITY HALL, 910 S. FRIENDSWOOD DRIVE, FRIENDSWOOD, TEXAS 77546.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, City of Friendswood is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the Friendswood City Council of City of Friendswood at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

Property tax amount= (tax rate) x (taxable value of your property)/100

FOR the proposal:

Mike Foreman, Mayor
Sally Branson
Robert J. Griffon
John Ellisor

Michael Ross, Mayor Pro-Tem
Trish Hanks
Randy Hale

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property. The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by City of Friendswood last year to the taxes proposed to be imposed on the average residence homestead by City of Friendswood this year.

	2025	2026	Change
Total tax rate (per \$100 of value)	\$0.514172	\$0.559723	increase of 0.045551 per \$100, or 8.86%
Average homestead taxable value	\$367,599	\$370,317	increase of \$0.74%
Tax on average homestead	\$1,890.09	\$2,072.75	increase of \$182.66, or 9.66%
Total tax levy on all properties	\$25,608,282	\$27,910,701*	increase of \$2,302,419, or 8.99%

* Total tax levy excludes approximately \$4.4 million from properties with ceilings.

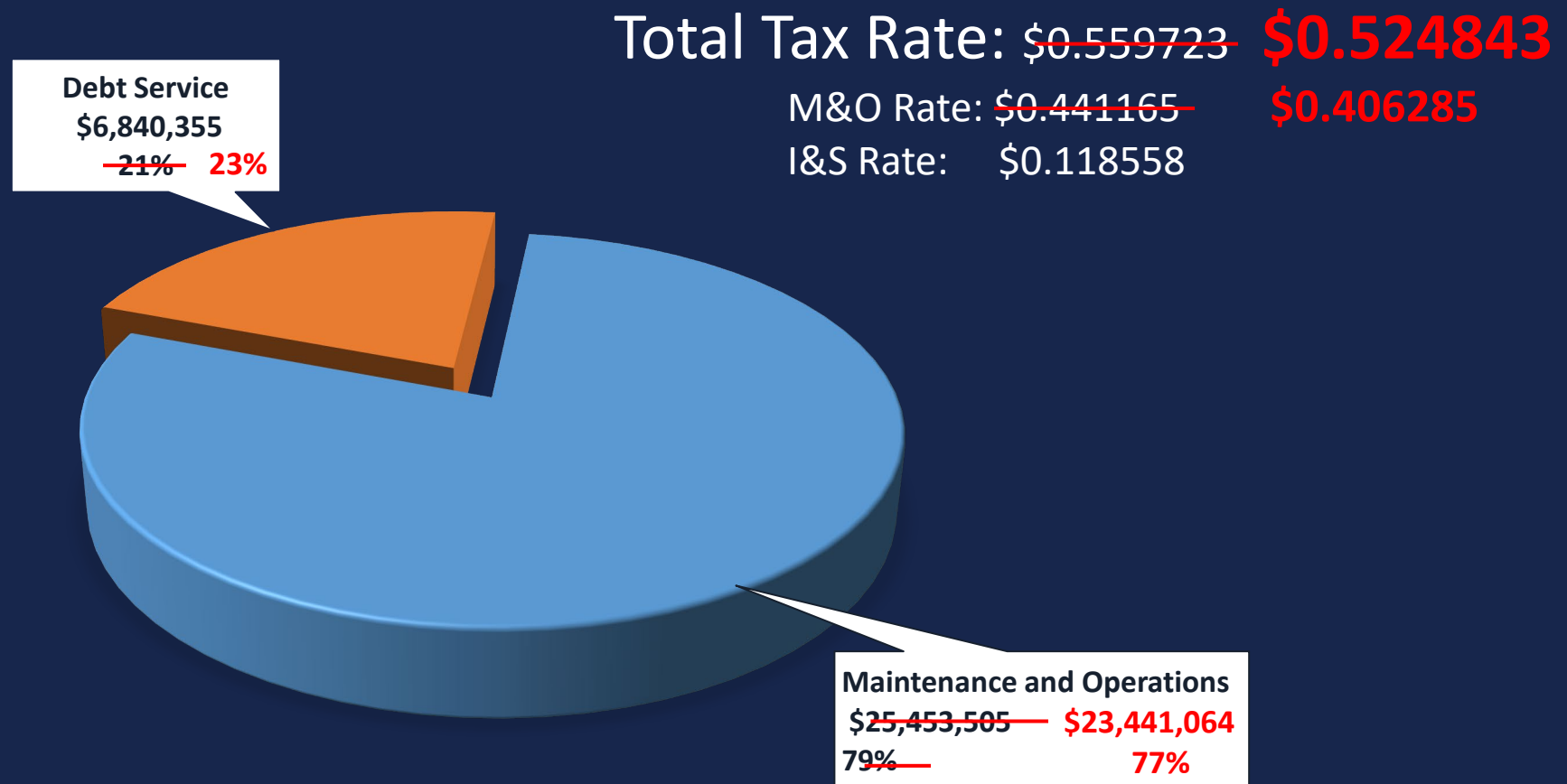
For assistance with tax calculations, please contact the tax assessor for City of Friendswood at 409-766-2260 or galcotax@galvestoncountytexas.gov, or visit www.galcotax.com for more information.

FY2026-2027 Proposed Tax Rate Public Hearing

September 14, 2026



FY 2027 Proposed Tax Rate



Tax Bill Comparison

Home Value - \$460,000		
No change in value from 2025 to 2026		
Homestead Taxable Value ~ \$368,000 (with 20% homestead exemption)		
	Proposed*	Current
	\$0.559723 \$0.524843	\$0.514172
Monthly Tax Bill	\$171.65 \$160.95	\$157.68
Annual Tax Bill	\$2,059.78 \$1,931.42	\$1,892.15
Monthly Difference from proposed rate		\$13.97 \$3.27
Annual Difference from proposed rate		\$167.63 \$39.27

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 07/06/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Consider on first and final reading an ordinance adopting and levying the ad valorem tax rate for maintenance and operation expenditures for the City of Friendswood's fiscal year commencing October 1, 2026, and ending September 30, 2027, and adopting and levying the ad valorem tax rate for debt service for the City of Friendswood's fiscal year commencing October 1, 2026, and ending September 30, 2027.

Originating Department: Finance

Degree of importance: Significant

SUMMARY / ORIGINATING CAUSE

According to the Texas Property Tax Code and the Texas Truth-in-Taxation Guidelines, the adoption of the tax rate must be a separate item on the City Council meeting agenda. The tax rate must be adopted by the affirmative vote of five members of the City Council.

The proposed tax rate of \$0.524843 is composed of the maintenance and operations (M&O) rate at \$0.406285 and the interest and sinking debt service (I&S) rate at \$0.118558

Truth-in-Taxation Guidelines for Taxing Units Other than Schools, based on Section 26.05(a) of the Texas Tax Code, requires tax rate adoption by September 30th or by the 60th day after the taxing unit receives the certified appraisal roll, whichever date is later, if adopting a tax rate that does not exceed the voter-approval tax rate. Certified property tax values were received on July 24, 2026; making our required tax rate adoption date September 24, 2026.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

This action is required to comply with the Truth in Taxation guidelines regarding tax rate adoption.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Ordinance - Tax Rate

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, ADOPTING AND LEVYING THE AD VALOREM TAX RATES FOR THE GENERAL FUND MAINTENANCE AND OPERATIONS AND FOR DEBT SERVICE FOR THE CITY OF FRIENDSWOOD FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2026, AND ENDING SEPTEMBER 30, 2027; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 26.05 of the Texas Property Tax Code provides that before the later of September 30th or the 60th day after the date the City receives the certified appraisal roll, the City Council shall adopt a tax rate for the current tax year; and

WHEREAS, the City received the certified appraisal rolls from Galveston Central Appraisal District and Harris Central Appraisal District on or about July 24, 2026, making September 24, 2026, the required tax rate adoption date; and

WHEREAS, the City's tax rate consists of the following two components:

1. the rate that, if applied to the total taxable value, will impose the amount of taxes needed to pay debt service; and
2. the rate that, if applied to the total taxable value, will impose the amount of taxes needed to fund maintenance and operations expenditures of the City for the next year; and

WHEREAS, the proposed tax rate for debt service is \$0.118558 per \$100 valuation, and the proposed tax rate for maintenance and operation expenditures is \$0.406285 per \$100 valuation; and

WHEREAS, the combined tax rate of \$0.524843 exceeds the no-new revenue tax rate but not the voter-approval tax rate; and

WHEREAS, on September 14, 2026, prior to the passage of this ordinance, the City Council held a public hearing on the proposed tax rate in accordance with the Texas Tax Code affording adequate opportunity for proponents and opponents of the tax increase to present their views; and

WHEREAS, all notices and hearings required by law as a prerequisite to the passage, approval, and adoption of this ordinance have been timely and properly given and held; and

WHEREAS, in adopting this ordinance, a Councilmember made the following motion:

I move that the property tax rate be increased by the adoption of a tax rate of \$0.524843, which is effectively a 1.94 percent increase in the tax rate;
and

WHEREAS, the vote on such motion was made by a record vote and passed by at least five (5) members of the City Council; 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 found to be true and correct and are hereby adopted, ratified, and confirmed.

Section 2. The City Council of the City of Friendswood hereby adopts and sets for the fiscal year commencing October 1, 2026, and ending September 30, 2027, an ad valorem tax rate of \$0.406285 on each ONE HUNDRED AND NO/100 DOLLARS (\$100.00) of assessed valuation on all property – real, personal, and mixed – within the corporate limits of the City on January 1, 2026, made taxable by law, which said taxes, when collected, shall be apportioned among funds for the purpose of maintenance and operation expenditures.

**THIS TAX RATE WILL RAISE MORE TAXES FOR
MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX
RATE.**

Section 3. That the ad valorem tax rate of \$0.406285, as set forth in Section 2, is hereby levied and shall be assessed and collected on one hundred percent (100%) of each ONE HUNDRED AND NO/100 DOLLARS (\$100.00) of assessed value of property located within the city limits of the City of Friendswood on January 1, 2026, as valued by the Harris Central Appraisal District and the Galveston Central Appraisal District and made taxable by law.

Section 4. The City Council of the City of Friendswood hereby adopts and sets for the fiscal year commencing October 1, 2026, and ending September 30, 2027, an ad valorem tax rate of \$0.118558 on each ONE HUNDRED AND NO/100 DOLLARS (\$100.00) of assessed value of all property – real, personal, and mixed – within the corporate limits of the City on January 1, 2026, made taxable by law, which said taxes, when collected, shall be apportioned among funds for the purpose of debt service.

Section 5. The ad valorem tax rate of \$0.118558, as set forth in Section 4, is hereby levied and shall be assessed and collected on one hundred percent (100%) of each ONE HUNDRED AND NO/100 DOLLARS (\$100.00) of assessed value of property located within the city limits of the City of Friendswood on January 1, 2026, as valued by the Harris Central Appraisal District and the Galveston Central Appraisal District and made taxable by law.

Section 6. That the Tax Assessor and Collector of the City of Friendswood is hereby directed to assess, extend and enter upon the Tax Rolls of the City of Friendswood for the current year the amounts and rates herein levied, and to keep a current account of same. All collection of such taxes, as well as collection of taxes owed for prior years, to include penalty and interest thereof, shall be deposited in the official depository of the City of Friendswood to be distributed between the General Fund and the Debt Service on a basis determined by the percentage that each bear to the total tax rate.

Section 7. That all ordinances or parts of ordinances in conflict or inconsistent with this ordinance are hereby expressly repealed.

Section 8. That 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 9. 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 14th day of September, 2026.

MIKE FOREMAN, Mayor

ATTEST:

RAQUEL MARTINEZ, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/26/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Recognize the Friendswood Police Department for being awarded a Rifle-Resistant Body Armor Grant from the Office of the Governor's Public Safety Office Grant Programs.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Friendswood Police Department is grateful to receive a Rifle-Resistant Body Armor Grant in the amount of \$64,688 from the Office of the Governor's Public Safety Office Grant Programs to replace their rifle-resistant hard armor plates. When used in conjunction with the current soft body armor, these new plates will provide officers with rifle-resistant protection consistent with state and national best practices. Following the notice to discontinue use of the existing plates, this grant is especially welcomed and will provide an important enhancement to the protection we can provide our officers.

Through the grant, the City is eligible to purchase 47 sets, or 94 rifle-resistant plates, which will allow us to outfit our personnel with this additional level of protection. This is a significant investment in the safety of our officers, and we are very excited that we were able to secure these funds without having to rely solely on our department budget.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/18/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Recognize the Finance Department for receiving the Investment Policy Certificate of Distinction Award from the Government Treasurers' Organization of Texas (GTOT).

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

We are pleased to share that the City of Friendswood has earned its 6th consecutive Investment Policy Certificate of Distinction Award from the Government Treasurers' Organization of Texas!

The award is earned by the City's Investment Policy meeting GTOT's Investment Policy Review established standards for prudent public investing and the requirements of the Public Funds Investment Act. The certification is for a two-year period and is valid through August 31, 2028.

Thank you, Rhonda Boskas and the outstanding Finance Team. We would also like to thank the Investment Committee, including Robert Bozka, Allan Rasmussen and Cynthia Bowman, for their annual review of the City's Investment Policy, and City Council annual review and approval of the Policy.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1.	Investment Policy Award Letter
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Government Treasurers' Organization of Texas

August 13, 2026

Jennifer Walker
Deputy Director of Finance
City of Friendswood
910 S Friendswood Dr
Friendswood, TX 77546-4856

Dear Jennifer:

On behalf of the Investment Policy Review Committee, I am pleased to inform you that the Government Treasurers' Organization of Texas (GTOT) has awarded the **Certificate of Distinction** to the City of Friendswood for its Investment Policy. Members of the Review Committee congratulate the City of Friendswood for its commitment to maintaining a comprehensive written investment policy that meets the criteria set forth in the GTOT Investment Policy Review Checklist.

We have no recommendations for your policy currently.

Congratulations once again on an excellent policy and thank you for participating in our certification program. Your certificate is good for a two-year period ending **August 31, 2028**.

Sincerely,

Patrick Shinkle
GTOT Investment Policy Review Committee

Government Treasurers' Organization of Texas Certification of Investment Policy

Presented to the

City of Friendswood

for developing an investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing established by the Government Treasurers' Organization of Texas.

Dwight D. Burns

Government Treasurers' Organization of Texas
President

WDFW

Investment Policy Review Committee

For the two-year period ending August 31, 2028

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/27/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Recognize Assistant Director of Engineering Heather Van Dine for being selected for the Society of American Military Engineers (SAME) Texas Region Leader Development Program.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Heather Van Dine has been selected for the Society of American Military Engineers (SAME) Texas Region Leader Development Program. The competitive program brings together emerging leaders from public agencies and the architecture, engineering, and construction industry across Texas for an intensive leadership development program. The program includes leadership and team development, mentoring by senior professionals, facilitated discussions, and collaboration with a cohort representing organizations throughout the state.

The Texas Region program was developed from established SAME leadership programs focused on preparing professionals for increasing leadership responsibilities within their organizations and the A/E/C profession. Heather's selection provides an opportunity to further develop her leadership capabilities while building relationships with public- and private-sector infrastructure professionals across Texas.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/26/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Recognize the Friendswood Public Library for being awarded a Federally Funded Reimbursement Award from the Texas State Library and Archives Commission (TSLAC) for ILL Services.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Friendswood Public Library is receiving a federally funded reimbursement award in the amount of \$9,870.42 from the Texas State Library and Archives Commission (TSLAC) for 993 interlibrary loan (ILL) lends made to Texas libraries between August 1, 2025 – July 31, 2026. We appreciate your participation in statewide resource sharing and your support in meeting the information needs of Texans.

This is a sub-award (or pass-through award) of the [Grants to States](#) program from the TSLAC federal funder, [Institute of Museum and Library Services \(IMLS\)](#), to be applied to costs associated with ILL activities incurred during August 1, 2025 - July 31, 2026.

Congratulations to the Director of Library Services, Melissa Baker, and all the Library staff for helping to secure this grant!

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/18/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Present an update regarding the Friendswood Public Library improvements.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Library Improvements Are Underway

Friendswood Library is installing new mobile shelving throughout the building, completing facility maintenance and updates, conducting staff training, and preparing for the Friends of the Library Gala fundraiser.

Library services and hours of operation have been temporarily adjusted, with limited access to some parts of the building for the next few weeks. Patrons are encouraged to use the Library's new 24/7 book vending machine at City Hall while library services are limited.

September 8–24

Open with limited services

Monday – Saturday 10am–6pm

September 25–26

Closed for the Gala

Tickets and more info at librarygala.com

Stop by the library the week of Sept 28 to check out all the new improvements!

More information can be found on the Library website at <https://www.friendswood.lib.tx.us/>

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1.	Library CMR 9-14-2026
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Friendswood Library Facility Updates



- Open with Limited Services through Sept. 24: **Monday – Saturday 10am–6pm**
- Closed for the Library Gala Fundraiser Sept. 25-26: Tickets at librarygala.com
- Full Hours & Services Start **Sept. 28**: Come check out the new mobile shelving!

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/26/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Highlight the upcoming "Bet on the Library" Friends of the Library Fundraiser Gala scheduled for Saturday, September 26, 2026.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Prepare to enter a world of glitz, intrigue, and high-stakes glamour at the 2026 Friendswood Public Library Gala: Bet on the Library, which is scheduled for Saturday, September 26, 2026. On this unforgettable night, the red carpet is rolled out just for you—our dazzling stars and secret agents. Slip into your finest tuxedo or gown, channel your inner Bond or screen queen, and get ready to raise the stakes for a good cause. With the thrill of casino games, the elegance of old Hollywood, decadent food, lively entertainment, and a raffle fit for royalty, this gala is your ticket to a night of drama, decadence, and dazzling generosity. All proceeds support the purchase of a new library marquee and the Gale High School scholarship program.

Secure your ticket and be part of an unforgettable night by visiting the Friendswood Library Gala webpage at www.librarygala.com.

Tickets start at \$125 and your entry includes:

- Access to our exclusive celebration event
- Delicious food and bottomless drinks
- Live entertainment that's a real page-turner
- A chance to win a truly spectacular prize in our drawing!

Remember, only those of 21 years and older may partake in this extraordinary celebration. While the atmosphere is thrilling, the real winner is our community. Join us to "Bet on the Library" and ensure our story continues for generations to come. Every ticket purchased helps fund a sparkling new marquee for our library and provides essential scholarships for our community. It's a win-win for everyone!

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. CMR Library Friends Gala 8-3-2026

Friendswood Library Gala Fundraising Event



FRIENDS 
THE FRIENDSWOOD PUBLIC LIBRARY
CASINO NIGHT
FUNDRAISER

SATURDAY, SEPTEMBER 26
FRIENDSWOOD LIBRARY
7-11PM



Your ticket includes:

- Gaming chips
- Delicious food and bottomless drinks
- Live entertainment
- A chance to win a truly spectacular prize worth \$800 or more in our raffle!



BLACKJACK ♠ TEXAS HOLD'EM ♠ CRAPS ♠ ROULETTE ♠ RIVERBOAT POKER

WILL YOU BET ON THE LIBRARY?
LIBRARYGALA.COM

7-11 pm on Sept. 26

**Join us for a night of glitz,
glamour, and giving back at
the Friendswood Library
Gala, “Bet on the Library”!**

Tickets on sale now at:
LibraryGala.com

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/26/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Highlight the upcoming National Night Out on October 6, 2026.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Join the City of Friendswood Police Department, Friendswood EMS, and the Friendswood Volunteer Fire Department for an evening of fun, food, and connection as we work together to build stronger, safer neighborhoods. Texas Residents will celebrate National Night Out on Tuesday, October 6, 2026.

Here is more detailed information about the event:

Registration is now open to host a National Night Out party in your neighborhood. Be sure to sign up by September 1, 2026, at: <https://www.ci.friendswood.tx.us/FormCenter/Police-Department-4/Application-for-National-Night-Out-Party-72>.

This year, the Friendswood Police Department will be supporting FISDCares by collecting Sleep Fit Kits for local teens. These kits consist of adult-sized socks, pajamas, and underwear. *For underwear, we are requesting briefs for boys and seamless briefs for girls.

The neighborhood that collects the most Sleep Fit Kits will be recognized with a trophy.

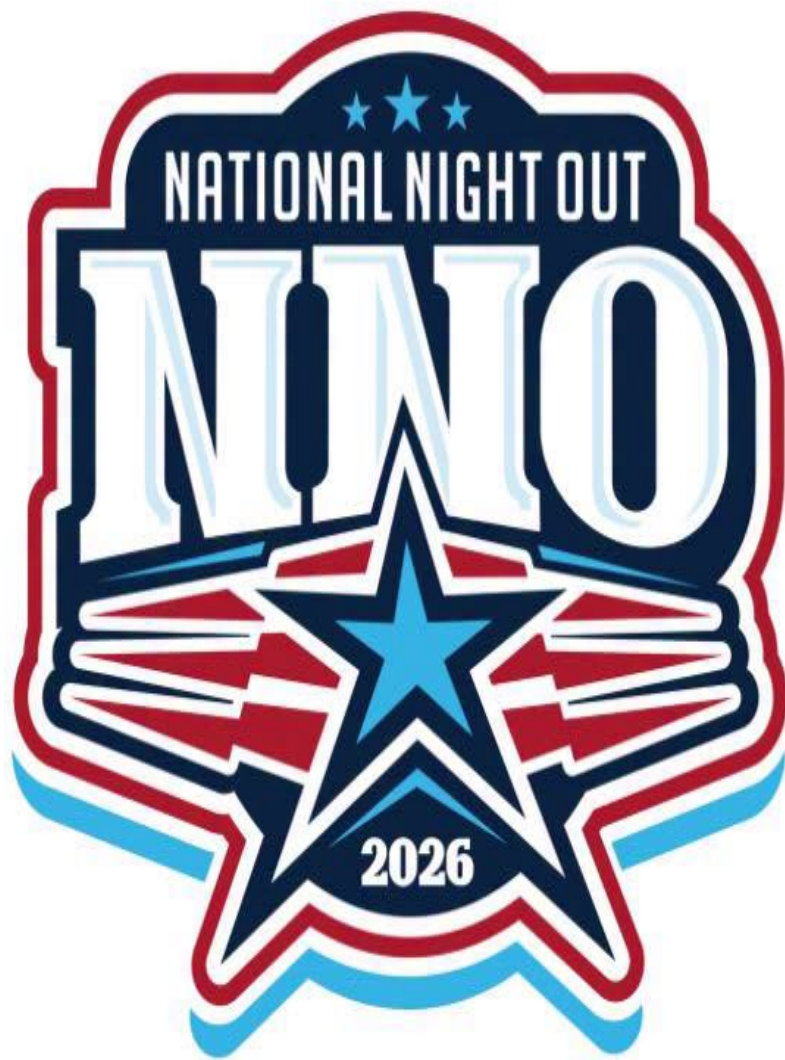
IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

None at this time.

ATTACHMENTS

1.	National Night Out Logo 2026
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POLICE • COMMUNITY PARTNERSHIPS

OCTOBER 6, 2026



**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 07/13/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider authorizing a Fire and Rescue Services Agreement with the Friendswood Volunteer Fire Department for a three-year term.

Originating Department: Emergency Services Department

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City has negotiated a new contract with the Friendswood Volunteer Fire Department for Fire and Rescue Services for the next three years. The proposed agreement is for the amount of \$1,032,713.50, which has been budgeted for FY 2027. The new contract will go into effect October 1, 2026, through September 30, 2029, with the ability to extend for two additional (1) year terms.

Some of the more salient terms are as follows:

Topic	General Provisions
Day Crew	• A day crew will be provided by FVFD through December 31, 2026, on weekdays from 0630 to 1830, including some designated City-recognized holidays. • Beginning January 1, 2027, the City will provide a weekday day crew of four firefighters and a supervisor from 0630 to 1830.
Response	• FVFD will meet a response target of ten responders on scene within ten minutes for 80% of reported structure fires, measured from dispatch to arrival. • Chronic failure to meet the response target for reasons within FVFD control in any three of five consecutive months may constitute default.
Mutual Aid	• FVFD and City will maintain auto-aid and mutual aid agreements and provide mutual aid while retaining minimum City coverage except in specified large-scale events. • FVFD will assist EMS with tasks such as lift assists and helicopter landing zones and will respond to law enforcement stand-by requests. • Disaster or large-scale events will trigger joint planning and operations between FVFD and the City.
Capital Items	• The City will provide use of fire stations, apparatus, and other capital equipment for FVFD's use. • FVFD is responsible for the Fire Station 2 training field maintenance and for weekly cleaning supplies for Stations 2 and 3. • The City remains responsible for the structures and major system repairs.

Financial
Terms

- First-year appropriations total \$1,032,713.50, which will be paid as follows:

Quarter	Amount
1	\$359,848.75
2*	\$244,288.25
3*	\$244,288.25
4*	\$244,288.25

* From January 1, 2027, the City retains and administers personnel and agreed operating funds for the day crew and related expenses.

- For years 2 and 3, ACV increases by CPI up to 4%, and certain equipment and maintenance accounts may increase up to 8%.
- FVFD must use savings for outstanding capital and reduce savings to 90 days of operating reserves by September 30 to qualify for next year's CPI increase.
- An annual independent audit of City-provided funds is required within 180 days after each FVFD fiscal year-end.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Fire and Rescue Services is a vital part of our community. FVFD has provided fire service since 1951. By having a contract in place, the Friendswood Volunteer Fire Department will continue to provide the essential Fire & Rescue Services to the City.

RECOMMENDATIONS

Staff recommends that Council authorize the City Manager to make amendments and execute a contract for Fire Suppression Services with the Friendswood Volunteer Fire Department.

ATTACHMENTS

1.	2027 FVFD Contract 8.31.26
2.	FVFD FY 2027 Contract Proposal
3.	FVFD FY 2027 Executive Summary
4.	FVFD 2027 - 3 year staff proposal
5.	FVFD Statement of Financial Position
6.	FVFD Call Level Data
7.	Certificate of Insurance
8.	FVFD Code Verification Doc 9.8.26
9.	FVFD Interested Parties 9.8.26

**FIRE AND RESCUE SERVICES AGREEMENT
BETWEEN
FRIENDSWOOD VOLUNTEER FIRE DEPARTMENT
AND THE CITY OF FRIENDSWOOD**

Introduction:

This Fire and Rescue Services Agreement (the "Agreement") dated as of this ____ day of _____, 2026, is between the City of Friendswood ("CITY"), a home rule municipality, and Friendswood Volunteer Fire Department ("FVFD"), a non-profit organization incorporated in the State of Texas.

Recitals:

WHEREAS, fire and rescue services are a public necessity for the citizens of Friendswood;

WHEREAS, the City of Friendswood desires to contract with the Friendswood Volunteer Fire Department to provide fire and rescue services for its citizens; and

WHEREAS, Friendswood Volunteer Fire Department has agreed to provide such services; and

WHEREAS, the appropriations and annual contract value (ACV) pursuant to this Agreement for the first year are ONE MILLION THIRTY-TWO THOUSAND SEVEN HUNDRED THIRTEEN AND 50/100 DOLLARS (\$1,032,713.50) minus prorated amount as outlined in Section XIII;

NOW, THEREFORE, in consideration of the mutual promises, covenants, obligations and benefits of this Agreement, CITY and FVFD (jointly known as the "Parties") contract and agree as follows:

**I.
Services**

- 1.01 CITY and FVFD agree that all terms, rights, duties and obligations in regard to this Agreement for the provision of fire and rescue services shall be in accordance with this Agreement. In the event of conflict between any documents, if CITY and FVFD cannot reach a mutually agreeable solution, the resolution of conflict shall be made by ranking the documents in the following order, with the highest rank first:
 - (a) Applicable federal and state laws, rules and regulations;
 - (b) Any applicable CITY ordinance or resolution; and
 - (c) This Agreement.
- 1.02 In developing procedures and protocols, Parties shall take guidance and reference from NFPA 1750 2026 edition – Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations and Fire Protection Activities.
- 1.03 It is hereby agreed by and between CITY and FVFD that FVFD shall furnish and provide fire and rescue services as further described herein for all areas located within the corporate limits of the City of Friendswood, Texas, more particularly described in the Service Area Map attached hereto as Exhibit A and made a part hereof for all purposes ("Services").

II.

Responsibilities of FVFD

2.01 FVFD shall:

- (a) Be responsible for all fire and rescue calls within the CITY twenty-four (24) hours per day, seven (7) days a week in accordance with this Agreement and all applicable laws;
- (b) Provide a day crew including a supervisor, through December 31, 2026, Monday through Friday 0630 to 1830, including designated CITY-recognized holidays, using Texas Commission on Fire Protection (TCFP) certified firefighters;
- (c) Provide a duty officer or an individual able to provide an initial response at all times excluding Monday through Friday 0630 to 1830;
- (d) Provide trained volunteers and employees to provide Services, the latter [employees] through December 31, 2026;
- (e) Maintain auto-aid and mutual aid interlocal agreements should temporary resource overload, including large scale incidents, persist, noting the availability of these options cannot be guaranteed;
- (f) Provide mutual aid per mutual aid inter-local agreements, noting FVFD shall maintain at least an officer and a staffed engine in the CITY except for: (i) obligated performance in auto-aid agreements; and (ii) mass casualty incidents or state responses, for which alternative options such as mutual aid shall be established to ensure CITY response is available;
- (g) Provide assistance to EMS Division when requested, including lift assistance, establishment and security of medical helicopter landing zones, scene operations, and other emergency support functions within the scope of the responding agency's capabilities, when requested;
- (h) Respond to law enforcement requests for stand-by when dispatched;
- (i) Maintain a set of standard operating guidelines (SOGs) governing the duties, responsibilities, and operational procedures and protocols related to Services; said procedures and protocols shall be adjusted to improve Services, including improving care, incorporating lessons learned and new methods, addressing risks, and increasing efficiency, and shall be reviewed and approved with CITY;
- (j) Maintain and pay fees for any and all required federal, state and local licenses and permits required to perform the duties and responsibilities described in this Agreement;
- (k) Employ and manage adequate levels of qualified personnel required for operations, supervision, management, and support; and make all appropriate withholdings and payments for all personnel required by the FVFD to perform Services;
- (l) Within one (1) month of the effective date of this Agreement, provide evidence that 100% of its personnel have received NIMS 100, 200, 700 and 800 certifications. In addition, Fire Chief Officers shall have NIMS 300 and 400 certifications.
- (m) Provide FVFD personnel with training and certification as required for Services;
- (n) Ensure FVFD personnel act in a courteous, professional and safe manner during the performance of this Agreement;

- (o) Maintain and implement a procurement policy, which shall comply with CITY obligations as required by law for FVFD-owned equipment and supplies;
- (p) Comply with Federal Emergency Management Agency's (FEMA) federal procurement requirements and guidelines for purchasing all necessities associated with a disaster;
- (q) Provide monthly data as required for local, state, and national reporting, including incident list by address, incident list by date/time, incident type, report detail and summary, mutual aid responses by incident, incomplete data report, missing or unused incident numbers report, performance standard (response time) reports, call volume, response times and other quality assurance measures determined by CITY to the extent they can be automatically produced and not require additional resources;
- (r) Provide commercial general liability insurance, automobile liability insurance, and workers' compensation insurance as more specifically set forth in Section XXV, if available and legal under Texas Law. CITY and FVFD will continue to jointly evaluate automobile liability coverage applicable to CITY personnel operating CITY-owned vehicles used in the performance of Services. The Parties will work in good faith with their respective insurance providers to identify an appropriate and cost-effective coverage solution that provides adequate protection while avoiding unnecessary duplication of coverage or expense to either Party and the taxpayers of the CITY. Until such coverage is mutually agreed upon and confirmed in writing by the applicable insurance carriers, each Party will remain responsible for maintaining insurance coverage applicable to its respective personnel.
- (s) Provide inspection, and testing of fire apparatus to maintain compliance with National Fire Protection Association requirements;
- (t) Maintain equipment and vehicles in accordance with manufacturer or industry maintenance practices, including furnishing of consumables (e.g., fuel, lubricants, batteries);
- (u) Use reasonable care to prevent damage to CITY-owned equipment and vehicles;
- (v) Manage the FVFD corporate finances (e.g., income, liabilities and expenditures) to deliver Services and supporting administrative activities;
- (w) Complete an annual financial audit, conducted by an independent certified public accounting firm, of CITY-provided funds. The audit shall meet accounting principles generally accepted in the United States (U.S. GAAP);
- (x) Participate in regional planning and adhere to all regional plan guidance;
- (y) Provide a liaison to be the primary point of contact with CITY;
- (z) Provide information required by state law to CITY in responding to Texas Public Information Act requests for records in compliance with Texas Government Code Chapter 552;
- (aa) Comply with equal opportunity laws and provide personnel with a work environment free of discrimination and harassment; and
- (bb) Participate in a governance and reporting process with CITY, including quarterly contract status meetings to review performance and compliance, address issues and risks, develop improvement opportunities, recognize successes and foster relationships.

III.
Responsibilities of the City of Friendswood

- 3.01 CITY shall provide the following to FVFD:
- (a) Use of CITY fire stations, as more fully described in Section XX;
 - (b) The use of fire suppression and emergency apparatus, support fleet, marine assets and other agreed vehicles and equipment required to provide Services;
 - (c) 9-1-1 dispatch services in the CITY by the Friendswood Police Department Communications Division;
 - (d) Beginning January 1, 2027, the CITY shall retain one (1) light duty vehicle
 - (e) Provide a day crew of four (4) firefighters and a supervisor, who are Texas Commission on Fire Protection (TCFP) certified firefighters, starting January 1, 2027, Monday through Friday 0630 to 1830, including designated CITY-recognized holidays, using Texas Commission on Fire Protection (TCFP) certified firefighters;
 - (f) The CITY will develop standard operating guidelines (SOGs) governing the duties, responsibilities, and operational procedures for day-shift employees;
 - (g) Maintain auto-aid and mutual aid interlocal agreements should temporary resource overload, including large scale incidents, persist, noting the availability of these options cannot be guaranteed;
 - (h) Compensation for the performance of Services pursuant to the terms and conditions of this Agreement, with said compensation more fully described in Section XIII;
 - (i) Communications equipment and services as described in Section IV; and
 - (j) Capital equipment required for Services, unless FVFD agrees to fund via alternative sources (e.g., FVFD donations and savings) as further described in Section XV.
- 3.02 CITY agrees to place an item before Council for possible approval of an increase of TWELVE AND NO/100 DOLLARS (\$12.00) per month per volunteer, bringing the FVFD's volunteer pension contributions with Texas Emergency Services Retirement System (TESRS) to ONE HUNDRED NINETY-TWO AND NO/100 DOLLARS (\$192.00) per month per volunteer. For any subsequent fiscal years, the CITY agrees to place an item before Council for possible approval for an increase of at least TWELVE AND NO/100 DOLLARS (\$12.00) if the FVFD monthly contribution is lower than the average of the top three participating departments in Harris, Galveston, and Brazoria Counties. Each April, the TESRS Pension Board will provide the CITY with a list of participating departments in Harris, Galveston, and Brazoria Counties and the average monthly contribution used for this comparison.

IV.
Communications and Dispatch

- 4.01 FVFD shall utilize standard industry radio communications at all times. All units must be equipped with a current, approved radio capable of communicating directly with the CITY Police Department, Fire Department and Emergency Services. Radios must be programmed with an approved template

(e.g., codeplug) provided by the Friendswood Department of Emergency Services to provide interoperative communications.

4.02 FVFD and CITY dispatch shall agree to protocols and procedures required for Services pursuant to this Agreement, including the following:

The Friendswood Police Department shall be responsible for the original notification and continued communication of information that it receives into the telecommunications center. The dissemination of that information shall meet the following protocols:

- (a) The primary form of incident notification (the alerts for a call for service) and incident data for service for the FVFD shall be through radio communications and/or the use of radio tones. This notification shall be sent out by the Police Department's telecommunications center via the Police Department's radio communications equipment to two-way communication devices. These radio and pager systems are intrinsically reliable and provide the responding FVFD personnel with the most essential first responder information.
- (b) The secondary form of incident data information shall be through the Police Department's CAD system. When Fire and Rescue vehicles are prepared to be equipped with computer equipment and software licenses to receive this information, CITY shall provide the necessary funding.
- (c) The additional method of incident notification and incident data information shall be through FVFD sponsored third-party applications. It shall be at the discretion of the FVFD leadership as to what applications are utilized and in what manner. The application needs to be approved by the Friendswood Police Department; and any change in vendors needs to be communicated with CITY. The use of these applications must be reviewed/audited at least quarterly to ensure functionality, membership status, and the accuracy of contact information within the application.
- (d) A data transfer interface shall be provided to allow CAD call information to be populated into incident reporting systems, including those used for state reporting (e.g., ESO Solutions, Inc.).

4.03 CITY shall provide:

- (a) Portable and mobile radios with remote speaker microphones and one battery; and
- (b) Means for incident data transmission, including terminals and operating licenses.

4.04 FVFD shall provide:

- (a) Radio/pager-related equipment, accessories and batteries;
- (b) Payment for radio subscriber services;
- (c) Repair and replacement of damaged and lost communications equipment;
- (d) Administrative access to CITY of any third-party communications applications; and
- (e) Licenses for any third-party applications.

4.05 FVFD shall relinquish administration and control of third-party communications applications that interface with CITY-provided communications services to the CITY. The FVFD will be provided with accounts to monitor and assist with troubleshooting services.

V.

Response Times and Calculations

- 5.01 As described in NFPA 1750, 2026 Edition for suburban communities, it is agreed that the FVFD shall have ten (10) responders, including those from FVFD, auto aid and mutual aid departments, arriving at the scene of a reported structure fire within ten (10) minutes or less for eighty percent (80%) of said response requests ("Response Target"). A reported structure fire shall include reports of fire visibly originating from structure, uncontrolled fire within ten (10) feet of a structure or once confirmed by FVFD. Based on additional information, FVFD may change the nature of a call for a reported structure fire as warranted. For said calls, the Response Target time clock starts when the structure fire call is dispatched (the second the Dispatch Center completes the notification to the FVFD via radio of the call of a structure fire) and arrival on scene shall be the time the fire unit containing the defined number of responders arrives.
- 5.02 The Parties understand that isolated instances may occur in which the FVFD does not meet the Response Target, however, chronic failure resulting from factors within FVFD control to comply with the response target time standards may constitute default of this Agreement. Chronic failure is defined as the failure of FVFD to meet the Response Target for reasons within FVFD control in any three (3) out of five (5) consecutive calendar month period. Each month, CITY shall review response times to determine if FVFD has met the Response Target of all emergency dispatch response requests.

Examples of factors contributing to delayed response time or factors outside FVFD control which be reasons to exclude call response from performance calculations include:

- (a.) Actions taken by FVFD to mitigate safety risk of FVFD or other parties;
- (b.) Simultaneous calls where fire crews are committed to another call;
- (c.) Weather (e.g., rain, fog, ice);
- (d.) Traffic (e.g., congestion, school zones, accidents, construction);
- (e.) Non-emergency response due to request or call evaluation (e.g., death confirmation, calls to stage);
- (f.) Mutual aid; and
- (g.) Scenarios referred to in Section VII.

VI.

Disaster Response Management

- 6.01 There may be extended periods when unusual factors outside the control of FVFD prevent achievement of the Response Target. Within 24 hours of this period, FVFD shall notify the CITY Director of Emergency Services of the situation and actions taken to optimize response capability for the situation and routine 9-1-1 emergency calls. When possible, FVFD shall notify CITY Director of Emergency Services prior to response. Examples of such situations include:
- (a) Severe weather;
 - (b) Numerous simultaneous calls;
 - (c) CITY-declared disaster;

- (d) Mass casualty incident; and
 - (e) Mass casualty outside CITY boundaries where FVFD is requested to provide assistance.
- 6.02 If a disaster or other large-scale event is predicted or realized, FVFD and CITY shall work together to plan, prepare, manage and operate a joint response with CITY agencies and external agencies. FVFD shall secure resources as available, including calling in essential staff. Response and resource assignments shall be made to manage the incident most effectively in accordance with the health, safety, security and environmental (HSSE) needs of FVFD and CITY personnel.

VII.

Independent Contractor

- 7.01 At all times during the term of this Agreement, FVFD is an independent contractor, not an agent, servant or employee of CITY. FVFD shall not in any event be deemed an employee or other representative of CITY, nor shall the FVFD personnel hold themselves out as such. All personnel of the FVFD shall at all times be considered as personnel of the FVFD, and the FVFD shall be solely liable for the payment of all wages and benefits made available to such personnel in connection with their duties. In addition, it is expected and understood that the FVFD shall be responsible at all times for the supervision and performance of their personnel. FVFD shall warrant that personnel have been carefully screened as to character and fitness for the performance of his/her job. It is mutually agreed that nothing contained herein shall be deemed or construed to constitute a partnership or joint venture between FVFD and CITY.
- 7.02 CITY employees shall remain employees and personnel of CITY for all purposes and shall not be considered employees, volunteers, agents, or personnel of FVFD. CITY shall remain responsible for the employment, compensation, benefits, supervision, performance management, and employment-related obligations of CITY personnel.
- 7.03 Nothing in this Agreement shall prevent FVFD from establishing agreements with other parties for the provision of services by FVFD to the extent they do not interfere with Services to CITY. FVFD shall ensure said agreements are at fair market value and cover all costs of services and subsequently credit the costs of this Agreement. Prior to using CITY-owned equipment and facilities, FVFD shall make a proposal to CITY to address concerns and financial treatment.

VIII.

Term

- 8.01 The initial term of this Agreement shall begin on October 1, 2026 (Effective Date) and shall be in force and effect for three (3) years and may be extended for two (2) one-year terms upon the mutual agreement of the CITY and the FVFD.

IX.

Termination

- 9.01 This Agreement may be terminated without cause in either of the following ways:
- (a) CITY or FVFD may terminate this Agreement by giving the other party at least ninety (180) days prior written notice of the termination. FVFD must continue to provide service to CITY during this time; or
 - (b) This Agreement may be terminated at any time upon written, mutual agreement.

X.

Provisions for Early Termination by CITY

- 10.01 The following actions, conditions or circumstances shall constitute default by FVFD and shall be cause for early termination of this Agreement by CITY if FVFD's default continues for a period of ten (10) days after the receipt of written notice of default and intent to terminate from CITY or such longer period of time as agreed to by the Parties:
- (a) Failure in the performance of any requirement, term or condition required in this Agreement;
 - (b) Use of CITY funds which are not in direct or indirect support of Services;
 - (c) Failure of the FVFD to operate the service in a manner consistent with federal, state and local laws, rules and regulations;
 - (d) FVFD supplying CITY with false or misleading information with regard to records, documents or data kept for the purposes of determining FVFD's performance under the terms of this Agreement;
 - (e) FVFD's deliberate and unauthorized scaling down of operations to the detriment of performance or level of service;
 - (f) Making an assignment for the benefit of creditors; filing a petition for bankruptcy; being adjudicated insolvent or bankrupt; petitioning by a custodian, receiver or trustee for a substantial part of its property; or, commencing any proceeding relating to it under the bankruptcy, reorganization arrangements, readjustment of debt, dissolution or liquidation law or statute; or
 - (g) Any negligent act or failure to act by FVFD, its agents, volunteers or employees that endangers the public health and safety of the citizens of the CITY during the performance of this Agreement.

XI.

Provisions for Early Termination by FVFD

- 11.01 The following actions, conditions or circumstances shall constitute default by CITY and shall be cause for early termination of this Agreement by FVFD, if CITY's default continues for a period of ten (10) days after the receipt of said written notice of default and intent to terminate from FVFD or such longer period of time as agreed to by the Parties:
- (a) Failure in the performance of any requirement, term or condition required in this Agreement;
 - (b) Actions which prevent FVFD from providing Services unless a written waiver is provided by CITY to the FVFD (e.g., CITY fails to provide equipment suitable to perform services required by FVFD or CITY's change to traffic flow or traffic signals prevents FVFD from meeting performance standards);
 - (c) CITY communicating false or misleading information with regard to FVFD performance;
 - (d) Requiring FVFD to act outside of laws, ordinances, and regulations; or
 - (e) Changes in local ordinances contrary to the intent of this Agreement without an amendment to this Agreement.

XII.
Effects of Termination

- 12.01 On the date of termination, FVFD shall turn over to CITY and provide CITY access to all CITY-owned facilities and equipment, including warranty information, maintenance paperwork, keys, key fobs, access codes and administrative accounts.
- 12.02 On the date of termination, FVFD shall pay to CITY all funds received from CITY for that quarter minus the amount FVFD had used or committed for the provision of Services until the date of termination if FVFD provides to CITY written proof of legal commitment (e.g., contracts, invoices, official documentation) by FVFD.
- 12.03 If termination is due to any reason other than FVFD default or is with less than 180-days' notice, CITY shall provide one additional month of personnel costs (e.g., salary, insurance, pension, unemployment, processing costs) and other termination-related costs incurred by FVFD. Costs associated with personnel that transfer to the succeeding service provider without disruption or reduced total compensation (pay rate and benefits value) shall not be included in said one-month CITY funding obligation.
- 12.04 Upon notice of intent to terminate this Agreement, Parties shall agree and implement a transition plan, including:
- (a) Disposition of personnel, including hiring by Fire and Rescue service provider successor;
 - (b) Review and modification of other agreements impacted by termination;
 - (c) Review of FVFD inventory and agree on disposition of FVFD-owned equipment and supplies, including transfer to CITY, purchase by CITY and FVFD disposal;
 - (d) Development of timeline and responsibilities of termination and transition activities; and
 - (e) Changes in Service delivery and performance expectations.

XIII.
Payment and Non-Appropriations Clause

- 13.01 In consideration of the performance of the Services described herein, CITY shall pay FVFD the adjusted annual contract value (ACV) in quarterly payments due October 15, January 15, April 15 and July 15 of each CITY fiscal year.
- 13.02 In the first year of this Agreement, beginning with the second quarter (January 1, 2027) here after, personnel funds for Day Captain & Day Crew, as well as associated operating funds including payroll service fees, full-time salaries & wages, fixed rate pay, social security and medicare, contract labor, workers' compensation insurance, uniforms, building renovations, facility equipment, and any other agreed-upon operating expenses, shall be retained and administered by the CITY.
- (a) The appropriations pursuant to this agreement for the first year, quarter one (1) are THREE HUNDRED FIFTY-NINE THOUSAND EIGHT HUNDRED FORTY-EIGHT AND 75/100 DOLLARS (\$ 359,848.75); and
 - (b) The appropriations pursuant to this agreement for the first year, quarters two (2), three (3), and four (4) are TWO HUNDRED TWENTY-FOUR THOUSAND TWO HUNDRED EIGHTY-EIGHT AND 25/100 DOLLARS (\$ 224,288.25) each.

13.03 For its second and third terms of this Agreement, the ACV shall be adjusted as specified follows:

(a) CITY shall:

- (1) increase the portion of the preceding years ACV based on the CPI, at an amount not to exceed 4%; and
- (2) increase the portion of the ACV for bunker gear purchases, compliance equipment and maintenance, and vehicle maintenance and repair to include the FY2027 proposed budget accounts for Firefighter PPE, Vehicle Maintenance, Vehicle Repair, Equipment Maintenance, and Equipment Testing in an amount not to exceed 8%.

(b) FVFD shall:

- (1) appropriate and expend funds from its savings account for outstanding capital equipment; and
- (2) no later than September 30th of each contract year, reduce its savings account balance to equal ninety (90) days of operating reserves.

Compliance with requirements set forth and during each contract year is a condition precedent to FVFD eligibility to receive any CPI increase for the following contract year. Failure to comply with either requirement by September 30 of the applicable contract year shall result in the forfeiture of any CPI increase otherwise applicable for the subsequent year.

13.04 The CITY operates and is funded on a fiscal year basis; accordingly, CITY reserves the right to terminate this Agreement without liability if funding for this Agreement is not appropriated for CITY's Fiscal Year 2027.

XIV.

Annual Financial Audit and Records Inspection

14.01 A written report describing the scope of the audit firm's testing of internal controls of financial transactions and reporting and compliance with U.S. GAAP; results of that testing should be within 180 days of close of each FVFD fiscal year during the term of this Agreement.

14.02 FVFD shall allow CITY or CITY's authorized representative to inspect, at all reasonable times, FVFD records related to:

- (a) Financial and banking accounts related to CITY-provided compensation;
- (b) Maintenance of CITY-owned equipment, vehicles, facilities; and
- (c) Demonstration of compliance to the extent allowed by law and privacy practices.

14.03 The financial audit shall survive the expiration or earlier termination of this Agreement.

XV.

Capital Equipment and its Maintenance

15.01 CITY Capital Equipment shall be equipment with a purchase price or replacement cost in excess of \$5,000 that is purchased using funds paid by CITY to the FVFD, purchased by CITY for FVFD, or donated to CITY for use by FVFD in the performance of this Agreement. CITY owns CITY Capital Equipment, and titles to the equipment shall be in the name of CITY. FVFD shall provide routine and general maintenance of CITY Capital Equipment.

- 15.02 FVFD Capital Equipment shall be equipment with a purchase price or replacement cost in excess of \$5,000 that is purchased using FVFD funds received from sources other than CITY (e.g., donations, grants) or equipment that is donated to the FVFD. FVFD owns FVFD Capital Equipment and shall provide routine and general maintenance of FVFD Capital Equipment.
- 15.03 In the event any individual repair or series of related repairs cost in excess of \$10,000 for non-budgeted Capital Equipment, the Parties shall renegotiate a mutually agreeable solution.
- 15.04 If an accelerated capital purchase is needed (e.g., beyond repair vehicle), and a matching deferral within the Capital Equipment Schedule is not identified, CITY shall process as an out-of-budget request per CITY policy.
- 15.05 Capital Equipment shall be the equivalent to the existing equipment as updated to current year (e.g., safety requirements) and in accordance with relevant standards (e.g., Texas Department of State Health Services, NFPA, ISO). Reductions in capability or specifications require FVFD approval.

XVI. Procurement of Capital Equipment

- 16.01 CITY shall place equipment per the Capital Equipment Schedule in the 5yr plan for Council consideration.
- 16.02 CITY shall fund the purchase of Capital Equipment using a combination of:
 - (a) Water bill donations, which CITY shall retain on receipt for said purpose;
 - (b) CITY General Fund;
 - (c) Tax-funded debt service;
 - (d) FVFD Vehicle & Capital Equipment Replacement Fund; and
 - (e) CITY Fund Balance.
- 16.03 For items purchased per the Capital Equipment Schedule, FVFD shall:
 - (a) Define specifications and requirements;
 - (b) Assist CITY in completing procurement process (e.g., RFP, Purchase Orders);
 - (c) Monitor manufacture and delivery;
 - (d) Provide final acceptance; and
 - (e) Put into service.
- 16.04 To provide continuity across FVFD and CITY, FVFD will retain cost of firefighter personal protective equipment (PPE) and firefighter (PPE) repair. Details for responsibility, distribution, and maintenance will be described in detail in SOGs.
- 16.05 For FVFD Capital Equipment, FVFD shall manage the procurement process.

XVII.
Non-Capital Equipment and Supplies

- 17.01 FVFD shall purchase equipment and supplies using annual contract funds or other sources (e.g., donations, grants) in compliance with FVFD procurement policy. To the extent allowed by law, FVFD shall be allowed access to and use of purchasing contracts developed by CITY, the State of Texas, H-GAC or other purchasing cooperatives available to CITY, when it is reasonable and prudent to do so. For equipment with a registration and title (e.g., vehicles, boats), FVFD shall title said equipment in CITY's name.
- 17.02 FVFD shall provide routine and general maintenance and repairs of all non-capital equipment and supplies.

XVIII.
Disposition of Surplus Property

- 18.01 CITY Capital Equipment in the possession of the FVFD that has reached the end of its useful life shall be disposed of pursuant to CITY's policies and procedures. All funds received from disposition of surplus equipment shall be deposited into the FVFD Fire/EMS Vehicle & Capital Equipment Replacement Fund.

XIX.
Inventory

- 19.01 FVFD shall maintain inventory of:
- (a) CITY Capital Equipment under FVFD control;
 - (b) FVFD Capital Equipment;
 - (c) Equipment and supplies with a value of \$5,000 or greater; and
 - (d) Restricted access supplies where tracking is required.
- 19.02 Inventory list shall be available to CITY for review.

XX.
Use of CITY's Facilities

- 20.01 CITY shall allow FVFD the use of CITY fire stations as working space to perform services pursuant to this Agreement, including the use of sleeping and living quarters suitable for mixed gender staff; however, FVFD shall not use or occupy a CITY fire station in a manner that unduly impedes access by CITY officers or employees for the inspection, maintenance or improvement to such facility or for any other purpose deemed necessary by CITY.
- 20.02 During emergency situations, other entities, such as the National Guard and other emergency personnel, shall be able to use CITY facilities, including fire stations.
- 20.03 FVFD cannot make any changes to CITY facilities that require a CITY permit or impact CITY facility maintenance and repair scope (e.g., flooring) without the prior written consent of CITY.
- 20.04 FVFD may implement a dorm resident program for which dorm agreement shall be reviewed with CITY, and CITY shall be notified of changes in participation.

- 20.05 FVFD-sponsored use of fire stations has priority and non-FVFD-sponsored usage of fire stations shall be allowed to the extent it does not interfere with FVFD-sponsored use. CITY-sponsored events as approved by CITY may use fire stations. FVFD shall seek CITY direction for use of fire stations by non-FVFD entities.

XXI.

Maintenance and Repair of CITY's Facilities

- 21.01 To ensure that all station repairs are handled efficiently and appropriately, repair requests will be based on urgency and impact on safety and operations:

- (a) Priority 1: Immediate Attention Required – These issues impact safety, security, or essential operations and must be addressed immediately. Examples include:

- (1) Loss of water service,
- (2) No heat or no air conditioning during extreme temperatures,
- (3) Exterior or bay doors not opening/closing/locking/unlocking properly,
- (4) Electrical outages or exposed wiring,
- (5) Major plumbing leaks or flooding,
- (6) Inoperable restroom facilities, and
- (7) Security system failures.

Reporting procedure: Priority 1 issues must be immediately reported to the on-duty EMS supervisor who will then reach out to the EMS Administrative Assistant, Chief of EMS, or Director of Emergency Services.

- (b) Priority 2: Addressed as Soon as Possible – These issues do not immediately stop operations but should be resolved promptly to prevent escalation. Examples include:

- (1) Pest control concerns,
- (2) Loose or broken interior doorknobs,
- (3) Minor plumbing leaks (slow drips),
- (4) Flickering lights or partial lighting outages,
- (5) Damaged ceiling tiles,
- (6) Malfunctioning appliances (microwaves, refrigerator, etc.), and
- (7) HVAC not cooling/heating efficiently but still functioning.

Reporting procedure: Priority 2 issues must be submitted by email to stationrepairs@friendswood.com.

- (c) Priority 3: Address As Soon as Practicable – These are cosmetic or non-urgent repairs that do not impact safety or daily operations. Examples include:

- (1) Paint touch-ups,
- (2) Small drywall repairs,

- (3) Worn flooring or scuffed walls,
- (4) Cabinet hardware replacement,
- (5) Landscaping improvements, and
- (6) Non-critical signage updates.

Reporting procedure: Priority 3 issues must be submitted by email to stationrepairs@friendswood.com.

- 21.02 FVFD shall be responsible for the specific contents and equipment that is necessary for the operations of the Services.
- 21.03 The FVFD will be responsible for maintenance and compliance of the Fire Station 2 training field.
- 21.04 The City will be responsible for the drainage and water supply of the Fire Station 2 training field.
- 21.05 FVFD shall be responsible for providing cleaning and janitorial supplies at least once a week for Stations 2 and 3.
- 21.06 CITY shall be responsible for the facility structure, concreted surfaces and exterior shell.
- 21.07 To the extent FVFD has made timely notification to CITY and taken reasonable mitigations for facility issues, to the extent allowed by law and to the extent proximately caused by incomplete repairs for which CITY is responsible, CITY will release FVFD with respect to following:
 - (a) impacts to Services to the extent FVFD has taken reasonable measures to mitigate; and
 - (b) Subsequent damages (e.g., broken plumbing water damage).
- 21.08 CITY shall have access to common areas of facilities at all times. CITY shall notify FVFD if access is required to restricted areas (e.g., supply rooms, offices, dorm rooms, records storage). CITY may make immediate access to any portion of facility to address imminent threats to facility, contents or further damage (e.g., broken water pipe leaking in a restricted area).

XXII.

IT Systems, Telecommunications, Security Systems and Data Privacy

- 22.01 The City of Friendswood Information Technology (COF IT) division shall administer and maintain IT systems at each CITY facility provided for FVFD performance of this Agreement, including:
 - (a) Wired and WiFi network infrastructure, including IP addressing and VLANs;
 - (b) Phone systems, including walk-up emergency call boxes and intercoms;
 - (c) Firewalls and other security mechanisms; and
 - (d) Battery backup for critical network infrastructure.
- 22.02 COF IT shall provide, administer, backup, license and maintain servers for:
 - (a) Primary and domain controllers and associated services, including DHCP, DNS and file sharing;
 - (b) Hosting of FVFD incident call reporting software and other agreed applications; and

- (c) Other agreed applications.
- 22.03 COF IT shall provide connectivity for:
- (a) FVFD assigned servers via wired connections at CITY data center;
 - (b) FVFD assigned telephones and related devices;
 - (c) Access control and surveillance systems;
 - (d) FVFD computers/desktops located at Station 1 and Station 4 capable of reaching FVFD assigned servers via wired and WiFi connections;
 - (e) FVFD, personnel and guest devices via WiFi to access Internet (and not FVFD servers) at all FVFD assigned facilities with controls and monitoring at a minimal level to block inappropriate sites, including pornography, sexual content, hate groups, terrorism, copyright infringement and illegal activities; and
 - (f) FVFD remote access via fire station located firewall to access FVFD assigned networks and systems for Windows, MAC, Android and Apple devices.
- 22.04 COF IT shall maintain:
- (a) Fire station access control systems; and
 - (b) Video surveillance systems.
- 22.05 FVFD shall have administrative access to FVFD-related systems as required to fulfill FVFD obligations and due diligence, including at a minimum:
- (a) Read and record access to video surveillance;
 - (b) Administer users, schedules, door status, roles and similar on access control.
 - (c) File management on servers;
 - (d) Administer accounts on servers as backup to Helpdesk or resolve access issues to reporting software;
 - (e) Monitor network infrastructure to assist in troubleshooting and diagnosis of issues.
- 22.06 COF IT shall provide:
- (a) Helpdesk for COF IT accountable systems;
 - (b) Training on COF IT policies and cybersecurity;
 - (c) Management of FVFD-provided Internet circuits; and
 - (d) Maintenance of existing computers with basic office software, including MS-Office, antivirus and anti-malware.
- 22.07 FVFD shall obtain acknowledgement and approval from COF IT for any third party-provided IT services (e.g., software as a service) which require logical or physical interfaces with COF IT-provided IT services to ensure no impact to integrity or security of COF IT systems.
- 22.08 FVFD and COF IT shall jointly implement third-party IT services that interface with COF IT services with systems.

- 22.09 FVFD shall provide information to COF IT on third-party IT services for which COF IT support may or may not be required, and the scope of that support would be mutually agreed upon.
- 22.10 FVFD shall provide:
- (a) Internet circuits for each fire station sized and provisioned to handle IT requirements;
 - (b) Use of existing equipment such as firewalls, switches and desktops in place.
- 22.11 Computers/desktops located at Station 2 and Station 3 capable of reaching FVFD assigned servers via wired and WiFi connections; FVFD shall supply applications for internal use and, where COF IT support is requested, FVFD shall supply COF IT an account with necessary entitlements.
- 22.12 Regardless of who is providing the desktop and laptop/tablet equipment – COF IT or FVFD – both Parties shall enforce HIPAA Cybersecurity best policies, following the NIST Cybersecurity framework and the Cybersecurity Practices for Small Healthcare Organizations with CITY-managed scheduled compliance audits.
- 22.13 A network vulnerability assessment and a cybersecurity baseline assessment shall be conducted prior to COF IT managing the network infrastructure and firewalls to create a reference point of progression.
- 22.14 COF IT shall provide a documentation repository (per the current state and/or federal regulations of data retention) with FVFD having full-control access and CITY having read-only access to be used by FVFD to share information with CITY, including reports, inventory, incident information and records.
- 22.15 COF IT shall provide FVFD the COF IT policies. COF IT reserves the right to modify policies at any time. FVFD shall provide written acknowledgement that they are responsible for knowing and following the policies and procedures.
- 22.16 FVFD owns and has a sole right to FVFD corporate data (e.g., FVFD financial data, personnel records, legal records, corporate filings).
- 22.17 To the extent required by law, CITY shall have access to data as required to meet CITY legal and reporting obligations. FVFD shall provide this data or provide a method to access this data.
- 22.18 CITY has no right to access, possess, or view FVFD-owned data without written permission from the FVFD president, regardless if said data resides on CITY-owned equipment. Should CITY personnel become in unauthorized possession or view of FVFD data, FVFD shall be immediately notified. Facility and IT activities performed by CITY as part of this Agreement shall constitute authorized permission to view data as required to perform those activities (e.g., resolving application IT issues); including the potential to view data that is left out with the potential for accidental view (e.g., left on a desk where facility work is being done).
- 22.19 FVFD and CITY are responsible for maintaining compliance with data privacy laws (e.g., HIPAA) and best practice confidentiality.

XXIII.

Staffing and Operations

- 23.01 FVFD is responsible for managing and operating the delivery of Services for CITY. It is expected and understood that the FVFD shall be responsible at all times for the supervision and

performance of its personnel. FVFD shall warrant that its personnel have been carefully screened as to character and fitness for the performance of his/her job.

XXIV.

Participation in Community Events

- 24.01 FVFD shall provide standby fire and rescue crews for CITY-sponsored events, such as parades and holidays. CITY and FVFD shall meet at least two (2) months in advance to coordinate FVFD participation at said events. FVFD shall provide additional resources at said events and other CITY events to the extent volunteers are available.
- 24.02 As agreed with a sponsoring party and FVFD, FVFD may elect to provide standby fire and rescue crews for non-CITY-sponsored events, including fire watch approved by the CITY.
- 24.03 Participation in said non-CITY-sponsored events may utilize FVFD and CITY-owned equipment to the extent it does not impact primary coverage responsibilities.
- 24.04 FVFD and CITY shall provide public awareness, public education and other public support programs.

XXV.

Insurance and Indemnity

- 25.01 Insurance
 - (a) Throughout the term of this Agreement and any extensions thereof, FVFD shall procure, pay for, and maintain the minimum insurance coverage and limits as provided for herein. This insurance shall be evidenced by delivery to CITY of certificates of insurance written by one or more insurance companies with an AM Best rating of "A:VII" or better, licensed to do business in the State of Texas and acceptable to CITY. These insurance certificates shall list coverage and limits, expiration dates and terms of policies, and the names of all carriers issuing or re-insuring these policies. Insurance requirements shall remain in effect throughout the term of this Agreement.
 - (b) Policies other than workers' compensation insurance and professional medical liability shall name CITY, its agents, officials, officers and employees as additional insureds. The CITY must receive at least thirty (30) days' prior written notice of any expiration, cancellation, non-renewal or material change in coverage of FVFD's insurance coverage. Nothing shall absolve FVFD of this requirement to provide notice.
 - (c) The following coverage shall be provided:
 - (1) Commercial general liability insurance, including bodily injury, property damage and personal injury, with limits of not less than ONE MILLION AND 00/100 DOLLARS (\$1,000,000.00) per occurrence, and TWO MILLION AND 00/100 DOLLARS (\$1,000,000.00) annual aggregate. Coverage shall be on "an occurrence basis," and the policy shall include broad form property damage coverage, contracted liability, and fire legal liability of not less than ONE MILLION AND 00/100 DOLLARS (\$1,000,000.00) per occurrence, unless otherwise stated by exception herein.

- (2) Automobile liability with a ONE MILLION AND 00/100 DOLLARS (\$1,000,000.00) combined single limit for bodily injury and property damage per occurrence.
- (3) FVFD shall maintain workers' compensation coverage and policy, in compliance with the State of Texas, for FVFD personnel throughout the term of this Agreement. Beginning January 1, 2027, CITY shall be solely responsible for providing workers' compensation coverage for CITY employees.
- (d) The workers' compensation, automobile liability, and commercial liability policies must waive subrogation rights for the benefit of CITY
- (e) By requiring insurance herein, CITY does not represent that coverage and limits shall be adequate to protect FVFD. CITY reserves the right to review any and all insurance policies and/or endorsements cited in the Agreement, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve FVFD from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.
- (f) All insurance policies shall be subject to the examination and approval of CITY for adequacy as to form and content, form of protection, and insurance company. FVFD shall furnish to the Director of Emergency Services certificates or copies of the policies, plainly and clearly evidencing such insurance, within ten (10) days after execution of the Agreement; and thereafter, new certificates or policies prior to the expiration date of any prior certificate or policy.

25.02 INDEMNIFICATION

- (a) FVFD agrees to indemnify, defend and hold harmless CITY, its officers, officials, agents, and employees from any claim, loss, damage, 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, or for damage to any property, arising out of or in conjunction with the work done by or caused by, or any act or omission of FVFD, its officers, employees, agents, or subcontractors, in performing its obligations under this Agreement.
- (b) FVFD further agrees to waive any and all claims and suits covered by this indemnity provision and agrees that any insurance carrier involved shall not be entitled to subrogation under any circumstances against CITY, its officers, agents, or employees. Workers' compensation and professional medical liability insurance policies shall provide a waiver of subrogation in favor of CITY.

XXVI.

Events that Trigger Renegotiations

- 26.01 CITY AND FVFD agree the following events or circumstances shall require Parties to renegotiate Agreement noting no changes take place until an amendment is executed:
- (a.) FVFD's inability to manage operational and personnel costs within the annual budget;
 - (b.) Inability to replace the Fire Chief with a qualified volunteer if said position is vacated.

XXVII

Miscellaneous

- 27.01 Tax Certification. FVFD hereby certifies that it is not delinquent in the payment of any taxes owed to CITY or that it shall pay any taxes owed to CITY so that such taxes shall not become delinquent. If this certification is subsequently determined to be false, such false certification shall constitute grounds for termination of the Agreement at the option of CITY.
- 27.02 Offset of Other Debts Against CITY. FVFD agrees that CITY is entitled to counterclaim and offset against any debt, claim, demand, or account owed by CITY to FVFD, pursuant to this Agreement. CITY may withhold from payment under this Agreement an amount equal to the total amount of debts owed to CITY by FVFD. CITY may apply the amount withheld to the debts owed to CITY by FVFD until said debts are paid in full.
- 27.03 Representatives and Notices.
- (a) CITY Representative. The Director of Emergency Services for CITY, and such other and additional persons as CITY may designate, shall be CITY's representative(s) and shall act for CITY in all matters concerning this Agreement, including transmittal of instructions, receiving information, and interpreting and defining City policies and decisions with respect to the materials, equipment, elements, and systems of the project. CITY shall not be bound by the actions or representations of any other employee(s) or agent(s) of CITY.
 - (b) FVFD Representative. The President of FVFD and such other and additional persons as President may designate shall be the FVFD representative(s) and shall act for FVFD in all matters concerning this Agreement, including transmittal of instructions and receiving information. FVFD shall not be bound by the actions or representations of any other employee(s) or agent(s) of FVFD.
- 27.04 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:
City Manager
910 S. Friendswood Drive
Friendswood, Texas 77546

FVFD:
President
1610 Whitaker Drive
Friendswood, Texas 77546

With a copy to:
Department of Emergency Services
1600 Whitaker Drive
Friendswood, Texas 77546

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.

- 27.05 Compliance with Laws. FVFD shall comply with all applicable laws, ordinances, and codes of the state, federal, and local governments and shall commit no trespass on any public or private property in performing any of the work embraced by this Agreement. By signing this Agreement, FVFD hereby certifies that FVFD does not:
- (a) boycott Israel and will not boycott Israel during the term of this Agreement;
 - (b) boycott energy companies and will not boycott energy companies during the term of this Agreement;
 - (c) have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association;
 - (d) engage in business with Iran, Sudan; and
 - (e) have contracts with or provide supplies or services to a foreign terrorist organization.
- 27.06 Subcontracting. None of the Services covered by this Agreement shall be subcontracted without the prior written consent of CITY. FVFD shall be as fully responsible to CITY for the acts and omissions of its subcontractors, and of persons, whether directly or indirectly employed by them, as it is for the acts and omissions of persons directly employed by it. FVFD may use qualified third parties at their sole discretion to provide facility maintenance, equipment maintenance, administrative services and other non-Fire and Rescue functions.
- 27.07 Assignment. FVFD shall not assign, sublet, or transfer its interests in this Agreement without the prior written approval of CITY; provided, however, that claims for money due, or to become due, FVFD from CITY under this Agreement may be assigned to a bank, trust company, other financial institution, or to a Trustee in Bankruptcy, without such approval. Notice of any such assignment or transfer shall be furnished promptly to CITY.
- 27.08 Successors. CITY and FVFD each binds itself, its successors, executors, administrators, and assigns, to the other party in respect to all covenants of this Agreement, unless otherwise excepted herein.
- 27.09 Venue. Venue for any lawsuit involving this Agreement shall be in Galveston County, Texas.
- 27.10 Choice of law. This Agreement is governed by the laws of the State of Texas.
- 27.11 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.

- 27.12 No 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.
- 27.13 Entire Agreement. This Agreement constitutes the entire agreement between CITY and FVFD as it relates to the Services, and all negotiations and all understandings between the Parties are merged herein. The terms and conditions of this Agreement specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations, or other written or oral understandings not contained herein or specifically adopted by reference.
- 27.14 Partial Invalidity. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
- 27.15 Survival. Any provisions which by their terms survive the termination of this Agreement shall bind its legal representatives, heirs, and assigns as set forth herein.
- 27.16 Notices. Each notice to CITY shall be sent to the designated CITY representative and each notice to FVFD shall be sent to the designated representative as outlined in this Agreement. Each formal notice required by the terms of this Agreement shall be in writing and sent by facsimile, courier or by registered or certified mail.
- 27.17 Benefits. This Agreement shall bind, and the benefits thereof shall inure to the respective parties hereto, their heirs, legal representatives, executors, administrators, successors, and assigns.
- 27.18 Amendments. This Agreement can be supplemented and/or amended only by a dated written document executed by Parties.
- 27.19 Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.
- 27.20 Multiple Copies. This Agreement may be executed in multiple counterparts, each of which constitutes an original.
- 27.21 Article and Section Headings. The article and section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Agreement.
- 27.22 Misspelled Words. Misspelling of one or more words in this Agreement shall not void this Agreement. Such misspelled words shall be read so as to have the meaning apparently intended by the Parties.
- 27.23 Include. The use of terms "include," "such as," or "similar" shall be non-exhaustive and mean including, but not limited to.
- 27.24 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.
- 27.25 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 Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in multiple copies, each of which shall be deemed to be an original, as of the date and year first written on this Agreement.

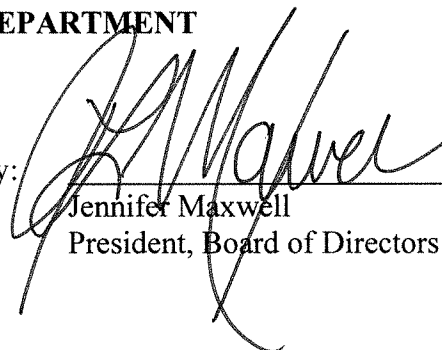
CITY OF FRIENDSWOOD, TEXAS

By: _____
Morad Kabiri,
City Manager

ATTEST:

Raquel Martinez
City Secretary

**FRIENDSWOOD VOLUNTEER FIRE
DEPARTMENT**

By:  8/31/26
Jennifer Maxwell
President, Board of Directors

Friendswood Volunteer Fire Department

Contract Proposal Request and Justification

Contract Proposal for FY2027

City of Friendswood and Friendswood Volunteer Fire Department

Original: January 28, 2026

Revised: February 12, 2026, February 17, 2026, March 9, 2026

PROPOSAL OVERVIEW

This proposal supports ongoing contract discussions between the Friendswood Volunteer Fire Department (FVFD) and the City of Friendswood. Over recent years, the cost of protective equipment, fire apparatus maintenance, and operational compliance has risen significantly. Maintaining and repairing an aging fleet has become increasingly frequent and costly due to rising labor rates, supply chain challenges, and parts expenses.

The Department relies on dedicated volunteers who contribute tens of thousands of hours each year to emergency response, training, administrative support, and strategic planning. This service not only keeps the Department organized and operational but also saves the City of Friendswood an estimated \$5 million annually compared to a fully paid fire department.

To support long-term operational readiness, Chief Fuentes has implemented an aggressive, mission-aligned recruitment plan designed to strengthen the volunteer base and meet future response expectations. The Recruitment and Retention Committee continues to perform at a high level, sending five to seven new members each semester to the SFFMA Firefighter I training program at College of the Mainland. Tuition alone is approximately \$2,000 per student, with an additional 60% increase in testing fees. Beyond FF1, professional development also includes driver and officer certification programs, adding further investment in training resources and staff oversight. At the same time, the Department recognizes that some long-serving members naturally reduce their availability due to retirement, career demands, or other commitments. By recruiting and training new volunteers, the Department maintains continuity, operational readiness, and a balanced mix of experienced and actively engaged personnel. These efforts position the Department to responsibly plan for evolving response objectives while maintaining reliable, professional service to the community.

NFPA 1720 provides nationally recognized guidance for staffing and response times, serving as a planning tool rather than a legal mandate in Texas. FVFD uses these recommendations to guide strategic planning, risk assessment, and recruitment while recognizing that station locations, traffic patterns, and roadway conditions can affect the ability to meet the recommended objective

of 15 responders within nine minutes for 90% of incidents. This approach allows the Department to plan effectively without imposing a contractual obligation for every incident.

Accurate dispatch and response data are critical for evaluating performance. Current reporting relies on CAD slip reports, dash cameras, and audio recordings. Discrepancies in exported data require investigation to determine root causes and corrective actions, which may include software or technology solutions. The Department requests a collaborative review with the City to improve dispatch reporting, ensure data integrity, and support informed operational decision-making.

To sustain operational readiness, maintain compliance, and support volunteer recruitment, the Department requests and commits to the following:

1. **Base Contract Increase** — (2025 Base Contract - \$1,180,395.00) an additional **\$259,000** to bring the FY27 base contract to **\$1,439,395.00**, with a 4% annual escalation for Years 2 and 3 contract renewals.
2. **Core Operational Escalators with Flexible Adjustments** — incremental funding for bunker gear purchases, compliance equipment and testing, and vehicle maintenance and repair. Escalations of 8–10% annually are requested, with flexibility to adjust as needed to account for market-driven cost increases and the addition of volunteers under Chief Fuentes' recruitment plan.
3. **CAD Technology Improvement Plan** — a collaborative review with the City to investigate the root causes of discrepancies in exported CAD data to ESO Fire Incident Records. This plan will identify corrective actions to ensure accurate arrival time reporting, which may include software or technology solutions that require additional budget considerations. The goal is to provide reliable, actionable response metrics while maintaining operational efficiency and readiness.
4. **Operational Initiative Supporting Improved Response and Staffing** - a comprehensive set of initiatives designed to reduce response times, strengthen operational readiness, and sustain volunteer staffing. Key components include extending paid daytime shifts to 12 hours, targeted staffing during anticipated coverage gaps, a structured volunteer on-call program, and the Squad Response Vehicle Program to support faster emergency response. The Recruitment and Retention Committee supports enrollment of 5–7 new members per class, professional development for new volunteers, community outreach, on-site recruiting events, and social media campaigns. These coordinated efforts are intended to improve the Department's ability to deliver **a first-arriving apparatus to the scene within ten minutes for 90% of incidents** with personnel and equipment capable of performing offensive operations to initiate fire suppression and/or rescue operations.

5. Conducted in close collaboration with the City, these initiatives ensure a measurable return on investment by improving response performance, increasing staffing reliability, and maintaining continuity and sustainability through ongoing volunteer engagement.

The Department is committed to achieving a collaborative result that balances the City's fiscal priorities with the operational needs of FVFD. We are open to negotiation and discussion to ensure a mutually beneficial outcome while maintaining safe, effective, and sustainable volunteer-driven emergency response. These investments protect firefighters, maintain compliance with state-mandated standards, and ensure operational readiness, ultimately supporting the City and its residents.

VOLUNTEER COMMITMENT AND SUPPORT

The Friendswood Volunteer Fire Department is deeply grateful for the dedication of its members, whose service reflects pride, professionalism, and a strong commitment to the community. Volunteers provide emergency response while also engaging in training, leadership development, administrative functions, and strategic planning that allow the Department to operate effectively. This level of service demonstrates servant leadership and ensures reliable emergency response for the City of Friendswood. The Department also greatly appreciates the City staff and community that support its ongoing mission.

The Department is planning responsibly for the realities of volunteer service in today's environment. Members balance increasing demands on their time, with faith, family, and financial responsibilities rightly taking priority. These commitments naturally influence the number of hours each volunteer can dedicate each week. To maintain high-quality emergency response and meet evolving expectations, the Department is proactively planning for a larger, well-supported volunteer base. This approach ensures that coverage goals are met sustainably while continuing to honor the contributions and well-being of every member.

These conditions directly frame the Department's staffing depth and response planning. Safe emergency operations are guided by NFPA 1720 staffing recommendations, and the Department's current contract references a suburban response standard of 10 responders within 10 minutes. The City has requested consideration of an upgrade to the urban response benchmark of 15 responders within 9 minutes.

To support emergency coverage, the Department maintains volunteer staffing for 14 hours per weekday and 48 hours over the weekend, totaling 118 coverage hours per week per responder. Meeting this level of operational readiness requires approximately 1,770 total responder coverage hours per week.

The Department remains focused on strategic planning, volunteer support, and sustainable staffing growth to ensure reliable service, while carefully evaluating the implications of evolving service expectations and planning responsibly for future operational requirements.

Most active members currently contribute 20 to 24 hours per week, including emergency response, training, and operational support. This high level of participation continues to support the Department's established suburban standard of cover of 10 responders within 10 minutes, which has been consistently met through volunteer commitment and effective staffing practices.

To meet current coverage requirements of 14 hours per weekday and 48 hours over the weekend, approximately 75 volunteers are needed to fully provide the weekly coverage hours of 1,770 total responder hours. This highlights the importance of a robust recruitment and retention plan to sustain the Department's operational readiness and ensure long-term volunteer support.

As part of ongoing contract discussions, the City has requested consideration of a higher response objective of 15 responders within 9 minutes, representing a change from the suburban response standard to the urban NFPA 1720 standard of cover and beyond the Department's current level of service. While NFPA 1720 provides a recognized benchmark for urban response, the Department's coverage area, station locations, and traffic patterns create practical limitations that make achieving this response objective challenging.

The Department is addressing the request through strategic planning and data-driven analysis of coverage, volunteer availability, and operational readiness. The focus remains on staffing depth, recruitment, and long-term sustainability to ensure reliable service while supporting volunteers and community safety. These coordinated efforts are intended to improve the Department's ability to place a fully-operational, first-arriving apparatus on scene, capable of initiating fire suppression and rescue operations within ten minutes for 90% of incidents.

To support this effort, Chief Fuentes has implemented an aggressive, mission-aligned recruitment plan designed to strengthen the volunteer base and meet future response expectations. The Recruitment and Retention Committee continues to perform at a high level, sending five to seven new members each semester to the SFFMA Firefighter I (FF1) training program at College of the Mainland. Tuition alone is approximately \$2,000 per student, with an additional 60% increase in testing fees effective in FY2026.

Beyond the minimum department standard of FF1, members' professional development includes FF2, driver, and officer certification programs. Members are also required to complete continuing education hours and stay current with evolving industry practices, such as electric vehicle incidents and advanced fire operations. These requirements represent a significant and necessary investment in training resources, oversight, and operational readiness, ensuring that both new and current personnel are prepared to respond safely and effectively to all emergency calls.

At the same time, the Department recognizes that some long-serving members naturally reduce their availability due to retirement, career demands, or other commitments. By recruiting and

training new volunteers, the Department maintains continuity, operational readiness, and a balanced mix of experienced and actively engaged personnel.

Meeting the higher staffing request, along with current volunteer dedication rates, drives the need for increased recruitment efforts. This comes with costs that exceed the current budget, including onboarding and testing new volunteers, meeting training requirements, supplying additional bunker gear, and addressing increased compliance obligations. The contract funding request reflects these operational and recruitment needs and aligns resources with the Department's evolving service expectations. At the same time, it ensures the volunteer-driven model remains strong, continuing to benefit the City and its taxpayers.

NFPA 1720 RESPONSE BENCHMARKS AND OPERATIONAL COMPLIANCE

NFPA 1720 provides nationally recognized guidance for volunteer and combination fire departments, including recommended staffing and response times based on population density. Recommendations such as 15 responders within nine minutes in urban areas serve as planning benchmarks rather than legal requirements in Texas. These benchmarks are widely used to evaluate staffing needs, plan strategic responses, and assess operational readiness.

The Friendswood Volunteer Fire Department uses NFPA 1720 as an important planning reference in its ongoing efforts to evaluate response performance and identify opportunities for improvement. The Department recognizes that factors such as station locations, roadway design, traffic patterns, and volunteer availability influence the ability to achieve these response objectives on every incident. For this reason, NFPA 1720 serves as a framework to guide continuous improvement rather than a prescriptive operational mandate.

As part of this proposal, the Department is committed to implementing several operational enhancements designed to strengthen response reliability and better align performance with NFPA 1720 planning benchmarks while maintaining a sustainable volunteer-based model.

OPERATIONAL INITIATIVE SUPPORTING IMPROVED RESPONSE AND STAFFING

Extension of Paid Day Crew Coverage

The Department will extend existing paid daytime staffing from 10-hour to 12-hour shifts. Adding two additional hours per day for four firefighters increases consistent apparatus availability during peak call volume periods and supports improved turnout and response capability. This adjustment represents an **additional 520 hours of staffed coverage** at approximate **\$40,000 annual investment** dedicated specifically to improving emergency response performance.

Targeted Staffing During Identified Staffing Challenges

The Department already implements extended staffing practices during severe weather events such as winter snow/ice storms and hurricanes. This occurs when response from home may be significantly delayed or dangerous. During these periods, volunteers staff the station in 12-hour operational periods to ensure consistent apparatus availability. Building on this practice, this same staffing model will be applied using both Volunteer and Paid Staff on days such as holidays, special events, and other occasions where potential staffing gaps are identified in advance, helping to maintain consistent apparatus availability and reliable response capability. This adjustment will represent a minimum of an additional 84 hours of staffed coverage at an approximate **\$14,000 annual investment** dedicated specifically to improving emergency response performance. These minimum hours and costs are based on staffing 7 additional 12 hour events.

Volunteer On-Call Program

A structured On-Call program will be introduced in which volunteers commit to responding during scheduled time blocks. This program provides greater predictability in staffing while remaining consistent with the volunteer response model supported by NFPA 1720.

Squad Response Vehicle Program

The Friendswood Volunteer Fire Department has established a Squad Response Vehicle Program (SRP) to improve response times while maintaining safety, professionalism, and operational accountability. This program allows designated volunteers to take department-assigned squad vehicles to their private residences for emergency response, providing faster turnout to the station or directly to incident scenes.

Recruitment and New Member Development

The Friendswood Volunteer Fire Department's Recruitment and Retention Committee plays a central role in building and sustaining a capable volunteer workforce. Under the guidance of the Fire Chief, the Committee has an aggressive goal of enrolling **5–7 new members in each training class**, helping ensure the Department maintains adequate staffing for operational readiness.

Key responsibilities and initiatives of the Committee include:

- **Engaging prospective members** through targeted outreach, community events, and informational flyers.
- **Coordinating enrollment** for external SFFMA Firefighter I courses.
- **Supporting professional development** for new members, including Firefighter II, driver, and officer certifications.

- **Implementing a social media campaign** to promote new member classes and opportunities.
- **Hosting on-site recruiting events**, such as the upcoming event at Station 1, allowing candidates to meet the team and submit applications directly.
- **Mentoring new recruits** on department operations, safety protocols, and community service, ensuring smooth integration into the Department.
- **Monitoring retention and sustainability**, helping to maintain operational readiness through proactive engagement with new and existing members.

These comprehensive efforts strengthen the volunteer base, ensure continuity of service, and provide a measurable return on the City's investment in volunteer recruitment and training. These increased efforts add an approximate **\$5,000 annual investment** dedicated specifically to improving emergency response performance through Recruitment and Retention.

OPERATIONAL COMPLIANCE WITH STATE-ADOPTED NFPA STANDARDS

In contrast to NFPA 1720, several other NFPA standards have been formally adopted by the State of Texas through the Texas Administrative Code (TAC §419.011). These standards govern firefighter safety, equipment testing, and operational readiness and carry regulatory expectations for compliance.

These adopted standards include requirements for bunker gear care and inspection, SCBA testing, ladder and hose testing, pump testing, and occupational health considerations. Adherence to these standards is critical to maintaining firefighter safety and preventing serious injury or loss of life.

The Friendswood Volunteer Fire Department is committed to maintaining full compliance with these state-adopted safety standards through regular testing, inspection, and maintenance of critical equipment and systems. The table below summarizes the key compliance requirements, associated NFPA standards, Texas Administrative Code references, and the annual costs necessary to maintain compliance and operational readiness:

<i>Compliance Item</i>	<i>Coordinating NFPA Standard</i>	<i>Texas Administrative Code (TAC)</i>	<i>Annual Cost (\$)</i>
<i>SCBA Annual Flow Testing</i>	NFPA 1981	TAC §419.011	\$3,200
<i>SCBA Mask Fit Testing</i>	NFPA 1981	TAC §419.011	\$1,250
<i>Ladder Testing</i>	NFPA 1932	TAC §419.011	\$2,000
<i>Hose Testing</i>	NFPA 1962	TAC §419.011	\$5,000

<i>Pump Testing</i>	NFPA 1911	TAC \$419.011	\$3,000
<i>Bunker Gear Advanced Cleaning & Annual Inspection</i>	NFPA 1851	TAC \$419.011	<u>\$17,000</u>
			<i>\$31,450</i>

These measures are essential to protect personnel, ensure adherence to regulatory expectations, and maintain operational readiness. Over the past three years, compliance-related costs have steadily increased due to rising testing, inspection, and equipment service expenses.

These trends are a significant factor in the Department's request for increased contract funding. Without planned adjustments for these ongoing compliance expenses, resources would need to be diverted from other operational areas. The requested funding ensures the Department can continue meeting state-adopted safety standards, maintain best-practice protective measures, and directly benefit members by keeping them safe and properly equipped.

PROTECTIVE GEAR, EMERGING STANDARDS, AND STAFFING GROWTH IMPACTS

Protective firefighting gear is one of the most critical safety investments for the Friendswood Volunteer Fire Department and represents a growing operational cost. Bunker gear is governed by NFPA standards that establish requirements for advanced cleaning, annual inspection, and a maximum service life of ten years. These requirements, which are incorporated into the Texas Administrative Code, are designed to protect firefighters from thermal injury, contamination exposure, and long-term health risks. Compliance with these standards is essential to maintaining a safe and professional emergency response organization.

In recent years, the cost of bunker gear has increased significantly due to higher material costs, manufacturing standards, and expanded safety expectations. Each firefighter must be issued a complete, compliant set of gear, and replacement at the ten-year mark is required regardless of visible wear. These replacement cycles represent predictable but substantial costs that are part of normal operations and cannot be deferred without compromising safety and compliance.

Looking ahead, the fire service is preparing for the implementation of the new NFPA 1850 standard, which consolidates protective clothing and SCBA selection, care, and maintenance requirements. While the standard is intended to improve firefighter health and safety, it is expected to introduce additional expectations related to inspection processes, advanced cleaning, training, and documentation. These evolving requirements signal that compliance costs associated with protective equipment are likely to continue increasing and must be considered in long-term financial planning.

Staffing growth further compounds these costs. As part of Chief Fuentes' aggressive, mission-aligned recruitment plan, the Department is working to expand its volunteer base to meet

operational needs and future service expectations. Each additional member requires full protective outfitting upon onboarding, including bunker gear that meets current standards and is properly sized, tracked, inspected, and maintained. As recruitment efforts succeed, equipment and compliance costs increase accordingly.

Together, ongoing compliance obligations, anticipated changes in NFPA standards, and planned growth in volunteer staffing drive a significant portion of the contract funding request. These costs support both current operations and the additional members needed to sustain coverage, maintain safety, and protect the trust volunteers place in the Department's leadership. The requested funding reflects responsible planning to ensure that firefighters are properly equipped, standards are met, and the Department remains prepared to serve the City safely and effectively.

APPARATUS MAINTENANCE AND REPAIR COSTS

The Friendswood Volunteer Fire Department operates an aging apparatus fleet that requires increasing levels of routine maintenance and repair to remain fully operational. As apparatus accumulate years of service, maintenance demands become more frequent and specialized, resulting in higher service costs and longer repair timelines compared to newer vehicles.

Labor rates and parts costs for fire apparatus have increased significantly in recent years. Older vehicles require more frequent servicing and repairs, which now involve higher material and labor expenses. Extended lead times for parts and limited vendor availability contribute to rising maintenance costs and necessitating careful budgeting.

To address these realities, the Department is requesting increased funding specifically designated for vehicle maintenance and repair. This funding supports normal operational needs associated with an aging fleet, including higher labor rates, increased parts costs, and cumulative service life impacts. Adequate maintenance funding ensures the Department can maintain apparatus reliability, manage repairs efficiently, and continue providing dependable emergency response.

This portion of the contract funding increase reflects responsible planning and stewardship of City resources, allowing the Department to operate safely and effectively while meeting community expectations.

CAD TECHNOLOGY AND DATA ACCURACY: CONTRACTUAL IMPROVEMENT

Accurate and reliable response time reporting is essential for evaluating the Department's operational performance. Current processes rely on CAD slip reports, dash cameras, and audio recordings to produce accurate arrival times. However, inconsistencies are sometimes observed,

including missing times, delays, or incorrectly assigned apparatus, which can complicate reporting and performance evaluation.

To ensure data integrity and improve response time reporting, the Department requests a collaborative investigation with the City as part of the proposed performance improvement plan. This investigation would determine the root causes of discrepancies in data exported to ESO Fire Incident records, guide corrective actions, and implement potential system enhancements. Some solutions may require software upgrades or technology improvements, which could involve additional budget funding to address the issue fully. These actions will help produce accurate, reliable arrival times, reduce administrative effort, and support measurable performance metrics.

The Department requests this improvement as part of ongoing contract discussions. Implementing these enhancements will provide meaningful, actionable performance metrics, support data-driven decision-making, and allow Department personnel to focus on emergency response and operational readiness. Accurate and verifiable response times are critical for strategic planning, staffing decisions, and resource allocation.

ONE-YEAR CONTRACT STRUCTURE AND FUNDING ADJUSTMENT

Historically, the Department's contract funding has generally been based on a flat rate, with modest annual increases of 2–4% and additional equipment or operational requests considered only through yearly “decision packages” if the City's budget allowed. This approach provides limited flexibility to address escalating costs, inflation, and changes in supply and demand, which can impact the Department's ability to maintain operational readiness and safety standards. Notably, the FY26 budget was balanced using an additional \$150,000 of non-City funds, derived from departmental savings, grants, and small community donations, highlighting the limitations of the current funding model.

As the Department moves forward under a one-year contract structure, future strategic planning discussions should include consideration of an annual funding adjustment to address inflation, cost-of-living increases, and market-driven growth in key operational areas. Predictable and measured annual adjustments would support long-term sustainability while reducing reliance on internal reserves or unpredictable funding sources.

The following operational categories have consistently experienced cost increases beyond general inflation trends and warrant consideration in future planning discussions:

- **New Bunker Gear Purchases:** 8% annual escalation to address rising costs associated with outfitting new volunteers under Chief Fuentes' recruitment plan, as well as routine replacement of existing inventory to maintain operational readiness and compliance with safety standards.

- **Compliance-Related Equipment and Maintenance:** 8% annual escalation for maintaining hose, ladder, pump, SCBA, and bunker gear advanced cleaning and inspections, in accordance with state-mandated standards and NFPA guidelines.
- **Vehicle Maintenance and Repair:** 10% annual escalation to account for increased labor and parts costs, aging apparatus, and industry-wide pricing trends.

These targeted adjustments allow the Department to maintain compliance with state-mandated standards, ensure personnel safety, sustain fleet readiness, and provide necessary equipment for new and existing members. Predictable, tiered increases also protect the City’s investment by reducing the risk of deferred maintenance or inadequate equipment, which could compromise operational readiness and firefighter safety, while eliminating reliance on departmental savings, grants, or small donations to balance the budget.

<i>Cost Category</i>	<i>Suggested Annual Escalation Rate</i>	<i>Rationale</i>
<i>New Bunker Gear Purchases</i>	8%	Adjusts for sustained PPE cost increases (22%+ in recent years) and long-term growth trends. (FAMA)
<i>Compliance Equipment & Maintenance</i>	8%	Reflects rising costs of PPE lifecycle compliance, NFPA-driven standards, and market growth in safety equipment. (FireRescue1)
<i>Vehicle Maintenance & Repair</i>	10%	Higher due to apparatus cost pressures and fluctuating parts/labor costs beyond general inflation. (Fire Apparatus)

CURRENT CONTRACT ASSUMPTIONS AND CONTINUITY OF RESPONSIBILITIES

As the Department transitions to a one-year contract structure, it is the intent of both Parties to maintain the existing contractual framework regarding operational responsibilities, funding, facilities maintenance, equipment, and governance. The Department proposes that the current allocation of duties and obligations remain unchanged unless mutually amended, providing continuity and stability while allowing the new contract term to be implemented efficiently.

Under the current agreement, FVFD will continue to provide 24-hour fire and rescue services within the City, including duty officer availability at all times, weekday paid day crew coverage, volunteer staffing, mutual aid and auto-aid participation, and EMS operational support. FVFD will also maintain required certifications, training, reporting, and compliance standards to ensure personnel safety, operational readiness, and effective emergency response.

The City will continue to provide use of fire stations, designated apparatus and fleet vehicles, 9-1-1 dispatch services, communications infrastructure and equipment, contract compensation through equal quarterly payments, and funding for capital equipment in accordance with the Capital Equipment Schedule. Support for volunteer pension contributions through TESRS will also continue as currently established.

Procurement and replacement of capital equipment, including oversight and collaborative engagement between the City and FVFD, will remain in place, as will the current allocation of responsibilities for facility maintenance. This includes structural, mechanical, electrical, plumbing, and grounds maintenance, along with the management of shared operational equipment and agreed-upon response timelines for repairs.

Communications responsibilities, including radios, pagers, data transmission systems, subscriber services, and third-party application administration, will continue to be divided between FVFD and the City as currently outlined. Financial oversight and reporting obligations, including submission of annual budgets and capital plans, monthly operational reporting, and annual independent audits, will remain unchanged, as will participation in quarterly governance and performance review meetings with the City.

Finally, the existing provisions identifying events that would trigger renegotiation, such as the need for additional paid staffing, extended day crew hours, increases in administrative personnel, or operational changes beyond the agreed-upon scope, will remain in effect. This approach ensures continuity, protects both parties' interests, and supports sustainable, reliable, and safe emergency response under the one-year contract structure.

OVERALL FUNDING AND OPERATIONAL REQUESTS

The Friendswood Volunteer Fire Department respectfully submits this funding request to support safe, effective, and sustainable emergency operations for the City of Friendswood under a one-year contract for FY27. This request reflects the operational needs, compliance obligations, and strategic initiatives necessary to maintain reliable volunteer-driven emergency response, while providing a framework for future contract renewals.

For FY27, the Department requests a **base contract of \$1,439,395.00**, which reflects operational requirements, ongoing compliance with state-adopted NFPA standards, and support for Chief Fuentes' recruitment and retention initiatives. Recognizing that costs for protective equipment, apparatus maintenance, and compliance obligations will continue to rise, the Department proposes that future contract renewals and extensions include annual escalations for key operational areas, applied as follows:

- **Bunker Gear Purchases:** FY26 cost of **\$48,034.50 with an 8% annual escalation** to address rising costs for outfitting new volunteers and routine replacement of existing inventory, ensuring compliance with NFPA 1851 and safety standards.
- **Compliance Equipment and Maintenance:** FY26 cost of **\$31,450 with an 8% annual escalation** for hose, ladder, pump, SCBA, and advanced bunker gear cleaning and inspections, in accordance with state-mandated standards and NFPA guidelines.
- **Vehicle Maintenance and Repair:** FY26 cost **\$182,666.07 with a 10% annual escalation** to account for aging apparatus, increased labor and parts costs, and industry-wide pricing trends.

To support improved response times and operational readiness, the Department continues to implement a series of initiatives designed to maximize staffing efficiency and enhance emergency coverage:

- **Extension of Paid Day Crew Coverage:** Paid daytime staffing will be extended from 10-hour to 12-hour shifts, adding 520 hours of additional coverage annually, improving turnout and response during peak call periods at **approximately \$40,000 annual investment**.
- **Targeted Staffing During Identified Challenges:** Extended coverage during high-demand periods such as holidays, special events, or severe weather, providing a minimum of 84 additional staffed hours annually to maintain apparatus availability **approximately \$14,000 annual investment**.
- **Volunteer On-Call Program:** Structured volunteer on-call shifts to provide predictable staffing while maintaining the volunteer-driven operational model. This will require an additional software purchase for scheduling.
- **Squad Response Vehicle Program:** Designated volunteers take department-assigned squad vehicles home for faster response to the station or incident scenes.
- **Recruitment and New Member Development:** Under the Fire Chief's guidance, the Recruitment and Retention Committee aims to enroll 5–7 new members per class, supporting professional development, mentoring, and retention programs while engaging the community through outreach, social media, and on-site recruitment events. As recruitment goals are achieved, additional members will require Firefighter I training,

certifications, and full protective equipment. Current budget planning primarily supports the replacement cycle for existing bunker gear; therefore, growth in membership will increase demand on the training budget and require additional bunker gear purchases to properly equip new volunteers.

Together, these staffing initiatives represent a combined investment of approximately **\$59,000 annually** to enhanced staffing, recruitment, and operational readiness, delivering a measurable return on the City's investment by strengthening the volunteer base, improving response times, and sustaining operational continuity. With an average 70% retention rate, these programs ensure that new and existing personnel remain well-trained, safe, and capable of providing reliable emergency services.

Additionally, the Department requests continued recognition of NFPA 1720 as a planning benchmark rather than a contractual obligation. This approach allows the Department to use the standard as a guide for strategic planning while maintaining flexibility within a volunteer response model. The Department recognizes the importance of improving response capability and shares the City's goal of **placing deliver a first-arriving apparatus to the scene within ten minutes for 90% of incidents with personnel and equipment capable of performing offensive operations to initiate fire suppression and/or rescue operations**. The operational initiatives outlined in this proposal are intended to support that objective by strengthening staffing depth, improving turnout reliability, and enhancing overall response readiness.

The Department also proposes a CAD Technology Improvement Plan, collaborating with the City to investigate and improve dispatch data reporting, particularly regarding accurate export of response times to ESO Fire Incident Records. This plan identifies root causes of discrepancies, implements corrective actions, and evaluates potential software or technology solutions. Accurate and verifiable reporting will support data-driven operational decisions, improve performance metrics, and ensure efficient and reliable emergency response.

By structuring the contract in this manner, FVFD ensures the City benefits from cost-effective, professional, and reliable volunteer emergency services in FY27, while establishing a responsible framework for escalating costs, staffing initiatives, and operational planning in future contract renewals or extensions. The following chart outlines the proposed cost structure associated with potential contract extensions and renewals, reflecting anticipated operational cost trends and planned escalations for key operational areas.

<i>Cost Category</i>	<i>FY27 (Year 1)</i>	<i>FY28 (Year 2)</i>	<i>FY29 (Year 3)</i>	<i>Notes / Escalator</i>
<i>Base Contract</i>	\$1,439,395	\$1,496,970	\$1,556,848	4% annual escalation applied to base contract
<i>Bunker Gear Purchases</i>	\$0	+\$3,843	+\$4,150	8% annual compounding escalation; additional cost over FY27 base
<i>Compliance Equipment & Maintenance</i>	\$0	+\$2,516	+\$2,717	8% annual compounding escalation; additional cost over FY27 base
<i>Vehicle Maintenance & Repair</i>	\$0	+\$18,266	+\$17,999	10% annual compounding escalation; additional cost over FY27 base
	\$1,439,395	\$1,521,595	\$1,581,714	

Together, these requests provide a balanced and responsible approach to maintaining a safe, well-equipped, and operationally ready volunteer fire department. They ensure that the Department can meet current and future service expectations, protect firefighters, maintain compliance with state and national standards, and continue providing cost-effective, reliable emergency response to the residents of Friendswood.

Friendswood Volunteer Fire Department

Contract Proposal Request and Justification

Contract Proposal for FY2027

City of Friendswood and Friendswood Volunteer Fire Department

Original: January 28, 2026

Revised: February 12, 2026, February 17, 2026, March 9, 2026

Executive Summary

The Friendswood Volunteer Fire Department respectfully submits this FY2027 contract proposal to support safe, effective, and sustainable emergency operations for the City of Friendswood. The Department continues to provide significant value through a volunteer-driven model that saves the City an estimated \$5 million annually compared to a fully paid fire department, while maintaining reliable emergency response, training, administrative support, and strategic planning.

This proposal reflects the growing cost of protective equipment, apparatus maintenance, and operational compliance, as well as the need to strengthen staffing depth and response performance. To address these challenges, the Department is requesting a **base contract increase to \$1,439,395.00** under a one-year agreement, while establishing a responsible framework for future renewals that accounts for escalating costs in bunker gear, compliance testing, and vehicle maintenance.

In addition to maintaining compliance with state-adopted NFPA standards, the Department is committing to several operational initiatives to improve response times and staffing reliability. These include extending paid daytime staffing to 12-hour shifts, implementing targeted staffing during anticipated coverage gaps, introducing a volunteer on-call program, expanding the Squad Response Vehicle Program, and continuing an aggressive recruitment and retention strategy led by Chief Fuentes. Together, these initiatives are intended to improve the Department's ability deliver a **first-arriving apparatus to the scene within ten minutes for 90% of incidents** with personnel and equipment capable of performing offensive operations to initiate fire suppression and/or rescue operations.

The proposal also includes a collaborative **CAD Technology Improvement Plan** to improve dispatch data accuracy and support data-driven operational decisions. Overall, this request provides a balanced and forward-looking approach that protects firefighters, maintains compliance, strengthens volunteer staffing, and ensures the City continues to receive cost-effective, professional, and reliable emergency response services.

Key Financial Overview

<u>Item</u>	<u>Amount</u>
FY2026 Contract	\$1,180,395
Requested FY2027 Contract	\$1,439,395
Contract Increase	\$259,000

Operational Investment Initiatives

<u>Initiative</u>	<u>Annual Cost</u>	<u>Purpose</u>
Extension of Day Crew (10 → 12 hr shifts)	\$40,000	Increased apparatus availability during peak call hours
Targeted Staffing Events	\$14,000	Coverage during holidays, weather events, special events
Recruitment & Retention Program	\$5,000	Outreach, onboarding, and new volunteer training
Total Operational Investment	\$59,000	Improves staffing reliability and response performance

Key Operational Cost Drivers

<u>Category</u>	<u>FY26 Cost</u>	<u>Proposed Escalation</u>
Bunker Gear Purchases	\$48,034	8% annually
Compliance Equipment & Testing	\$31,450	8% annually
Vehicle Maintenance & Repair	\$182,666	10% annually

Strategic Operational Goals

<u>Operational Objective</u>	<u>Target</u>
First-Arriving Apparatus Operational Capability	10 minutes
Incident Performance Goal	90% of incidents
Recruitment Goal	5–7 new members per class
Volunteer Retention Rate	~70%

Additional Operational Improvements

- CAD Technology Improvement Plan to improve response data accuracy
 - Data-driven analysis of coverage and volunteer availability
 - Recruitment expansion to sustain long-term volunteer staffing
 - Continued compliance with state-adopted NFPA safety standards
-

Outcome for the City

This proposal provides a balanced approach that:

- Maintains cost-effective volunteer fire protection
- Improves response performance and staffing reliability
- Protects firefighters through compliance with safety standards
- Addresses rising operational costs responsibly
- Supports long-term sustainability of the volunteer fire service model

Budget FY25-26 Year Comparisons
October 1, 2024- Sept 30, 2025

Distribution account						4% Contract increase 12% COL		4% Contract increase 12% COL		4% Contract increase 12% COL	
	2023 Actual	2024 Actual	2025 Actuals	2026 Budget	2027 Budget +12% +STIP 6m	2028 Budget +12% +24hr PTE + Vol	2029 Budget +12%, FTE+Vol				
Income											
43410 City Contract Payments			\$ 556,114.31								
43412 City Income - Other		\$ 12,102.00									
43413 Quarterly Contract Income Fire	\$ 1,225,308.00	\$ 1,297,303.00	\$ 155,591.63	\$ 1,180,395.00	\$ 1,313,518.00	\$ 1,366,058.72	\$ 1,420,701.07				
43414 Quarterly Contract - EMS	\$ 780,987.24	\$ 1,002,033.35									
Total for 43410 City Contract Payments	\$ 2,006,295.24	\$ 2,311,438.35	\$ 711,705.94	\$ 1,180,395.00	\$ 1,313,518.00	\$ 1,366,058.72	\$ 1,420,701.07				
43430 EMS Billing	\$ 922,995.07	\$ 1,076,328.49	\$ 95,662.48	\$ -	\$ -	\$ -	\$ -				
43450 Cash Donations	\$ 32,805.43	\$ 7,056.34	\$ 17,408.68								
43451 Donations - Admin	\$ 804.96	\$ 7,870.00	\$ 62.84	\$ 27,350.00							
43452 Cash Donations - Fire	\$ 1,158.65	\$ 3,339.67		\$ 17,100.00							
43453 Donation-EMS	\$ 2,570.38	\$ 1,346.00									
Total for 43450 Cash Donations	\$ 37,339.42	\$ 19,612.01	\$ 17,471.52	\$ 44,450.00	\$ -	\$ -	\$ -				
43460 Public Records Request Income	\$ 40.00										
43940 Facilities Rental		\$ -	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00				
44820 Government Grants	\$ 253,657.20	\$ 48,270.00	\$ 274,873.75	\$ -	\$ -	\$ -	\$ -				
44830 Public/Private Grants	\$ 16,960.78	\$ 33,526.16	\$ 58,112.25	\$ -	\$ -	\$ -	\$ -				
44930 Income-EMS	\$ 1,250.00										
44932 Documents-EMS		\$ 40.00	\$ -	\$ -	\$ -	\$ -	\$ -				
44935 Fisd-EMS		\$ 2,450.00	\$ -	\$ -	\$ -	\$ -	\$ -				
44939 SafeSitter	\$ 485.00	\$ 90.00	\$ -	\$ -	\$ -	\$ -	\$ -				
48900 Income-CPR	\$ 260.00		\$ -	\$ -	\$ -	\$ -	\$ -				
Total for 44930 Income-EMS	\$ 1,995.00	\$ 2,580.00	\$ -	\$ -	\$ -	\$ -	\$ -				
45030 Interest Income	\$ 5,072.93	\$ 26,665.34	\$ 25,128.91	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00				
47210 Dorm Income			\$ 720.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00				
47212 Dorm Rent Deposits	\$ 1,800.00	\$ 1,080.00	\$ 180.00								
Total for 47210 Dorm Income	\$ 1,800.00	\$ 1,080.00	\$ 900.00	\$ 650.00	\$ 650.00	\$ 650.00	\$ 650.00				
49800 49800 - In kind revenue		\$ 162,000.00	\$ -	\$ -	\$ -	\$ -	\$ -				
Total for Income	\$ 3,246,115.64	\$ 3,681,500.35	\$ 1,193,854.85	\$ 1,250,495.00	\$ 1,339,168.00	\$ 1,391,708.72	\$ 1,446,351.07				
Cost of Goods Sold	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -				
Gross Profit	\$ 3,246,115.64	\$ 3,681,500.35	\$ 1,193,854.85	\$ 1,250,495.00	\$ 1,339,168.00	\$ 1,391,708.72	\$ 1,446,351.07				
Expenses											
1 Administration											
1-4000 1-4000 Annual Audit Fee	\$ 15,600.00	\$ 15,800.00	\$ 16,085.07	\$ 17,500.00	\$ 19,600.00	\$ 21,952.00	\$ 24,586.24				

1-4050	1-4050 Legal & Professional Fees	\$	4,540.48	\$	45,605.32	\$	82,301.57	\$	35,100.00	\$	39,312.00	\$	44,029.44	\$	49,312.97
1-4101	1-4101 Payroll Service Fees	\$	10,305.42	\$	19,477.69	\$	14,179.05	\$	16,000.00	\$	17,920.00	\$	20,070.40	\$	22,478.85
1-4102	1-4102 Bank Service Charges	\$	30.00	\$	12.00	\$	78.61	\$	150.00	\$	168.00	\$	188.16	\$	210.74
1-4110	1-4110 Full Time Salary & Wages	\$	832,376.19	\$	1,191,929.31	\$	121,480.33	\$	90,000.00	\$	100,800.00	\$	112,896.00	\$	1,325,000.00
1-4115	1-4115 Contract Labor	\$	55,107.01	\$	69,241.47	\$	66,660.27	\$	84,500.00	\$	94,640.00	\$	105,996.80	\$	118,716.42
1-4220	1-4220 Part-time Wages						353.46				-		-		40,000.00
1-4222	1-4222 SUTA Expenses	\$	1,728.71	\$	1,211.26	\$	614.30	\$	550.00	\$	616.00	\$	689.92	\$	772.71
1-4225	1-4225 Fixed Rate Pay	\$	582,168.25	\$	416,537.86	\$	215,511.64	\$	210,000.00	\$	235,200.00	\$	470,400.00	\$	100,000.00
1-4250	1-4250 Stipends for Vol. FFs	\$	17,923.61	\$	26,220.00	\$	21,876.00	\$	40,000.00	\$	137,600.00	\$	40,000.00	\$	44,800.00
1-4251	1-4251 Stipends for Vol. EMS	\$	4,772.67	\$	8,400.00	\$	(216.00)	\$		\$	-	\$	-	\$	-
1-4253	1-4253 Stipends 2199	\$	437.40	\$	-	\$	5,940.00	\$	12,000.00	\$	13,440.00	\$	15,052.80	\$	16,859.14
1-4710	1-4710 Social Security Medicare	\$	110,723.87	\$	124,855.53	\$	23,028.78	\$	18,000.00	\$	20,160.00	\$	22,579.20	\$	25,288.70
1-4720	1-4720 TMRS Retirement Fund	\$	80,139.36	\$	61,658.97	\$	129.17			\$	-	\$	-	\$	250,000.00
1-4721	1-4721 TSVF Retirement Fund	\$	115,572.00	\$	122,316.00	\$	-			\$	-	\$	-	\$	-
1-4722	1-4722 Child Support Expense	\$	3,560.75	\$	-					\$	-	\$	-	\$	-
1-4810	1-4810 FTE Insurance Benefits	\$	128,082.73	\$	107,675.46	\$	3,873.93			\$	-	\$	-	\$	277,500.00
1-4840	1-4840 Workers Comp Insurance	\$	112,283.00	\$	93,839.00	\$	(369.26)	\$	36,000.00	\$	43,200.00	\$	51,840.00	\$	62,208.00
1-5200	1-5200 Personnel Supplies	\$	406.98	\$	1,139.68	\$	5,170.57	\$	3,000.00	\$	3,360.00	\$	3,763.20	\$	4,214.78
1-5400	1-5400 Operating Supplies	\$	16,247.81	\$	18,442.32	\$	7,392.01	\$	9,100.00	\$	10,192.00	\$	11,415.04	\$	12,784.84
1-5401	1-5401 Shared Operating Supplies						2,488.65	\$	2,500.00	\$	2,800.00	\$	3,136.00	\$	3,512.32
1-5500	1-5500 Meals & Entertainment	\$	2,713.67	\$	4,748.20	\$	1,053.28	\$	8,600.00	\$	9,632.00	\$	10,787.84	\$	12,082.38
1-5600	1-5600 Facility Supplies						824.94	\$	1,600.00	\$	1,792.00	\$	2,007.04	\$	2,247.88
1-5700	1-5700 Mail & Postage Expenses	\$	493.60	\$	578.10	\$	326.02	\$	350.00	\$	392.00	\$	439.04	\$	491.72
1-5800	1-5800 Operating Equipment			\$	5,411.72	\$	1,695.85	\$	500.00	\$	560.00	\$	627.20	\$	702.46
1-6600	1-6600 Facility Routine Mainten	\$	4,494.75	\$	6,894.79	\$	23.25			\$	-	\$	-	\$	-
1-6610	1-6610 Building Renovations	\$	86,467.01	\$	95,078.95	\$	43,408.40			\$	-	\$	-	\$	-
1-6620	1-6620 Facility Equipment	\$	4,966.86	\$	55,928.61	\$	1,181.92	\$	6,500.00	\$	7,280.00	\$	8,153.60	\$	60,000.00
1-6650	1-6650 Facility Repair	\$	7,716.09	\$	5,809.08	\$	8,865.51	\$	4,000.00	\$	4,480.00	\$	5,017.60	\$	5,619.71
1-6670	Station 2 Buildout			\$	17,731.60					\$	-	\$	-	\$	-
1-7100	1-7100 New Volunteer Expenses	\$	2,517.75	\$	1,040.89	\$	4,293.74	\$	4,500.00	\$	5,040.00	\$	5,644.80	\$	6,322.18
1-7150	1-7150 New Employee Expenses	\$	4,743.94	\$	9,578.70	\$	1,461.97	\$	2,500.00	\$	2,800.00	\$	3,136.00	\$	3,512.32
1-7210	1-7210 Medical Services	\$	1,419.00	\$	-					\$	-	\$	-	\$	-
1-7211	1-7211 Health Wellness			\$	-	\$	9,550.00	\$	15,000.00	\$	16,800.00	\$	18,816.00	\$	21,073.92
1-7222	1-7222 Awards Function SRVS	\$	14,144.18	\$	13,883.02	\$	21,427.65	\$	10,600.00	\$	11,872.00	\$	13,296.64	\$	14,892.24
1-7311	1-7311 Vehicle Insurance	\$	46,342.23	\$	41,076.86	\$	18,616.00	\$	27,200.00	\$	30,464.00	\$	34,119.68	\$	38,214.04
1-7321	1-7321 General Liability	\$	46,591.00	\$	41,004.00	\$	17,728.00	\$	26,000.00	\$	29,120.00	\$	32,614.40	\$	36,528.13
1-7324	1-7324 Accident Insurance	\$	13,410.00	\$	22,806.00	\$	16,227.00	\$	29,350.00	\$	32,872.00	\$	36,816.64	\$	41,234.64
1-7400	1-7400 Technology Services	\$	4,997.54	\$	9,020.62	\$	11,926.27	\$	9,000.00	\$	10,080.00	\$	11,289.60	\$	12,644.35
1-7497	1-7497 Recruitment Advertising			\$			110.01	\$	750.00	\$	840.00	\$	940.80	\$	1,053.70
1-7510	1-7510 Training	\$	263.95	\$	300.00	\$	270.95	\$	1,800.00	\$	2,016.00	\$	2,257.92	\$	2,528.87
1-7520	1-7520 Travel Reimbursements			\$	912.93	\$	48.22	\$	3,250.00	\$	3,640.00	\$	4,076.80	\$	4,566.02
1-7530	1-7530 Memberships	\$	1,690.95	\$	320.03	\$	982.46	\$	890.00	\$	996.80	\$	1,116.42	\$	1,250.39
1-7612	1-7612 Telephone, Communication	\$	805.03	\$	1,272.00	\$	2,006.40	\$	7,780.00	\$	8,713.60	\$	9,759.23	\$	10,930.34
1-7613	1-7613 Radio Expenses	\$	17,402.56	\$	29,518.95	\$	10,769.35	\$	16,200.00	\$	18,144.00	\$	20,321.28	\$	22,759.83
1-7615	1-7615 Station TV & Internet	\$	10,163.27	\$	14,606.20	\$	16,999.13	\$	4,800.00	\$	5,376.00	\$	6,021.12	\$	6,743.65

1-7620 1-7620 Janitorial Services	\$	11,400.00	\$	11,400.00	\$	-	\$	-	\$	-	\$	-		
1-7622 1-7622 Contract Services	\$	2,740.86	\$	11,520.42	\$		\$	-	\$	-	\$	-		
1-7830 1-7830 Office Equipment Rental	\$	2,756.25	\$	2,651.35	\$	2,336.65	\$	-	\$	-	\$	-		
1-7910 1-7910 Community Events, Progra	\$	1,311.00	\$	4,604.84	\$	2,733.72	\$	16,600.00	\$	18,592.00	\$	20,823.04	\$	23,321.80
1-9050 Project - Enzo Winter Storm					\$	952.99	\$		\$	-	\$	-	\$	-
Total for 1 Administration	\$	2,381,557.73	\$	2,732,059.73	\$	782,397.83	\$	772,170.00	\$	960,510.40	\$	1,172,091.65	\$	2,706,966.29
2 Fire Division														
2-5200 2-5200 Personnel Supplies	\$	2,151.25	\$	2,895.40	\$	2,566.81	\$	2,700.00	\$	3,024.00	\$	3,386.88	\$	3,793.31
2-5220 2-5220 Firefighter PPE	\$	20,294.68	\$	51,956.70	\$	48,034.50	\$	31,300.00	\$	35,682.00	\$	40,677.48	\$	46,372.33
2-5230 2-5230 FireFighter PPE Repair	\$	262.90			\$	695.49	\$	22,057.51	\$	30,000.00	\$	36,000.00	\$	43,200.00
2-5250 2-5250 Uniforms	\$	14,519.37	\$	29,708.27	\$	6,892.54	\$	8,550.00	\$	9,576.00	\$	10,725.12	\$	40,000.00
2-5300 2-5300 Vehicle Supplies	\$	3,429.27	\$	1,390.19	\$	1,185.67	\$	2,500.00	\$	2,800.00	\$	3,136.00	\$	3,512.32
2-5301 2-5301 Vehicle Fuel	\$	19,142.03	\$	22,516.10	\$	19,389.34	\$	20,812.01	\$	23,309.45	\$	26,106.59	\$	29,239.38
2-5400 2-5400 Operating Supplies	\$	13,415.95	\$	33,065.11	\$	10,436.30	\$	15,250.00	\$	17,080.00	\$	19,129.60	\$	21,425.15
2-5401 2-5401 EMS Operating Supplies for FD					\$	2,569.79	\$	3,400.00	\$	4,080.00	\$	4,896.00	\$	5,875.20
2-5500 2-5500 Meals & Entertainment	\$	13,279.57	\$	12,077.83	\$	10,179.71	\$	7,800.00	\$	8,736.00	\$	9,784.32	\$	10,958.44
2-5600 2-5600 Drill Field					\$	5,887.42	\$	10,000.00	\$	11,200.00	\$	12,544.00	\$	14,049.28
2-5800 2-5800 Operating Equipment	\$	36,869.46	\$	34,266.42	\$	8,239.27	\$	9,600.00	\$	10,752.00	\$	12,042.24	\$	13,487.31
2-5900 2-5900 SCBA Bottle Replacement	\$	12,700.00	\$	14,340.00	\$	17,041.40	\$	14,340.00	\$	16,060.80	\$	17,988.10	\$	20,146.67
2-5950 2-5950 SCBA Repair	\$	330.00							\$	15,000.00	\$	16,800.00	\$	18,816.00
2-5901 2-5901 Boat Replacement					\$	4,166.00	\$	5,000.00	\$	5,600.00	\$	6,272.00	\$	7,024.64
2-5902 2-5902 TIC Replacement					\$	4,279.50	\$	19,000.00	\$	9,000.00	\$	10,080.00	\$	11,289.60
2-5903 2-5903 AED Replacement							\$	4,000.00	\$	4,480.00	\$	5,017.60	\$	5,619.71
2-5904 2-5904 Hose Replacement					\$	11,079.80	\$	10,000.00	\$	11,200.00	\$	12,544.00	\$	14,049.28
2-6300 2-6300 Vehicle Maintenance	\$	67,572.93	\$	72,184.06	\$	54,401.47	\$	92,850.00	\$	103,992.00	\$	116,471.04	\$	130,447.56
2-6350 2-6350 Vehicle Repair	\$	59,162.53	\$	64,286.20	\$	128,264.60	\$	83,500.00	\$	93,520.00	\$	104,742.40	\$	117,311.49
2-6400 2-6400 Operating Maintenance	\$	5,300.69	\$	422.25	\$	161.37	\$	1,200.00	\$	1,344.00	\$	1,505.28	\$	1,685.91
2-6500 2-6500 Rescue Boat Expenses	\$	3,992.14	\$	367.62	\$	18,045.98	\$	5,000.00	\$	5,600.00	\$	6,272.00	\$	7,024.64
2-6800 2-6800 Equipment Maintenance	\$	5,694.52	\$	4,371.50	\$	4,755.61	\$	5,800.00	\$	6,496.00	\$	7,275.52	\$	8,148.58
2-7400 2-7400 Operating Services	\$	8,556.99	\$	-	\$	1,518.21	\$	4,000.00	\$	4,480.00	\$	5,017.60	\$	5,619.71
2-7494 2-7494 Equipment Testing	\$	5,446.86	\$	668.00	\$	17,598.45	\$	18,200.00	\$	20,384.00	\$	22,830.08	\$	25,569.69
2-7510 2-7510 Training	\$	54,463.11	\$	35,736.28	\$	38,786.82	\$	23,100.00	\$	25,872.00	\$	28,976.64	\$	32,453.84
2-7520 2-7520 Travel & Travel Reimb.	\$	2,685.63	\$	2,988.10	\$	3,431.16	\$	9,350.00	\$	10,472.00	\$	11,728.64	\$	13,136.08
2-7530 2-7530 Memberships	\$	4,538.82	\$	509.66	\$	4,690.23	\$	5,625.00	\$	6,300.00	\$	7,056.00	\$	7,902.72
2-7612 2-7612 Telephone, Communication	\$	7,629.67	\$	7,531.31	\$	9,656.98	\$	2,100.00	\$	2,352.00	\$	2,634.24	\$	2,950.35
2-7720 2-7720 Software Support Service	\$	6,341.50	\$	-	\$	1,036.00	\$	2,700.00	\$	3,024.00	\$	3,386.88	\$	3,793.31
2-7910 2-7910 Community Events, Progra	\$	11,924.90	\$	8,929.92	\$	10,666.09	\$	1,000.00	\$	1,120.00	\$	1,254.40	\$	1,404.93
2-7915 Recruiting & Retention	\$	42.97			\$	1.27			\$	-	\$	-	\$	-
2-9990 Undocumented Fire Business Expenses	\$	1,875.43							\$	-	\$	-	\$	-
Total for 2 Fire Division	\$	381,623.17	\$	400,210.92	\$	445,657.78	\$	440,734.52	\$	502,536.25	\$	566,280.64	\$	666,307.41

3 EMS Division														
7-5200 7-5200 Personnel Supplies	\$	26.95	\$	-	\$	11.79								
7-5250 7-5250 Uniforms	\$	16,566.07	\$	39,260.55	\$	16.00								
7-5301 7-5301 Fuel	\$	31,956.61	\$	28,797.75	\$	2,347.08								
7-5400 7-5400 Operating Supplies	\$	130,686.59	\$	166,988.20	\$	9,878.36								
7-5500 7-5500 Meals & Entertainment	\$	2,213.41	\$	2,131.35										
7-5800 7-5800 Operating Equipment	\$	36,482.79	\$	52,813.68	\$	197.02								
7-6300 7-6300 Vehicle Maintenance	\$	19,030.45	\$	24,064.54										
7-6350 7-6350 Vehicle Repair	\$	11,947.28	\$	41,652.54	\$	(1,046.95)								
7-6800 7-6800 Equipment Maintenance	\$	46,949.69	\$	18,316.59										
7-7400 7-7400 Operating Services	\$	1,611.82	\$	1,368.58	\$	471.00								
7-7510 7-7510 Training	\$	23,035.61	\$	16,004.69	\$	40.00								
7-7520 7-7520 Travel & Travel Reimb.	\$	5,242.06	\$	6,610.67										
7-7612 7-7612 Telephone, Communication	\$	10,680.23	\$	10,887.16	\$	8,595.90								
7-7700 Dues & subscriptions	\$	16,800.61	\$	14,259.04	\$	950.00								
7-7720 7-7720 Software Support Service	\$	21,377.97	\$	16,040.87	\$	434.50								
7-7910 7-7910 Community Events, Progra	\$	2,388.69	\$	8,625.47	\$	11.85								
7-9990 Undocumented EMS Business Expenses			\$		\$	314.00								
Total for 3 EMS Division	\$	376,996.83	\$	447,821.68	\$	22,220.55	\$	-	\$	-	\$	-	\$	-
999 To Be Documented	\$	-	\$	-	\$	582.39								
0 Departmental Expenses														
0-9000 0-9000 In Kind Lease				\$	-	\$	-	\$	-	\$	-	\$	-	
Total for 0 Departmental Expenses		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
Total for Expenses	\$	3,140,177.73	\$	3,580,092.33	\$	1,250,858.55	\$	1,212,904.52	\$	1,463,046.65	\$	1,738,372.29	\$	3,373,273.71
Net Operating Income	\$	105,937.91	\$	101,408.02	\$	(57,003.70)	\$	37,590.48	\$	(123,878.65)	\$	(346,663.57)	\$	(1,926,922.64)
Other Income				\$	-	\$	-	\$	-	\$	-	\$	-	
Other Expenses				\$	-	\$	-	\$	-	\$	-	\$	-	
Net Other Income	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Net Income	\$	105,937.91	\$	101,408.02	\$	(57,003.70)	\$	37,590.48	\$	(123,878.65)	\$	(346,663.57)	\$	(1,926,922.64)

Call Number	Date	Address	First Engine on Scene	10 Responders on Scene	First 10 Minutes	Met Standards	Time of Call	Crew Type	First Department on Scene
F26000564	8/25/2026	2111 W PARKWOOD Ave	34 minutes 23 seconds - initial call. 12 minutes 41 seconds after general tone.	Inconclusive	Inconclusive	Unknown	1:51:30	Volunteer	Friendswood
F26000457	7/10/2026	3141 FM 528	4 minutes 31 seconds	Possibly by 8 minutes 20 seconds. Unknown crew counts.	Up to 10 responders, low of 7.	Likely	13:36:38	Day Crew	Friendswood
F26000446	7/8/2026	701 W Parkwood	3 minutes 13 seconds	8 minutes 58 seconds at earliest. Unknown crew counts.	Up to 10, low of 8	Likely	13:42:24	Day Crew	Friendswood
F26000447	7/8/2026	107 Tower Dr	9 minutes 8 seconds	NA	4 responders	No	20:57:43	Volunteer	Friendswood
F26000289	5/10/2026	16802 PAINT ROCK Road	9 minutes 1 second	NA - Tapout	5 responders	Unknown	18:37:57	Volunteer	Friendswood
F26000264	4/25/2026	914 Laurel field Drive	10 minutes 16 seconds	12 minutes 33 seconds	2 responders	No	15:31:00	Volunteer	Friendswood. Webster close 2nd.
F26000212	4/2/2026	16814 Stardale Ln	6 minutes 2 seconds	8 minutes 16 seconds	14 to 16 responders	Yes	10:20:03 AM	Day Crew	Friendswood
F26000196	3/26/2026	504 Shady wood Dr.	8 minutes 46 seconds	11 minutes 3 seconds	4 or 5 responders	No	16:44:29	Day Crew	Friendswood
F26000184	3/21/2026	5000 Watkins Way	11 minutes 17 seconds	NA	2 responders	Unknown	17:09:18	Volunteer	Friendswood. MA Disregarded
F26000155	3/7/2026	110 Clearview Avenue	9 minutes 22 seconds	11 minutes 28 seconds, likely earlier	8 responders, WB Unknown	No, but arrival of T14 unknown	14:03:20	Volunteer	Friendswood. Arrival of T14 Webster unknown.
F26000153	3/6/2026	1804 Austin Creek	12 minutes 30 seconds	13 minutes 40 seconds	2 responders	No	20:52:14	Volunteer	Friendswood
F26000125	2/17/2026	4428 FM 2351 RD	8 minutes 26 seconds	11 minutes 39 seconds at earliest	up to 9 responders	No	11:52:53	Day Crew	Friendswood by documented times, but Forest Bend arrival possible. Arrival not announced.
F26000096	2/8/2026	701 S Friendswood	9 minutes 25 seconds	NA	3 responders	Unknown / unlikely	17:04:17	Volunteer	Friendswood
F26000079	1/31/2026	4949 FM 2351 Road	3 minutes 45 seconds	9 minutes 43 seconds	11 responders	Yes	10:52:39	Volunteer	Forest Bend
F26002622	1/23/2026	3141 FM 528 RD	4 minutes 25 seconds	4:49 earliest, definitely by 7 m	15 responders	Yes	13:25:42	Day Crew	Forest Bend
F26000034	1/12/2026	1413 Cambridge	12 minutes 10 seconds	13 minutes 1 second	3 responders	No	19:25:31	Volunteer	Friendswood - but Webster likely would have been first if not disregarded.
F26000001	1/1/2026	4318 Saffron Ln	10 Minutes 22 seconds	10 minutes 22 seconds	5 responders	No	1:08:56	Volunteer	Friendswood. MA Disregarded
F25000892	12/19/2025	109 Laurelfeld Dr	8 minutes 38 seconds	10 minutes 28 seconds	6 Responders	No	17:39:51	Volunteer	Friendswood
F25000885	12/17/2025	5403 Timpani Dr	9 minutes 45 Seconds	10 minutes 4 seconds	7 or 8 responders	No	21:43:14	Volunteer	Webster
F25000876	12/15/2025	25 E Castle Harbour Dr	4 minutes flat	NA	NA	Unknown, likely	13:13:05	Day Crew	Friendswood
F25000874	12/14/2025	208 Falcon Lake Circle	11 minutes 22 seconds	12 minutes 40 seconds	3 responders	No	23:48:30	Volunteer	Webster
F25000870	12/13/2025	1208 W Castlewood Ave	12 minutes 32 seconds	NA - Would have likely been 12.5 minutes	3 Responders	No	22:16:50	Volunteer	Friendswood. Webster likely would have been first if not disregarded.
F25000853	12/7/2025	17231 Blackhawk Blvd #1407	7 minutes 41 Seconds	10 minutes 53 seconds	8 responders (6 were Webster)	No	18:14:13	Volunteer	Webster
F25000843	12/4/2025	3102 W Bay Area	8 minutes 53 seconds	13 minutes 31 seconds	8 responders	No	3:33:27	Volunteer	Webster
F25000841	12/2/2025	2704 Miami Ct	6 minutes 10 seconds	7 minutes 53 seconds??	9+ responders	Yes	21:31:40	Volunteer	Friendswood
F25000828	11/29/2025	1155 Greenbriar Dr	9 minutes flat	13 minutes 2 seconds	7 responders	No	7:28:29 PM	Volunteer	Friendswood
F25000817	11/27/2025	803 Mills Dr	11 minutes 45 seconds?	At least 12 minutes 51 Seconds	1 responder	No	12:11:59 AM	Volunteer	Webster by recorded times. Friendswood may have arrived first as an engine didn't announce arrival.
F25000810	11/24/2025	426 W Castle Harbor Dr	10 minutes 52 Seconds	15 minutes 15 Seconds	2 responders	No	7:18:02 PM	Volunteer	Friendswood. MA Disregarded
F25000778	11/11/2025	212 Brandywine	7 minutes 32 seconds	NA	NA	Unknown	6:17:06 PM	Volunteer	Friendswood
F25000744	11/2/2025	804 W Edgewood	9 minutes 49 seconds	12 minutes 6 seconds	5 responders	No	7:21:24 AM	Volunteer	Friendswood
F250+3:2300683	10/8/2025	2803 Autumn Park Ct	12 minutes 40 seconds	NA	2 responders	No	12:14:21 AM	Volunteer	Webster

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 06/19/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider an Interlocal Agreement with the City of League City for emergency medical services.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

City of League City and the City of Friendswood provide assistance in the delivery of emergency medical services to persons located within their respective jurisdictions. The cost of performing these services entails not only the patient care cost but also the costs associated with each entity's readiness to serve, including, but not limited to, ambulance maintenance, personnel, equipment, communications systems, and related operational resources. This proposed agreement establishes terms and conditions under which these services may be requested, provided, and reimbursed. The rates included in this agreement are the rates that League City charges its residents for similar services -- \$375 per non-transport call and \$1,700 per transport. Under the agreement, Friendswood would pay these amounts when requesting services from League City and vice versa. The following details the number of mutual aid calls between League City and Friendswood over the past few years:

Friendswood EMS Calls	League City to Friendswood	Friendswood to League City
October 1, 2019-September 30, 2020	7	5
October 1, 2020-September 30, 2021	26	17
October 1, 2021-September 30, 2022	28	11
October 1, 2022-September 30, 2023	33	6
October 1, 2023-September 30, 2024	30	9
October 1, 2024-September 30, 2025	41	3
October 1, 2025- February 28, 2026	5	4
Totals	170	55

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. League City Mutual Aid Agreement for Emergency Medical Services

**INTERLOCAL MUTUAL AID AGREEMENT BETWEEN
THE CITY OF LEAGUE CITY, TEXAS AND THE CITY OF FRIENDSWOOD, TEXAS
FOR EMERGENCY MEDICAL SERVICES**

§
§

This Interlocal Mutual Aid Agreement ("Agreement") is entered into by and between the City of League City, Texas ("League City"), a home-rule municipality located in Galveston and Harris County, Texas, and the City of Friendswood, Texas ("Friendswood"), a home-rule municipality located in Galveston and Harris County, Texas. League City and Friendswood may be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Chapter 791 of the Texas Government Code authorizes local governments to contract with one another to perform governmental functions and services; and

WHEREAS, the City of League City and the City of Friendswood desire to provide mutual aid and assistance in the delivery of emergency medical services to persons located within their respective jurisdictions; and

WHEREAS, the Parties recognize that emergency medical mutual aid responses involve both patient care costs and readiness costs associated with maintaining ambulances, personnel, equipment, communications systems, and related operational resources in a constant state of availability; and

WHEREAS, the Parties desire to establish the terms and conditions under which such mutual aid services may be requested, provided, and reimbursed; and

WHEREAS, the governing bodies of the Parties have determined that this Agreement serves a public purpose and promotes the health, safety, and welfare of their citizens;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

TERMS

1. OBLIGATIONS OF THE PARTIES

- 1.1. During the term of this Agreement, either Party may request emergency medical mutual aid from the other Party. Upon receiving a request, the Responding Party shall furnish available ambulances, personnel, and equipment reasonably necessary to render prehospital emergency medical care within the jurisdiction of the Requesting Party.
- 1.2. Nothing in this Agreement shall require a Party to provide assistance when doing so would unreasonably impair its ability to provide emergency medical services within its own jurisdiction.

2. TERM

- 2.1. This Agreement shall become effective upon execution by both Parties and shall continue until terminated in accordance with this Agreement.
- 2.2. Either Party may terminate this Agreement upon sixty (60) days written notice to the other Party.

3. COMMUNICATION OF REQUESTS

- 3.1. Requests for mutual aid shall be made through the Parties' respective dispatch centers, EMS Chiefs, Fire Chiefs, or their designees.
- 3.2. The Requesting Party shall provide, to the extent known:
 - 3.2.1. Nature of the emergency;
 - 3.2.2. Location of the emergency;
 - 3.2.3. Number and type of units requested; and
 - 3.2.4. Any other information reasonably necessary for the Responding Party to determine the appropriate response.

4. EQUIPMENT AND PERSONNEL

- 4.1. The Responding Party may furnish one or more ambulances, EMS personnel, supervisors, equipment, or other resources deemed appropriate by the Responding Party.
- 4.2. The Responding Party shall determine the level of response based upon available resources and operational needs.

5. SERVICE AREA

- 5.1. This Agreement applies to mutual aid responses occurring within the legal jurisdiction of either Party.
- 5.2. If the Responding Party determines that the incident location falls outside the jurisdiction of the Requesting Party, the Responding Party shall notify the appropriate dispatch center and coordinate with the appropriate EMS provider.

6. RESOURCE AVAILABILITY. A Party shall not be liable for failure to provide assistance when personnel, ambulances, or equipment are unavailable due to emergency conditions, staffing shortages, mechanical failure, maintenance, training activities, or other operational needs.

7. **COMMUNICATIONS.** Communications relating to requests for mutual aid may be conducted through radio systems, dispatch centers, telephone communications, mobile data terminals, or other available communication methods.
8. **INCIDENT MANAGEMENT.** The Requesting Party shall retain overall responsibility for incident management within its jurisdiction unless otherwise agreed by the Parties.
9. **PATIENT CARE RESPONSIBILITY.** Upon arrival of the Responding Party's EMS personnel and acceptance of patient care, the Requesting Party shall relinquish patient care responsibilities to the Responding Party, except when specialized services not available from the Responding Party are required.
10. **COMPLIANCE WITH LAW.** Each Party shall comply with all applicable federal, state, and local laws, regulations, licensing requirements, medical protocols, and standards applicable to the services provided under this Agreement.

11. INSURANCE

- 11.1. Each Party shall maintain, either through commercial insurance, self-insurance, risk pools, or other lawful means, coverage sufficient to protect against claims arising from the performance of this Agreement.
- 11.2. Each Party shall maintain workers' compensation coverage or equivalent protection for its employees as required by Texas law.

12. REIMBURSEMENT

12.1. General.

- 12.1.1. The Parties acknowledge that this Agreement contemplates two separate forms of reimbursement: (a) Patient Services Billing, which is billed directly to the patient, the patient's insurer, Medicare, Medicaid, or other third-party payor; and (b) Readiness (Standby) Fees, which are billed directly to the Requesting Party.

- 12.1.2. The Parties further acknowledge that Patient Services Billing and Readiness Fees reimburse different categories of costs and are not duplicative charges.

12.2. Patient Services Billing

- 12.2.1. The Responding Party shall have the exclusive right to bill and collect from the patient, the patient's insurer, Medicare, Medicaid, or any other third-party payor for patient care, treatment, transport, supplies, medications, and other emergency medical services provided during a mutual aid response.

12.2.2. **The rates charged for patient services shall be the rates lawfully established and in effect under the Responding Party's then-current EMS fee schedule, as adopted or amended from time to time by its governing body.**

12.2.3. The Requesting Party shall have no responsibility for payment of patient services billing charges.

12.2.4. Patient billing revenues collected by the Responding Party shall belong exclusively to the Responding Party.

12.3. Readiness (Standby) Fee

12.3.1. The Requesting Party shall reimburse the Responding Party for readiness and standby costs associated with maintaining EMS personnel, ambulances, equipment, communications systems, medical supplies, facilities, and other operational resources in a state of readiness and availability for emergency response.

12.3.2. The Readiness (Standby) Fee shall be **\$375.00 for a non-transport response** and **\$1,700.00 for a transport response.**

12.3.3. Readiness Fees are separate from Patient Services Billing and shall not be reduced or offset by any patient billing revenues collected by the Responding Party.

12.4. Invoicing and Payment

12.4.1. The Responding Party shall submit invoices for Readiness Fees on a monthly basis together with supporting documentation identifying the date of service, dispatch time, run number, incident location, responding unit, and disposition.

12.4.2. The Requesting Party shall pay all undisputed amounts within thirty (30) days after receipt of an invoice.

12.5. Completion of Request. A mutual aid request shall be deemed fulfilled when the Responding Party's personnel arrive on scene.

13. NON-APPROPRIATION. The obligations of each Party are subject to the availability and appropriation of funds as required by Texas law. All payments made under this Agreement shall be made from current revenues legally available to the Requesting Party.

14. NO AGENCY CREATED. Nothing in this Agreement shall be construed to create an agency relationship, partnership, joint venture, or employment relationship between the Parties.

15. IMMUNITY. Nothing in this Agreement shall be construed as a waiver of governmental immunity, official immunity, statutory limitations on liability, or any defense available under Texas law.

16. NOTICES. Any notice required under this Agreement shall be in writing and delivered by hand, certified mail, recognized overnight carrier, or electronic mail to the City Manager or designee of the receiving Party.
17. GOVERNING LAW AND VENUE. This Agreement shall be governed by the laws of the State of Texas. Venue for any action arising from this Agreement shall lie in Galveston County, Texas.
18. SEVERABILITY. If any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.
19. AUTHORITY. Each person executing this Agreement represents that he or she has been duly authorized to execute this Agreement on behalf of the Party for whom he or she signs.

Executed on _____. *(date to be filled in by City Secretary)*

CITY OF FRIENDSWOOD

City Manager

Attest:

City Secretary

APPROVED AS TO FORM:

City Attorney

CITY OF LEAGUE CITY

John Baumgartner, City Manager

ATTEST:

Diana Stapp, City Secretary

APPROVED AS TO FORM:

Michelle L. Villarreal, City Attorney

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/11/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider on second and final reading an ordinance repealing Section 2.1 of Ordinance No. 2002-16 and renaming a portion of Baker Road southeast of Stonewall Pass Road as Hackney Road.

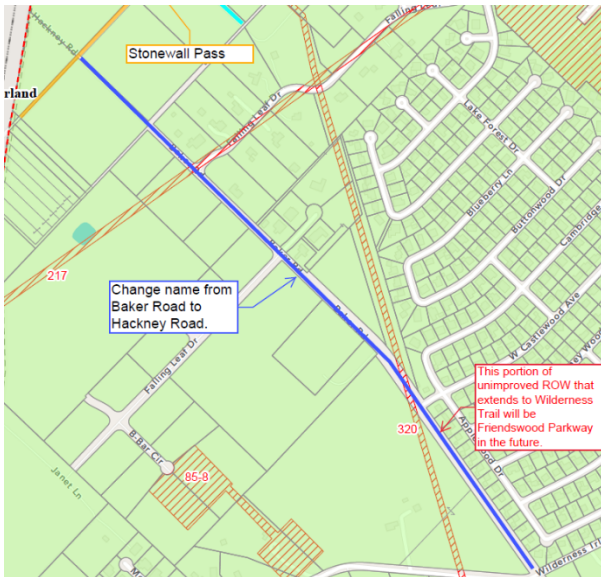
Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

In 2002, the City Council passed Ordinance No. 2002-18, which, in part, named the 60-foot right-of-way running northwesterly along the entrance of the Whispering Pines Estates Subdivision as Baker Road. There is another section of road already named Baker Rd from FM 2351 to Stonewall Pass so this change resulted in duplicate road names. We chose Hackney Road because in some instances that name has been used for this road. The street sign at the intersection of Falling Leaf identifies the road as Hackney Rd. Hackney is also a Friendswood family name.

This proposed ordinance repeals a portion of that ordinance and renames such right-of-way from Wilderness Trail to Stonewall Pass Road as Hackney Road.



Note that the City's lift station is the only property with an address of Baker Road along this section of roadway. Therefore, this proposed change will not affect the address of any other person.

The City Council approved this ordinance on first reading on August 11, 2026. This is the second and final reading of the ordinance.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1.	Ordinance - Renaming Street
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AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, REPEALING SECTION 2.1 OF ORDINANCE NO. 2002-16; RENAMING A PORTION OF BAKER ROAD TO HACKNEY ROAD; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HERewith; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, in 2002, the City Council passed Ordinance No. 2002-16, which, in part, named the 60-foot right-of-way running northwesterly along the entrance of the Whispering Pines Estates Subdivision as Baker Road; and

WHEREAS, another section of roadway named Baker Road already exists and extends from FM 2351 to Stonewall Pass Road; and

WHEREAS, the change made in 2002 resulted in duplicate road names, which could cause confusion for emergency personnel responding to an emergency in the area; and

WHEREAS, the portion of roadway subject to this ordinance has also been known as Hackney Road, as evidenced by the street sign at the roadway's intersection of Falling Leaf Drive; and

WHEREAS, Hackney is a Friendswood family, whose members lived and volunteered in Friendswood; and

WHEREAS, only one address—the City's lift station site—will be affected by the renaming of the right-of-way; no private addresses will be affected; and

WHEREAS, the City Council finds that it is in the best interest of the health, safety and welfare of the citizens of the City of Friendswood to rename the portion of roadway described herein as Hackney Road; NOW THEREFORE,

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

Section 1. All matters stated in the preamble are found to be true and correct and are incorporated herein as if copied in their entirety.

Section 2. The City Council hereby repeals Section 2.1 of Ordinance No. 2002-16, which named the 60-foot public right-of-way running northwesterly along the entrance of the Whispering Pines Estates Subdivision as Baker Road.

Section 3. That portion of public right-of-way from Wilderness Trail to Stonewall Pass Road, as more particularly depicted in Exhibit "A," which is attached hereto and incorporated herein for all intents and purposes, is hereby renamed as Hackney Road.

Section 4. Upon the final passage of this ordinance, the City Manager (i) shall, in a timely, manner initiate installation of proper street signs in accordance herewith, (ii) shall cause all new official or unofficial maps prepared by or authorized by the City subsequent to the final passage

of this ordinance to reference that portion of the public right-of-way described in Section 3 as Hackney Road, and (iii) shall take such further action as necessary related to the renaming of the right-of-way described herein.

Section 5. That this ordinance shall be cumulative of all other City ordinances; and all other provisions of other ordinances adopted by the City which are inconsistent with the terms or provisions of this ordinance are hereby repealed.

Section 6. It is hereby declared to be the intention of the City Council of the City of Friendswood, Texas, that sections, paragraphs, clauses and phrases of this ordinance are severable; and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared legally invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such legal invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this ordinance since the same would have been enacted by the City Council of the City of Friendswood without the incorporation in this ordinance of any such legally invalid or unconstitutional phrase, sentence, paragraph or section.

Section 7. This ordinance shall take effect from and after its passage on second reading by the City Council of the City of Friendswood, Texas.

INTRODUCED, READ, AND PASSED on first reading by the affirmative vote of the City Council of the City of Friendswood this 11th day of August, 2026.

MIKE FOREMAN, Mayor

ATTEST:

RAQUEL MARTINEZ, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

INTRODUCED, READ, AND PASSED on second and final reading by the affirmative vote of the City Council of the City of Friendswood this 14th day of September, 2026.

MIKE FOREMAN, Mayor

ATTEST:

RAQUEL MARTINEZ, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

EXHIBIT "A"



FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/11/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider on first and final reading an ordinance amending the City's General Budget for Fiscal Year 2025-2026 by approving "Budget Amendment XI" 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 eleventh 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. XI
2.	FY26 BA XI Exhibit A 2026-09-14
3.	FY26 BA XI Exhibit B 2026-09-14

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 XI" 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 XI" to the "Original Budget of the City of Friendswood, Texas, for the Fiscal Year 2025-26" attached hereto. Said Budget Amendment XI 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 14th day of September, 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 XI
September 14, 2026**

1. **2025 Community Development Block Grant – Comprehensive Plan Update, \$221,494.** Appropriate advance funding for the 2025 CDBG – MIT Comprehensive Plan Update. The total contract for the services is \$248,000. \$26,506 was previously appropriated by Council at the January 5, 2026, City Council meeting. The funding source will be unassigned general fund balance and will be reimbursed by grant proceeds.
2. **2017 CDBG-DR (Galveston County) Grant Reimbursement, \$50,197.** Appropriate grant proceeds received for construction and engineering expenses related to the utility pipe rack relocation project. Advanced funding for these services was approved in FY25. Therefore, the proceeds will be appropriated back to unassigned general fund balance.
3. **Blackhawk Facility Roof Replacement, \$1,257,000*.** Appropriate funds for the roof replacement at the Blackhawk Facility. Council approved the contract for the roof replacement at the August 24, 2026, City Council meeting. The funding source will be unassigned general fund balance (\$628,500) and water and sewer working capital (\$628,500).
4. **Public, Education, and Governmental Access (PEG) Channel Enhancement, \$4,200.** Appropriate PEG funds for construction of a City of Friendswood Emblem as part of the council chamber's remodel project. The funding source will be restricted general fund balance from PEG Channel revenue.
5. **Public Safety Building Roof Repair, \$8,000.** Transfer funds for roof repair at the Public Safety Building. Roof repair is necessary at the Public Safety Building following antenna installation related to the Police Department drone program. Funds will be transferred from the police department's contingency account to the Parks and Recreation department's facility division's operating maintenance account.
6. **Police Department – Rape Aggression Defense Donation, \$575.** Appropriate donations received for the Police Department's Rape Aggression Defense (RAD) classes. The funds will be appropriated to the Patrol division's RAD program supplies account.
7. **Police Department HIDTA TARP reimbursement, \$8,530.** Appropriate funds received from Fort Bend County Sheriff's Office. Friendswood Police Department entered into a fiduciary arrangement with Fort Bend County Sheriff's Office in January 2026 for the HIDTA TARP initiative. The reimbursement is for activities related to HIDTA through August 7, 2026. The funds will be appropriated back to the Police Department Criminal Investigations division.
8. **Police Department – Animal Services Donation, \$1,046.** Appropriate donation received from Friendswood Animals Need Solutions for veterinary services. The donation will be appropriated to the Animal Service division's operating services account.
9. **Department of Emergency Services – EMS Donation, \$1,000.** Appropriate donation received from East Texas Gulf Coast Regional Trauma Advisory Council for a paramedic to attend flight paramedic certification training. The funds will be appropriated to the Emergency Medical Services training account.
10. **Library Department, Audiobook Donation, \$100.** Appropriate donation received from C. Molony for audiobooks at the Library. The funds will be appropriated to the Library's audiobooks account.
11. **Parks and Recreation Department – Tree Donation, \$907.** Appropriate donation received from the Daughters of the American Revolution for a tree at Lake Friendswood Park. The funds will be appropriated to the Parks division's landscaping account.

12. **Parks and Recreation Department – Senior Program Donations, \$13,210.** Appropriate Senior Program donations above budget to offset additional program expenses. Funds will be appropriated to the Senior Program division's community events account.
13. **Texas Department of Transportation FM528/Friendswood Parkway Intersection, \$21,736.** Appropriate developer funds received for intersection improvements at FM528 and Friendswood Parkway. The intersection improvements will be completed by the Texas Department of Transportation. The funds will be appropriated to the Engineering Department's contract services account.
14. **2024 CDBG-MIT Grant Reimbursement, \$70,478.** Appropriate grant proceeds received for grant reimbursement requests # 8 & 9. Funds will be appropriated back to the grant administration and engineering expense account related to the Annalea ground water storage tank project within the special revenue 2024 CDBG-MIT fund.
15. **Capital Maintenance Projects, \$21,123*.** Appropriate additional funds to make repairs to Stevenson Park driveway and Renwick parking lot. Additional repairs were needed beyond the original scope of work. The funding source will be capital maintenance fund undesignated fund balance.
16. **Electronic Message Board Replacements, \$69,995*.** Appropriate funds to replace the electronic message boards at Stevenson Park and at Blackhawk building. The funding source will be capital maintenance fund undesignated fund balance.
17. **Grant Application Services, \$22,000.** Appropriate funds for grant application services. A contract was entered into with Kimley Horn and Associates, Inc, on June 17, 2026 to assist the City with preparation of an application for the Texas Water Development Board (TWDB) Water Supply and Infrastructure Grant (WSIG) Program. The funding source will be Water and Sewer fund working capital.
18. **Lift Station #27 Construction Contract, \$735,316.** Appropriate funds for the agreement with McDonald Municipal and Industrial – A division of C.F. McDonald Electric to complete the upgrades to Lift Station #27. The contract was approved at the August 3, 2026, City Council meeting. The funding source will be Water and Sewer fund working capital.
19. **Lift Station Mitigation Package #1-Additional Engineering, \$52,055.** Appropriate additional funds for professional services related to lift station mitigation package #1. The third amendment to the contract with FiveEngineering. LLC was approved at the August 3, 2026, City Council meeting. The funding source will be Water and Sewer fund working capital.
20. **Lift Station #1 Slab removal, \$17,625.** Appropriate additional funds for the removal and disposal of an existing concrete foundation that interferes with the foundation for the proposed generator and electrical platform. The contract for the construction of lift station mitigation package #1 was awarded to Branch Construction Group, LLC at the April 6, 2026, City Council meeting. The funding source will be the 2025 water and sewer revenue bonds.
21. **Lift Station #2 Rehab – Construction change order, \$2,576.** Appropriate funds to cover the cost of a TNMP utility service change order related to the Lift Station #2 rehabilitation project. Council awarded the project at the May 4, 2026, City Council meeting. The funding source will be the 2025 water and sewer revenue bonds.
22. **Library Workroom Renovation, \$8,300.** Appropriate funds for renovations at the Library. Current library operating funds will be utilized to cover the cost of relocating a door to the staff workroom. This will improve functionality and workflow for the staff to access the room. The funds will be transferred to the Parks and Recreation department's facility division's operating maintenance account.

23. **Facility Repairs to Library building, \$35,898***. Appropriate funds to replace and repair the damaged stucco areas around the exterior of the library building. The funding source will be capital maintenance fund undesignated fund balance.

**Deferred Maintenance*

City of Friendswood				
September 14, 2026				
2025-2026 Budget Amendment XI - Exhibit B				
BA Number	Account Number	Project Number	Description	Amount
1	001-10199		Appropriate advance funding for 2025 CDBG-MIT Resilient Communities Program, Comprehensive Plan Update	(221,494)
1	001-14025		Appropriate advance funding for 2025 CDBG-MIT Resilient Communities Program, Comprehensive Plan Update	221,494
1	128-26010		Appropriate advance funding for 2025 CDBG-MIT Resilient Communities Program, Comprehensive Plan Update	(221,494)
1	128-10199		Appropriate advance funding for 2025 CDBG-MIT Resilient Communities Program, Comprehensive Plan Update	221,494
2	124-10199		Reimburse unassigned general fund balance for 2017 CDBG-DR (GC) reimbursement request #12	(50,197)
2	124-26010		Reimburse unassigned general fund balance for 2017 CDBG-DR (GC) reimbursement request #12	50,197
2	001-14029		Reimburse unassigned general fund balance for 2017 CDBG-DR (GC) reimbursement request #12	(50,197)
2	001-10199		Reimburse unassigned general fund balance for 2017 CDBG-DR (GC) reimbursement request #12	50,197
3	001-0000-30500		Appropriate unassigned general fund balance for Blackhawk Building Roof Replacement	(628,500) *
3	001-7001-419.8120	15355BLKHWK	Appropriate unassigned general fund balance for Blackhawk Building Roof Replacement	628,500 *
3	401-0000-30600		Appropriate water and sewer working capital for Blackhawk Building Roof Replacement	(628,500) *
3	401-7001-433.8120	15355BLKHWK	Appropriate water and sewer working capital for Blackhawk Building Roof Replacement	628,500 *
4	001-0000-30500		Appropriate restricted general fund balance reserves from PEG Channel revenue for council chambers City of Friendswood emblem	(4,200)
4	001-6460-419.8600	FCPEGEXP	Appropriate restricted general fund balance reserves from PEG Channel revenue for council chambers City of Friendswood emblem	4,200
5	001-2101-421.6620		Transfer funds from police department to parks' facilities division for roof repairs related to antenna installation	(5,000)
5	001-2101-421.6600		Transfer funds from police department to parks' facilities division for roof repairs related to antenna installation	(3,000)
5	001-6460-419.6600	8PS421	Transfer funds from police department to parks' facilities division for roof repairs related to antenna installation	8,000
6	001-0000-38600	PDRADREV	Appropriate donations received for PDRAD to be used for RAD program expenses	(575)
6	001-2120-421.5410	PDRADEXP	Appropriate donations received for PDRAD to be used for RAD program expenses	575
7	001-0000-33700		Appropriate reimbursement received for activities related to HIDTA TARP initiative with Fort Bend County Sheriff's Office	(8,530)
7	001-2130-421.4130	HIDTATARPOT	Appropriate reimbursement received for activities related to HIDTA TARP initiative with Fort Bend County Sheriff's Office	5,130
7	001-2130-421.7830	HIDTATARPEXP	Appropriate reimbursement received for activities related to HIDTA TARP initiative with Fort Bend County Sheriff's Office	3,400
8	001-0000-38600	DNACREV	Appropriate donation received from Friendswood Animals Need Solutions for veterinary care at Animal Services	(1,046)
8	001-2150-441.7400		Appropriate donation received from Friendswood Animals Need Solutions for veterinary care at Animal Services	1,046
9	001-0000-38600	DNEMSREV	Appropriate donation received from East Texas Gulf Coast RTAC for paramedic course	(1,000)
9	001-2507-422.7510		Appropriate donation received from East Texas Gulf Coast RTAC for paramedic course	1,000
10	001-0000-38600	DNMLIBREV	Appropriate donation received from C. Molony for audiobooks at the Library	(100)
10	001-6310-459.5485		Appropriate donation received from C. Molony for audiobooks at the Library	100
11	001-0000-38600		Appropriate donation received from Daughters of the American Revolution for a dedication tree at Lake Friendswood Park	(907)
11	001-6430-456.6210		Appropriate donation received from Daughters of the American Revolution for a dedication tree at Lake Friendswood Park	907
12	001-0000-38630	SRFUND	Appropriate senior program donations that exceed budgeted expenses	(13,210)
12	001-6429-452.7910	SRFUNDEXP	Appropriate senior program donations that exceed budgeted expenses	13,210
13	001-0000-38340		Appropriate developer contribution received for TxDOT project at FM528/Friendswood Parkway	(21,736)
13	001-3770-431.7800		Appropriate developer contribution received for TxDOT project at FM528/Friendswood Parkway	21,736
14	126-0000-33100		Appropriate 2022 CDBG - MIT Grant funds received related to reimbursement request #8 and #9	(70,478)
14	126-7001-431.7800		Appropriate 2022 CDBG - MIT Grant funds received related to reimbursement request #8 and #9 - grant administration	5,393
14	126-7001-431.8582		Appropriate 2022 CDBG - MIT Grant funds received related to reimbursement request #8 and #9 - engineering	22,980
14	126-7001-434.8582		Appropriate 2022 CDBG - MIT Grant funds received related to reimbursement request #8 and #9 - engineering	42,105
15	161-0000-30100		Appropriate undesignated fund balance for Stevenson Park Driveway and Renwick Parking lot repair additional costs	(21,123) *
15	161-7001-456.8591		Appropriate undesignated fund balance for Stevenson Park Driveway and Renwick Parking lot repair additional costs	21,123 *
16	161-0000-30100		Appropriate undesignated fund balance for electronic message board replacements at Stevenson Park and Blackhawk Boulevard	(69,995) *
16	161-6460-419.8800		Appropriate undesignated fund balance for electronic message board replacements at Stevenson Park and Blackhawk Boulevard	69,995 *
17	401-0000-30600		Appropriate water and sewer working capital for grant application services provided by Kimley-Horn	(22,000)
17	401-3770-434.7800		Appropriate water and sewer working capital for grant application services provided by Kimley-Horn	22,000

City of Friendswood				
September 14, 2026				
2025-2026 Budget Amendment XI - Exhibit B				
BA Number	Account Number	Project Number	Description	Amount
18	401-0000-30600		Appropriate water and sewer working capital for Lift Station #27 construction contract	(735,316)
18	401-7001-433.8552	LS027	Appropriate water and sewer working capital for Lift Station #27 construction contract	735,316
19	401-0000-30600		Appropriate water and sewer working capital for Lift Station Mitigation Package #1 additional engineering	(52,055)
19	401-7001-433.8552	LSMIT2020	Appropriate water and sewer working capital for Lift Station Mitigation Package #1 additional engineering	52,055
20	423-0000-30600		Appropriate 2025 water and sewer bond funds for Lift Station #1 change order for slab removal	(17,625)
20	423-7001-433.8552	LS001MIT	Appropriate 2025 water and sewer bond funds for Lift Station #1 change order for slab removal	17,625
21	423-0000-30600		Appropriate 2025 water and sewer bond funds for Lift Station #2 construction change order #1 TNMP Primary Feeder Extension	(2,576)
21	423-7001-433.8552	LS002REHAB2025	Appropriate 2025 water and sewer bond funds for Lift Station #2 construction change order #1 TNMP Primary Feeder Extension	2,576
22	001-6310-459.5482		Transfer funds from Library operating budget to the Parks Facility Maintenance division to relocate workroom doorway at the Library	(7,000)
22	001-6310-459.7510		Transfer funds from Library operating budget to the Parks Facility Maintenance division to relocate workroom doorway at the Library	(1,300)
22	001-6460-452.6600	8LI459	Transfer funds from Library operating budget to the Parks Facility Maintenance division to relocate workroom doorway at the Library	8,300
23	161-0000-30100		Appropriate undesignated fund balance for replacing and repairing damage stucco around the exterior of the Library building	(35,898) *
23	161-7001-419.8200	8LI459	Appropriate undesignated fund balance for replacing and repairing damage stucco around the exterior of the Library building	35,898 *
*Deferred maintenance				

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 09/04/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider a resolution amending Resolution No. R2026-12 concerning the Advance Funding Agreement with the Texas Department of Transportation for a Surface Transportation Block Grant Project related to the Sunset Drive Signal Improvements Project to update the City's cash match.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Houston-Galveston Area Council's Transportation Policy Council has authorized Surface Transportation Block Grant funds for the Sunset Drive Signal Improvements Project, which will include the rehabilitation of the three existing traffic signals along Sunset Drive at the intersections of Castlewood, Falling Leaf Drive, and Cowards Creek Drive, and the installation of new traffic signals at the intersection of Briarmeadow Avenue (the "Project"). Pursuant to the Advance Funding Agreement, the City is responsible for all non-reimbursable costs and any cost overruns associated with the Project.

On May 4, 2026, the City Council passed Resolution No. R2026-12 to update Resolution No. R2025-30 to provide funding for the City's local match in the amount of \$199,701, which included monies for the initial TxDOT payment, surveying, and environmental services. A few weeks after Council's passage of R2026-12, the City received a categorical exclusion for the Project and released \$42,500 earmarked for environmental services. Additionally, as the Project progressed, Staff determined that, due to congested site conditions together with the TxDOT and federal requirements for the project, hiring a consulting engineer was the best path forward.

This proposed resolution updates the City's cash match as follows:

Resolution No. R2025-30 Funding.....	\$0.00
(Transportation Development Credits)	
Resolution No. R2026-12 Funding.....	\$199,701
Funding under the proposed resolution.....	<u>\$140,708</u>
Total Cash Match.....	<u>\$340,409</u>

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Resolution - Amending Resolution 2026-12

A RESOLUTION OF THE CITY OF COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING RESOLUTION NO. R2026-12 RELATED TO THE ADVANCE FUNDING AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION FOR A SURFACE TRANSPORTATION BLOCK GRANT PROJECT FOR THE SUNSET BOULEVARD SIGNAL IMPROVEMENTS PROJECT TO AUTHORIZE A CASH MATCH OF AN AMOUNT NOT TO EXCEED THREE HUNDRED FORTY THOUSAND FOUR HUNDRED NINE AND NO/100 DOLLARS (\$340,409.00); AND PROVIDING FOR THE EFFECTIVE DATE.

WHEREAS, the Houston-Galveston Area Council's Transportation Policy Council has authorized the City of Friendswood to receive Surface Transportation Block Grant ("STBG") funds for the following project:

Project Name	Project Description
Sunset Drive Signal Improvements Project	➤ Rehabilitation of existing traffic signals along Sunset Drive at its intersections with W Castlewood Avenue, Falling Leaf Drive, and Cowards Creek Drive ➤ Installation of new traffic signals along Sunset Drive at its intersection with Briarmeadow Avenue

(the "Project"); and

WHEREAS, the STBG funds require a local match; and

WHEREAS, the City Council previously approved the City's local match via Resolution No. R2026-12 in the amount of ONE HUNDRED NINETY-NINE THOUSAND SEVEN HUNDRED ONE AND NO/100 DOLLARS (\$199,701.00); and

WHEREAS, under the Advance Funding Agreement ("AFA") with the Texas Department of Transportation ("TxDOT"), additional funding is needed for the City's local match; namely, an additional ONE HUNDRED FORTY THOUSAND SEVEN HUNDRED EIGHT AND NO/100 (\$140,708.00) for consulting engineering services for the Project; and

WHEREAS, the City Council of the City of Friendswood desires to authorize such additional funding and to ratify the payment thereof; NOW THEREFORE,

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

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

Section 2. That Section 2 of Resolution No. R2026-12 is hereby amended to read as follows:

Section 2: That the second recital of Resolution No. R2025-30 is hereby amended to read as follows:

WHEREAS, the STBG funds require a local match, and the City of Friendswood commits to provide the match, which match is comprised of Transportation Development Credits ("TDCs") along with the payment of an amount not to exceed THREE HUNDRED FORTY THOUSAND FOUR HUNDRED NINE AND NO/100 DOLLARS (\$340,409.00); and

Section 3. That the City Council hereby amends Section 3 of Resolution No. R2026-12 to read as follows:

Section 3. That the City Council hereby amends Section 2 of Resolution No. R2025-30 to read as follows:

Section 2. The City Council of the City of Friendswood hereby approves an AFA with TxDOT for the Project and authorizes the City Manager to execute and the City Secretary to attest to an AFA with TxDOT for the Project and authorizes the required local match consisting of TDCs and the payment of an amount not to exceed THREE HUNDRED FORTY THOUSAND FOUR HUNDRED NINE AND NO/100 DOLLARS (\$340,409.00).

Section 4. That the City Council hereby ratifies all actions and payments made by the City consistent with Resolution Nos. R2025-30 and R2026-12, as amended herein.

Section 5. 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 14th day of September, 2026.

MIKE FOREMAN, Mayor

ATTEST:

RAQUEL MARTINEZ, City Secretary

APPROVED AS TO FORM:

KAREN L. HORNER, City Attorney

TXDOT Information CCSJ #: 0912-73-1249 Project Name: Sunset Boulevard Signal Improvements
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FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 09/08/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider authorizing a Professional Services Agreement with Halff Associates, Inc., for engineering services related to the Sunset Drive Signal Improvements Project.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item authorizes a Professional Services Agreement with Halff Associates, Inc. ("Halff"), for the Sunset Drive Signal Improvements Project (the "Project").

As you may recall, the City entered into an advance funding agreement with the Texas Department of Transportation ("TxDOT") in April of this year. Pursuant to such agreement, the City is responsible for the engineering and environmental costs associated with the Project, along with payment for the State's review and oversight of the Project.

This Professional Services Agreement is for the following:

- Subsurface Utility Engineering;
- Traffic Signal Design for Sunset Drive at (i) Falling Leaf Drive, (ii) West Castlewood Avenue, (iii) Briar Meadow Avenue, and (iv) Spreading Oaks Block;
- Compliance with Local Government Project Procedures;
- Services of a Registered Accessibility Specialist licensed by the Texas Department of Licensing and Regulation; and
- Project Management Services.

Since execution of the Advance Funding Agreement, City staff has made substantial progress advancing the Project in-house. Surveying is substantially complete, and City staff has completed the environmental documentation required for the Project. By completing these activities in advance, the City has eliminated significant front-end work from Halff's scope and positioned the Project to move directly into detailed design, allowing Halff to advance the Project on a compressed design schedule.

Halff will perform these services for a lump sum fee of \$183,208 (including reimbursable expenses).

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Approval of the Professional Services Agreement will allow the City to build upon the work already completed in-house and advance the Sunset Drive Signal Improvements Project through final design in accordance with TxDOT requirements. The project will provide new traffic signals at four intersections along Sunset Drive, improving traffic operations and providing safer, more controlled access for motorists, pedestrians, and other roadway users.

Completion of final design is necessary for the project to advance toward construction and utilize the construction funding provided through the TxDOT Advance Funding Agreement.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 06/05/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Consider awarding a construction contract to Sustanite Support Services, LLC, for the Lift Station #8 Upsizing and Force Main Project (CSP No. 2026-09).

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City solicited Competitive Sealed Proposals (CSP No. 2026-09) for construction of the Lift Station No. 8 Upsizing and Force Main Project. Six proposals were received and independently evaluated by five evaluators in accordance with the published selection criteria, including cost, experience with similar projects, project approach, qualifications of key personnel and subcontractors, ability to meet the project schedule, quality assurance and safety record, and current workload. Sustanite Support Services, LLC, received the highest average score of 81.4 and was determined to provide the best overall value to the City.

Although Sustanite was not the lowest-cost proposer, its proposal demonstrated substantial relevant experience with wastewater lift station construction and rehabilitation, bypass pumping, process piping, electrical and controls, and other work directly applicable to the project. Sustanite presented a project-specific approach focused on construction sequencing, maintaining wastewater operations, minimizing the duration of bypass pumping, and early procurement of long-lead equipment. Its proposed project team also demonstrated extensive water and wastewater construction experience, including lift station rehabilitation and bypass pumping. These strengths were reflected consistently in the independent evaluations, particularly in the experience, project approach, personnel, and schedule criteria.

Sustanite submitted a total bid of \$1,719,000, consisting of a \$1,691,000 base bid and \$28,000 in additional bid items. Including a 10% owner's contingency of \$169,100, calculated on the base bid, and a \$40,000 TNMP cash allowance, the total proposed contract amount is \$1,928,100. The Engineer's 100% Opinion of Probable Construction Cost for the project was \$2,632,000. Funding for the project is provided through the City's Water and Sewer Bond Program.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Award of the construction contract will allow the City to proceed with the planned upsizing of Lift Station No. 8 and construction of the associated force main improvements. The project will increase wastewater conveyance capacity, improve the reliability and operational resiliency of the wastewater collection system, and reduce the risk of service disruptions as wastewater demands increase.

Selection of Sustanite through the Competitive Sealed Proposal process provides the City with the contractor determined to offer the best overall value based the published criteria. Sustanite's relevant lift station experience and proposed approach to maintaining wastewater operations and minimizing bypass duration will help reduce operational and construction-related risk during improvements to an active wastewater facility.

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1.	5Engineering Recommendation Letter
2.	CSP 2026-09 Master Score Sheet Final (1)
3.	00230 - Standard Agreement for Contracting Services - Sustanite Signed
4.	Certificate of Insurance Exp 5-25-2027
5.	Performance Bond- LS 8 Upsizing
6.	Payment Bond- LS 8 Upsizing
7.	Sustanite Support - 1295 Form LS #8
8.	Sustanite Support - GOV Code LS #8



11200 Westheimer Rd #353, Houston, TX 77042 | 832-800-3483 | Recomm Award Letter_LS#8

August 7, 2026

Jildardo Arias, PE
Director of Engineering
City of Friendswood
15355 Blackhawk Blvd.
Friendswood, TX 77546

**REF: Construction Contract Award Recommendation
Lift Station No. 8 Upsizing and Force Main
CSP No. 2026-09
5engineering Job No. 0101-003**

Dear Mr. Arias:

5engineering, LLC (5e) assisted the City of Friendswood with the evaluation of the six (6) Competitive Sealed Proposals received on July 7, 2026, for the above-referenced project, which consists of the upsizing of Lift Station No. 8 and the associated force main.

The proposals were reviewed and evaluated in accordance with the selection criteria and weighted values established in the Request for Competitive Sealed Proposals. The evaluation criteria included cost proposal, experience with similar projects, proposed project approach, experience and qualifications of key personnel, demonstrated ability to meet the project schedule, subcontractor qualifications and work history, quality assurance and safety record, and current workload.

As part of our review, 5engineering prepared the attached proposal tabulation and verified the proposal calculations. During this process, minor mathematical and rounding errors were identified in two of the proposals. These corrections are reflected in the attached proposal tabulation and did not affect the overall evaluation results or proposer rankings.

Each proposal was independently evaluated by five evaluators, including one representative from 5engineering and four representatives from the City of Friendswood. The individual evaluation scores were averaged in accordance with the evaluation procedures established in the Request for Competitive Sealed Proposals to determine the final rankings. The attached Evaluation Summary provides the final average scores and rankings for each proposer.

Based on the final evaluation results, Sustanite Support Services, LLC received the highest overall evaluation score of 81.4 and was ranked first among the six proposers. Their proposal demonstrated strong qualifications across the published evaluation criteria, including relevant experience with projects of similar scope and complexity, a well-developed project approach, qualified project personnel, the ability to successfully deliver projects on schedule, and a competitive price. Sustanite also has a successful history of working on projects for the City of Friendswood.

Based on the evaluation and ranking results, and our review of the proposals, 5engineering recommends that the City award the construction contract to Sustanite Support Services, LLC in

the amount of \$1,928,100.00, as their proposal represents the best value to the City in accordance with the Request for Competitive Sealed Proposals.

Should you have any questions or require additional information, please feel free to contact me at (832) 800-3483.

Sincerely,



Piero Battistini, P.E.
Senior Project Manager

PB/PB

Attachment(s):

Attachment A - Proposal Tabulation

Attachment B - Competitive Sealed Proposal Evaluation Summary

Bid Tabulation
Lift Station No. 8 Upsizing and Force Main
CSP No. 2026-09
City of Friendswood

BASE BID															
Item No.	Description of Item	Qty.	Unit	Tejas Underground Utilities		R+B Group, Inc		Reddico Construction Company, Inc.		Sustanite Support Services, LLC		Peltier Brothers Construction, LLC		Morgan Contracting, Inc.	
				Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount
1	Mobilization, Permits and General Requirements: Furnish all labor, materials, equipment, and incidentals required for the Contractor to mobilize and demobilize, including all costs for Contractor's insurances and bonds, construction permits and fees, general requirements specified in Division 1 of the Project Manual, and site administration expenses and utilities.	1	LS	\$67,261.00	\$67,261.00	\$50,000.00	\$50,000.00	\$123,769.00	\$123,769.00	\$130,000.00	\$130,000.00	\$97,000.00	\$97,000.00	\$195,000.00	\$195,000.00
2	Diversion Pumping: Furnish all labor, materials, equipment, and incidentals required for the Contractor to provide, operate, and maintain diversion pumping to continue sanitary sewer service as required while construction operations are in progress including pumping equipment and fuel, piping, fittings, valves, plugs, and connection to existing force main.	1	LS	\$102,625.00	\$102,625.00	\$100,000.00	\$100,000.00	\$87,023.00	\$87,023.00	\$54,305.00	\$54,305.00	\$143,000.00	\$143,000.00	\$140,000.00	\$140,000.00
3	Traffic Control: Furnish all labor, materials, equipment, and incidentals required for the Contractor to provide, operate, and maintain traffic control as required while construction operations are in progress, including barricades, signs, flagmen, mobilization and demobilization.	1	LS	\$13,560.00	\$13,560.00	\$10,000.00	\$10,000.00	\$16,157.00	\$16,157.00	\$15,000.00	\$15,000.00	\$30,500.00	\$30,500.00	\$42,500.00	\$42,500.00
4	Demolish Concrete Wet Well Top Slab: Furnish all labor, materials, equipment, and incidentals required for the Contractor to demolish existing concrete top slab, access hatches, and all appurtenances including all costs for hauling and disposing of materials off-site.	1	LS	\$38,500.00	\$38,500.00	\$20,000.00	\$20,000.00	\$59,447.00	\$59,447.00	\$20,000.00	\$20,000.00	\$106,000.00	\$106,000.00	\$37,500.00	\$37,500.00
5	Demolish Pumps, Valves and Piping: Furnish all labor, materials, equipment, and incidentals required for the Contractor to demolish existing submersible pumps, railing and accessories, discharge piping, valves, and pipe supports, including all costs for hauling and disposing of materials off-site.	1	LS	\$37,950.00	\$37,950.00	\$40,000.00	\$40,000.00	\$77,873.00	\$77,873.00	\$35,000.00	\$35,000.00	\$42,000.00	\$42,000.00	\$25,000.00	\$25,000.00
6	Remove Old Electrical Equipment: Furnish all labor, materials, equipment, and incidentals required for the Contractor to remove existing control panels, instrumentation, conduits, and miscellaneous items as shown on the drawings including all costs for hauling and disposing of materials off-site.	1	LS	\$6,780.00	\$6,780.00	\$10,000.00	\$10,000.00	\$17,682.00	\$17,682.00	\$10,000.00	\$10,000.00	\$3,300.00	\$3,300.00	\$5,000.00	\$5,000.00
7	Demolish Wood Fence and Gate: Furnish all labor, materials, equipment, and incidentals required for the Contractor to demolish existing wood fence and gate, including all costs for hauling and disposing of materials off-site.	1	LS	\$5,841.00	\$5,841.00	\$1,000.00	\$1,000.00	\$8,436.00	\$8,436.00	\$5,000.00	\$5,000.00	\$3,900.00	\$3,900.00	\$18,250.00	\$18,250.00
8	Concrete Valve Slab: Furnish all labor, materials, equipment, and incidentals required for the Contractor to construct a concrete valve slab as shown on the plans, including all costs for excavation, subgrade preparation, forming, reinforcing steel, concrete pouring and curing for a complete in-place installation.	1	LS	\$71,830.00	\$71,830.00	\$50,000.00	\$50,000.00	\$44,647.00	\$44,647.00	\$40,000.00	\$40,000.00	\$135,000.00	\$135,000.00	\$140,500.00	\$140,500.00
9	Rehabilitation of Wet Well: Furnish all labor, materials, equipment, and incidentals required for the Contractor to rehabilitate the existing wet well as specified in Section 02320 of the Technical Specifications.	1	LS	\$49,269.00	\$49,269.00	\$40,000.00	\$40,000.00	\$53,523.00	\$53,523.00	\$45,000.00	\$45,000.00	\$26,300.00	\$26,300.00	\$80,000.00	\$80,000.00
10	Wet Well Access Hatch: Furnish all labor, materials, equipment, and incidentals required for the Contractor to furnish and install a watertight access hatch as shown on the plans, including all costs of coordinating with manufacturer for a complete in-place installation.	1	LS	\$1,100.00	\$1,100.00	\$9,000.00	\$9,000.00	\$2,046.00	\$2,046.00	\$5,000.00	\$5,000.00	\$3,300.00	\$3,300.00	\$40,000.00	\$40,000.00
11	Protective Coating for Piping, Valves, and Fittings: Furnish all labor, materials, equipment, and incidentals required for the Contractor to apply protective coatings to proposed piping, valves and fittings as specified in Section 09901.	1	LS	\$45,144.00	\$45,144.00	\$8,000.00	\$8,000.00	\$23,465.00	\$23,465.00	\$15,000.00	\$15,000.00	\$17,000.00	\$17,000.00	\$11,500.00	\$11,500.00
12	Submersible Solids Handling Pumps: Furnish all labor, materials, equipment, and incidentals required for the Contractor to furnish and install submersible solids handling pumps as shown on the plans and specified in Section 11150, including all costs of railings, supports and electrical items for a complete in-place working system.	3	EA	\$58,420.00	\$175,260.00	\$33,000.00	\$99,000.00	\$76,073.00	\$228,219.00	\$60,000.00	\$180,000.00	\$35,300.00	\$105,900.00	\$55,000.00	\$165,000.00
13	8-inch Eccentric Plug Valve, Flange Joint, Handwheel: Furnish all labor, materials, equipment, and incidentals required for the Contractor to install a 6-inch eccentric plug valve with flange joint connections and handwheel actuator as shown on the plans and specified in Section 15101, complete in-place.	3	EA	\$3,294.00	\$9,882.00	\$2,500.00	\$7,500.00	\$4,052.00	\$12,156.00	\$4,000.00	\$12,000.00	\$2,400.00	\$7,200.00	\$8,500.00	\$25,500.00
14	8-inch Check Valve, Flange Joint, Air Cushioned: Furnish all labor, materials, equipment, and incidentals required for the Contractor to install a 6-inch Swing check valve with flange joint connections and air cushioned lever and weight as shown on the plans and specified in Section 15101, complete in-place.	3	EA	\$6,229.00	\$18,687.00	\$5,000.00	\$15,000.00	\$7,635.00	\$22,905.00	\$6,000.00	\$18,000.00	\$5,000.00	\$15,000.00	\$11,000.00	\$33,000.00
15	2-inch Air/Vacuum Valve with Backflush Attachment: Furnish all labor, materials, equipment, and incidentals required for the Contractor to install a 2-inch air/vacuum valve with flange joint connections and backflush attachment as shown on the plans and specified in Section 15101, complete in-place.	4	EA	\$8,000.00	\$32,000.00	\$6,000.00	\$24,000.00	\$5,871.00	\$23,484.00	\$4,000.00	\$16,000.00	\$6,300.00	\$25,200.00	\$7,500.00	\$30,000.00
16	8-inch Ductile Iron Piping, Fittings, Couplings and Adapters: Furnish all labor, materials, equipment, and incidentals required for the Contractor to install 6-inch ductile iron flange joint piping, fittings, couplings, and adapters, including all pipe supports, connections, excavation, bedding and backfill as shown on the plans and specified in Section 15053, complete in-place.	1	LS	\$103,124.00	\$103,124.00	\$76,000.00	\$76,000.00	\$173,510.00	\$173,510.00	\$125,000.00	\$125,000.00	\$190,000.00	\$190,000.00	\$140,000.00	\$140,000.00

Item No.	Description of Item	Qty.	Unit	Tejas Underground Utilities		R+B Group, Inc		Reddico Construction Company, Inc.		Sustanite Support Services, LLC		Peltier Brothers Construction, LLC		Morgan Contracting, Inc.	
				Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount
17	10-inch Ductile Iron Piping, Fittings, Couplings and Adapters: Furnish all labor, materials, equipment, and incidentals required for the Contractor to install 8-inch ductile iron flange joint piping, fittings, couplings, and adapters, including all pipe supports, connections, excavation, bedding and backfill as shown on the plans and specified in Section 15053, complete in-place.	1	LS	\$38,071.00	\$38,071.00	\$76,000.00	\$76,000.00	\$65,725.00	\$65,725.00	\$40,000.00	\$40,000.00	\$37,400.00	\$37,400.00	\$70,000.00	\$70,000.00
18	Electrical & Instrumentation Improvements: Furnish and install all lift station Instrumentation and Electrical Improvements as shown on the Drawings, for a complete working system including but not limited to instrumentation and control assemblies, Service equipment, generator, conduit, conductors, SCADA capabilities, all related appurtenances, including required studies, testing, and coordination.	1	LS	\$66,281.00	\$66,281.00	\$100,000.00	\$100,000.00	\$150,084.00	\$150,084.00	\$75,000.00	\$75,000.00	\$118,000.00	\$118,000.00	\$150,000.00	\$150,000.00
19	Hose Bib and Backflow Preventer: Furnish all labor, materials, equipment, and incidentals required for the Contractor to demolish the existing hose bib station and backflow preventer, and install a new hose bib station and backflow preventer including hot box enclosure, hose bib, piping, fittings, couplings, adapters, supports, connections, excavation, bedding and backfill as shown on the plans, complete in-place.	1	LS	\$14,148.00	\$14,148.00	\$5,000.00	\$5,000.00	\$8,574.00	\$8,574.00	\$6,000.00	\$6,000.00	\$4,700.00	\$4,700.00	\$20,000.00	\$20,000.00
20	Wooden Fence: Furnish all labor, materials, equipment, and incidentals required for the Contractor to construct an 8-ft tall wooden fence as shown on the plans.	105	LF	\$126.00	\$13,230.00	\$120.00	\$12,600.00	\$222.00	\$23,310.00	\$100.00	\$10,500.00	\$150.00	\$15,750.00	\$85.00	\$8,925.00
21	Wooden Gate: Furnish all labor, materials, equipment, and incidentals required for the Contractor to construct a 16-ft wide wooden swing gate as shown on the plans.	1	LS	\$6,306.00	\$6,306.00	\$7,000.00	\$7,000.00	\$8,050.00	\$8,050.00	\$15,000.00	\$15,000.00	\$2,800.00	\$2,800.00	\$6,000.00	\$6,000.00
22	10-inch Force Main (Open-Cut): Furnish all labor, materials, equipment, and incidentals required for the Contractor to install 10-inch force main by open-cut construction method including all fittings, couplings, and adapters, connections, excavation, bedding and backfill complete in-place as shown on the plans.	2553	LF	\$67.00	\$171,051.00	\$106.24	\$271,230.72	\$89.00	\$227,217.00	\$215.00	\$548,895.00	\$130.00	\$331,890.00	\$113.00	\$288,489.00
23	10-inch Force Main (Trenchless): Furnish all labor, materials, equipment, and incidentals required for the Contractor to install 10-inch force main by trenchless construction method including all fittings, couplings, and adapters, connections, entrance/exit pits, excavation, backfill complete in-place as shown on the plans.	475	LF	\$112.00	\$53,200.00	\$184.80	\$87,780.00	\$220.00	\$104,500.00	\$200.00	\$95,000.00	\$150.00	\$71,250.00	\$360.00	\$171,000.00
24	16-inch Force Main Casing (Trenchless): Furnish all labor, materials, equipment, and incidentals required for the Contractor to install 16-inch force main steel casing by trenchless construction method including all fittings, spacers, couplings, adapters, connections, entrance/exit pits, excavation, backfill complete in-place as shown on the plans.	310	LF	\$236.30	\$73,253.00	\$215.60	\$66,836.00	\$129.00	\$39,990.00	\$290.00	\$89,900.00	\$400.00	\$124,000.00	\$850.00	\$263,500.00
25	2-inch Combination Air Valve in Vented Manhole: Furnish all labor, materials, equipment, and incidentals required for the Contractor to install a 2-inch combination air valve in vented manhole including all fittings, valves, couplings, adapters, connections, excavation, bedding and backfill complete in-place as shown on the plans.	1	LS	\$20,068.00	\$20,068.00	\$15,070.00	\$15,070.00	\$19,946.00	\$19,946.00	\$20,000.00	\$20,000.00	\$15,000.00	\$15,000.00	\$25,000.00	\$25,000.00
26	2-inch Combination Air Valve & Plug Valve in Vented Manhole: Furnish all labor, materials, equipment, and incidentals required for the Contractor to install a 2-inch combination air valve, and 10-inch plug valve in vented manhole including all fittings, valves, couplings, adapters, connections, excavation, bedding and backfill complete in-place as shown on the plans.	1	EA	\$26,957.00	\$26,957.00	\$25,520.00	\$25,520.00	\$27,405.00	\$27,405.00	\$25,000.00	\$25,000.00	\$20,500.00	\$20,500.00	\$38,750.00	\$38,750.00
27	10-inch Force Main Connection to Existing Sanitary Sewer Wet Well: Furnish all labor, materials, equipment, and incidentals required for the Contractor to connect the new 10-inch force main to the existing wet well of Lift Station No. 20 including all fittings, valves, couplings, adapters, connections, excavation, bedding and backfill complete in-place as shown on the plans.	1	LS	\$20,842.00	\$20,842.00	\$73,700.00	\$73,700.00	\$11,213.00	\$11,213.00	\$10,000.00	\$10,000.00	\$12,300.00	\$12,300.00	\$26,500.00	\$26,500.00
28	Reinforced Filter Fabric Fence: Furnish all labor, materials, equipment, and incidentals required for the Contractor to implement, maintain, and remove SWPPP as needed throughout the duration of the construction.	5850	LF	\$3.00	\$17,550.00	\$3.30	\$19,305.00	\$2.00	\$11,700.00	\$4.00	\$23,400.00	\$3.00	\$17,550.00	\$2.50	\$14,625.00
29	Stabilized Construction Access Type II: Furnish all labor, materials, equipment, and incidentals required for the Contractor to install, maintain, and remove a type II stabilized construction access as needed throughout the duration of the construction.	1	EA	\$2,215.00	\$2,215.00	\$2,500.00	\$2,500.00	\$2,197.00	\$2,197.00	\$3,000.00	\$3,000.00	\$3,700.00	\$3,700.00	\$5,000.00	\$5,000.00
30	Hydromulch Seeding: Furnish all labor, materials, equipment, and incidentals required for the Contractor to apply and maintain hydromulch seeding to reestablish grass in areas affected by the construction activities.	1	AC	\$2,373.00	\$2,373.00	\$5,000.00	\$5,000.00	\$2,947.00	\$2,947.00	\$4,000.00	\$4,000.00	\$3,900.00	\$3,900.00	\$3,750.00	\$3,750.00

Total Base Bid =

\$1,304,358.00¹

\$1,327,041.72

\$1,677,200.00

\$1,691,000.00

\$1,729,340.00

\$2,220,289.00

ADDITIONAL BID ITEMS

Item No.	Description of Item	Qty.	Unit	Tejas Underground Utilities		R+B Group, Inc		Reddico Construction Company, Inc.		Sustanite Support Services, LLC		Peltier Brothers Construction, LLC		Morgan Contracting, Inc.	
				Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount
31	Tree Removal and Replacement: Furnish all labor, materials, equipment, and incidentals necessary to remove existing trees authorized by the Owner that conflict with construction of the proposed force main, including stump removal or grinding, disposal, restoration of disturbed areas, and replacement of removed trees in accordance with the Contract Documents and City requirements. Payment shall be made only for trees authorized for removal by the Owner.	10	EA	\$2,825.00	\$28,250.00	\$9,000.00	\$90,000.00	\$1.00	\$10.00	\$2,000.00	\$20,000.00	\$1,800.00	\$18,000.00	\$1,350.00	\$13,500.00

Item No.	Description of Item	Qty.	Unit	Tejas Underground Utilities		R+B Group, Inc		Reddico Construction Company, Inc.		Sustanite Support Services, LLC		Peltier Brothers Construction, LLC		Morgan Contracting, Inc.	
				Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount
32	Sidewalk Removal and Replacement: Furnish all labor, materials, equipment, and incidentals required for the Contractor to remove and replace 5-foot concrete sidewalk including demolition, excavation, subgrade preparation, rebar installation and Portland cement concrete.	80	LF	\$1,019.30	\$81,544.00	\$125.00	\$10,000.00	\$132.00	\$10,560.00	\$100.00	\$8,000.00	\$90.00	\$7,200.00	\$150.00	\$12,000.00

Total Additional Bid Items =	\$109,794.00	\$100,000.00	\$10,570.00	\$28,000.00	\$25,200.00	\$25,500.00
TOTAL BID (Based Bid + Additional Bid Items) =	\$1,414,152.00	\$1,427,041.72	\$1,687,770.00	\$1,719,000.00	\$1,754,540.00	\$2,245,789.00
OWNER'S CONTINGENCY (10% OF BASE BID) =	\$130,435.80 ¹	\$132,704.17 ¹	\$167,720.00	\$169,100.00	\$172,934.00	\$222,028.90
TOTAL COST PROPOSED (Total Bid + Owner's Contingency) =	\$1,544,587.80	\$1,559,745.89	\$1,855,490.00	\$1,888,100.00	\$1,927,474.00	\$2,467,817.90
TOTAL ALLOWANCES (TNMP CASH ALLOWANCE) =	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00
TOTAL STIPULATED PRICE (Total Base Bid + Additional Bid Items + Allowances) =	\$1,584,587.80 ¹	\$1,599,745.89 ²	\$1,895,490.00	\$1,928,100.00	\$1,967,474.00	\$2,507,817.90

¹ Denotes mathematical error or rounding error
² Bidder did not include allowances in the total

City of Friendswood

Competitive Sealed Proposal Evaluation Summary

Project Name: Lift Station 8 Upsizing and Force Main
CSP Number: 2026-09
Prepared By: Jil Arias
Date: 8/5/2026

How to Use: Enter each evaluator's TOTAL score only.
Selection Basis: Highest average total score ranks first.
Important: Do not use individual evaluator ranks to determine winner.
Tie Note: If needed, resolve ties per procurement rules.

Evaluation Summary								
Proposer	Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5	Average Score	Rank	Notes
Morgan Contracting	57.6	69.6	49.6	65.4	61.6	60.7	4	
Peltier Brothers Construction	45.3	79.3	60.3	78.7	76.3	68.0	3	
R&B Group	78.5	73.5	60.3	78.9	81.5	74.6	2	
Reddico Construction Company	41.8	50.8	41.8	44.6	41.8	44.2	6	
Sustanite	84.1	80.1	76.1	85.4	81.1	81.4	1	
Tejas Underground Utilities	50.0	55.0	50.0	50.0	50.0	51.0	5	

Result

Recommended Highest Ranked Proposer: Sustanite
 Highest Average Score: 81.4

This summary is based on the average of total scores assigned by each evaluator. Individual evaluator ranks are not used to determine the final selection.

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

**STANDARD AGREEMENT FOR
CONTRACTING SERVICES**

THIS AGREEMENT, entered into as of this 14th day of September, 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 Sustanite Support Services, LLC, 17119 Red Oak Drive, Unit 73523, Houston, TX 77037 (hereinafter called the "CONTRACTOR") acting herein by Bart Adams, Vice President 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:

LIFT STATION #8 UPSIZING AND FORCE MAIN

- 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:

LIFT STATION #8 UPSIZING AND FORCE MAIN

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 (300) 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 THIRTY (330) 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 – Cost Proposal Form.
- 5.2 TOTAL AMOUNT OF BID is One Million Nine Hundred Twenty-Eight Thousand One Hundred Dollars and NO/100 Cents (\$1,928,100.00).
- 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 Acknowledgment of Addenda if applicable
- 9.3 Standard Agreement for Contracting Services (this agreement)
- 9.4 General Conditions.
- 9.5 Supplemental Conditions
- 9.6 Technical Specifications Divisions 1 through 16
- 9.7 Request for Proposals (Cover Sheet and numbered sheets)
- 9.8 Insurance Requirements
- 9.9 Performance Bond, included herein
- 9.10 Payment Bond, included herein.
- 9.11 Texas Workers' Compensation
- 9.12 Wage Scale

- 9.13 Affidavit of Insurance, and Certificates of Insurance
- 9.14 Alcohol and Drug Free Workplace Policy
- 9.15 Construction Storm Preparation Policy
- 9.16 Hazardous Communications Program Requirement Agreement.
- 9.17 Homeland Security Policy
- 9.18 Child Support Affidavit
- 9.19 Unit Price Bid Form
- 9.20 Texas Ethics Commission Form 1295
- 9.21 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:

Sustanite Support Services, LLC
17119 Red Oak Drive, Unit 73523
Houston, TX 77273

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 Bart Adams its Vice President shown below, and on behalf of the City by Mike Foreman, its Mayor, thereto duly authorized this 14th day of September, 2026.

ACCEPTED:

PROPOSED AND AGREED TO:

CITY:

CONTRACTOR:

CITY OF FRIENDSWOOD, TEXAS

SUSTANITE SUPPORT SERVICES, LLC

MAYOR

BY: 
Vice President

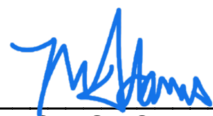
DATE: _____

DATE: 8/18/26

ATTEST:

ATTEST:

CITY SECRETARY


(OFFICER OR SECRETARY)

APPROVED AS TO FORM:

CITY ATTORNEY

END OF SECTION

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 09/01/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider authorizing Change Order No. 2 to the Lift Station No. 2 Rehabilitation Project for gas line relocation and TNMP meter racks and duct banks.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Change Order No. 2 to the Lift Station No. 2 Rehabilitation Project includes relocation of an existing natural gas line serving the generator. Historical City record drawings did not accurately identify the location of the existing gas line. During construction, the line was field located and found to conflict with three piers required for the proposed generator foundation. Relocation of the gas line is therefore necessary to construct the new generator foundation as designed.

The change order also includes additional work associated with the primary electrical service extension. After the project was designed and bid, Texas-New Mexico Power (TNMP) established additional requirements for the electrical service that were not included in the requirements available to the City or design engineer during development of the project. These subsequently established requirements include installation of a TNMP-required meter rack and duct bank necessary to complete the permanent electrical service extension.

These changes result from an unforeseen existing utility conflict and additional requirements established by TNMP after the project was designed and bid, rather than changes to the City's intended project scope. Funding for Change Order No. 2 is provided through the City's Water and Sewer Bond Program.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Approval of Change Order No. 2 will allow construction to proceed by resolving the conflict with the previously undocumented gas line and incorporating the additional infrastructure subsequently required by TNMP for permanent electrical service.

The work is necessary to maintain progress toward completion of the Lift Station No. 2 Rehabilitation Project and support the long-term reliability and resiliency of one of the City's most critical wastewater facilities.

RECOMMENDATIONS

Staff recommends approval

ATTACHMENTS

1.	Change Order #2 - Lift Station #2 Rehabilitation Project
2.	Certificate of Insurance Exp 05-25-2027
3.	Form 1295 Certificate 101592708

4.	Government Code Verification
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Project: LS002REHAB2025 - Lift Station #2 Rehabilitation
1306 Deepwood Dr.
Friendswood, Texas 77546

DRAFT

Contract Change Order #2: TNMP Primary Feeder Meter Rack and Duct Bank & Gas Line Relocation

CONTRACT COMPANY:	Sustanite Support Services, LLC 17119 Red Oak Drive, Unit 73523 Houston, Texas 73523	CONTRACT FOR:	26002322:Lift Station No. 2 Rehabilitation
DATE CREATED:	9/01/2026	CREATED BY:	Heather Van Dine (CITY OF FRIENDSWOOD)
REQUEST RECEIVED FROM:	Michael Medwedeff	LOCATION:	
REFERENCE:	Change Event #2 & #3	CHANGE REASON:	Site Conditions
		TOTAL AMOUNT:	\$49,161.29

DESCRIPTION:

Change order also includes relocation of an existing gas line associated with the generator. Accurate records identifying the existing gas line's actual location were not available during design, and its field location differed from the conditions shown in the project drawings. The gas line was found to conflict with three piers for the proposed generator foundation, requiring the line to be relocated.

The change order also includes additional costs associated with the extension of primary power and requirements from Texas-New Mexico Power (TNMP) that were not known at the time of bidding. These requirements resulted in additional work for the contractor, including the installation of a meter rack and duct bank necessary to complete the electrical service extension.

ATTACHMENTS:

[CR-03 Existing Service Reroute.pdf](#), [CR-02 Gas Line Re-route.pdf](#)

CHANGE ORDER LINE ITEMS:

#	Budget Code	Description	Qty	Units	Unit Cost	Subtotal
1	260500.C Electrical.Construction Services	CE#3 - TNMP Primary Feeder Meter Rack and Duct Bank	1.0	Is	\$38,420.00	\$38,420.00
2	260500.C Electrical.Construction Services	CE#3 - OH&P	1.0	Is	\$1,921.00	\$1,921.00
3	260500.C Electrical.Construction Services	CE#3 - P&P Bond Increase	1.0	Is	\$806.82	\$806.82
4	260500.C Electrical.Construction Services	CE #3 - Sustanite Self Perform	1.0	Is	\$2,143.73	\$2,143.73
5	335216.C Gas Hydrocarbon Piping.Construction Services	CE #02 - Gas Line Reroute TEGG	1.0	Is	\$5,480.62	\$5,480.62
6	335216.C Gas Hydrocarbon Piping.Construction Services	CE #02 - Sustanite Sub OH&P	1.0	Is	\$274.03	\$274.03
7	6100.C Performance & Payment Bonds.Construction Services	CE #02 - Sustanite P&P Bonds	1.0	Is	\$115.09	\$115.09

	Grand Total:	\$49,161.29
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The original (Contract Sum)	\$ 4,052,000.00
Net change by previously authorized Change Orders	\$ 2,575.42
The contract sum prior to this Change Order was	\$ 4,054,575.42
The contract sum would be changed by this Change Order in the amount of	\$ 49,161.29
The new contract sum including this Change Order will be	\$ 4,103,736.71
The contract time will not be changed by this Change Order.	

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

Sustanite Support Services, LLC
17119 Red Oak Drive, Unit 73523
Houston, Texas 77053

SIGNATURE _____ DATE _____



 SIGNATURE _____ DATE _____

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 09/01/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider accepting the Sterling Falls Wedding Venue Waterline Improvements Project and authorize the commencement of the contractor's one-year maintenance period.

Originating Department: Engineering

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item accepts the Sterling Falls Wedding Venue Waterline Improvements Project (the "Project") and authorizes the commencement of Augusta Kelly & Company, LLC's (the "Contractor") one-year maintenance period.

City staff inspected the Project and found it to be built in compliance with the contract specifications and City requirements. As such, the City accepts the project and allows for the commencement of the Contractor's maintenance period. During this time, the City will hold the Contractor's one-year maintenance bond until such time as any and all project deficiencies are remedied per staff directions. Upon the completion of this period, the City will take full ownership of the project and the remaining bond will be released to the Contractor.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

- | | |
|----|---|
| 1. | Sterling Falls Wedding Venue |
| 2. | 00620 - Notice of Final Completion _DOC_ Sterling Falls |

NOTICE OF FINAL COMPLETION

PROJECT NAME: 07/31/2026
PROJECT NUMBER: COM2025-0588

1.1 DATE OF FINAL COMPLETION

On July 30, 2026 the Engineering Department – Projects Division received notification that the Contractor, Agusta Kelly & Co., LLC, wished to declare the Work on the above referenced project being complete and all the Work being acceptable to the City.

A site visit was carried out on July 31, 2026 by the City to ascertain the compliance of the Work with the Contract for Substantial Completion. During that site visit, a punch list of incomplete or non-conforming work was identified and agreed to by the City and the Contractor.

1.2 PUNCH LIST

Contractor certified in Contractor's Certification of Final Completion that all Punch List items were completed or corrected.

The Assistant Director of Engineering scheduled a review of punch list items on July 31, 2026 and the project is now considered to be complete since those items on the punch list have been corrected or otherwise brought into compliance with the Contract and that such correction has been demonstrated to the City.

Failure by the City to identify incomplete work items or requirements of the Contract prior to issuance of this Certificate shall not relieve the Contractor of the responsibility to comply with all provisions of the Contract.

1.3 ONE-YEAR MAINTENANCE PERIOD

With the issuance of this Notice, the project is considered and accepted as Final and that the Contractor's warranty period of one (1) year began on the date of City *Council's* acceptance, or as stated in the contract if different, and shall remain in effect until September 14, 2027. The Contractor shall provide the City with a One-Year Maintenance Bond in the amount of Seventy Thousand Dollars and 00/100 cents to secure this warranty. All corrective activities conducted by the Contractor, his forces, subcontractors, and suppliers under the One-Year Maintenance period, shall comply with the City's operational schedule and shall in no way interfere with, impinge, or prevent the City's use of the project or benefit from its service. Any corrective actions that may require the temporary shutdown of any part or component of the project shall be reported in writing, scheduled, and approved by the City's operational staff at least twenty-four (24) hours prior to conducting that work.

At the end of the One-Year Maintenance Period, it is incumbent on the Contractor to contact the City to schedule a One-Year Maintenance walk-through. At that time, a list of

00615-1

deficient items shall be given to the Contractor who shall remedy the items in an expeditious manner. The One-Year Maintenance Bond shall be written so as to remain in effect until completion of all items and a Certificate of One-Year Maintenance Acceptance is issued to the Contractor and to the bonding company.

Contractor shall contact the City's operations staff at 281-993-3411 for scheduling any corrective or warranty work on the project. The Engineering Department retains administrative control of the project and all questions regarding approval of corrective work or payment for that work shall be directed to 281-993-3411.

1.4 ACCEPTANCE OF THE WORK

Based on inspection and to the best of our knowledge, information and belief, the Work has been completed in accordance with the terms and conditions of the Contract and we recommend acceptance of the Work by City Council.

Notwithstanding the City's acceptance of the Work, nothing herein shall serve to waive or otherwise extinguish any outstanding claims on the City's part for recovery of Liquidated Damages pursuant to Article IV of the Contract, all such claims being hereby reserved.

1.5 RECOMMENDATION BY STAFF



Michael D. Medwedeff, CFM
Assistant Director of Engineering - Projects
City of Friendswood

07/31/2026

Date



Michael D. Medwedeff, CFM
Assistant Director of Engineering - Projects
City of Friendswood

07/31/2026

Date

1.6 ACCEPTANCE OF PROJECT

Notice was given to the City Council of the recommendation by City Staff to accept Sterling Falls Wedding Venue as final and complete. The City Council on September 14, 2026 voted to accept the Work; the Project is hereby deemed final and complete; and authorizes the City Manager to sign this Notice of Final Completion as acceptance of the above listed Project.

Morad Kabiri, PE, AICP
City Manager
City of Friendswood

DATE

ATTEST:

Raquel Martinez, TRMC
City Secretary
City of Friendswood

DATE

END OF DOCUMENT

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/03/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider authorizing a Treasury Management Services Agreement, a Bond Accounting and Safekeeping Service Agreement, and related documents with PNC Bank, National Association.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The City was notified that Wells Fargo would no longer provide Safekeeping Services for its Investments. Currently, these investments total approximately \$7.5M. Therefore, the City issued a Request for Proposals on Wednesday, April 22, 2026. Responses were due on May 26, 2026. The City engaged Valley View Consulting to assist with the analysis of responses. Based on the responses received PNC Bank, National Association ("PNC") was selected.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1.	Resolutions
2.	PNC Resolutions and Authorizations for BASK Apr 2026
3.	TMSA Texas Law
4.	BASK Agreement Oct 2025 Texas Law
5.	BASK Attachment B - New User Setup Form
6.	IRS Form W-9 (Rev. March 2024)
7.	Sig Card

PNC TREASURY MANAGEMENT SERVICES AGREEMENT

GENERAL TERMS AND CONDITIONS

1. Agreement for Accounts and Services

1.1 Parties. This Agreement contains the terms and conditions under which PNC will provide accounts and selected Services to a customer effective as of _____ (Date).

1.2 Definitions. Capitalized terms that are used in this Agreement and not otherwise defined herein shall have the meaning ascribed to such terms in **Addendum A** attached hereto.

1.3 Business Use. Customer shall use the Services solely to carry on its lawful business. Further, Customer shall not use any of the Services to process or facilitate transactions for or on behalf of any third party without obtaining PNC's prior written consent.

1.4 Responsibilities of the Customer.

1.4.1 Applicability of Agreement to Customer/Joint and Several Liability of Managing Customer and Participating Customers. Each Customer (including any Managing Customer and Participating Customer) who participates in any of the selected Services, will be subject to the provisions of this Agreement, the applicable Service Schedule(s), Supporting Documentation and any other applicable documentation provided by PNC to Customer (including when provided to any Managing Customer and/or Participating Customer within a Customer group). Further, the Managing Customer and each and every Participating Customer (if any) who participates in or otherwise receives any of the Services will be jointly and severally liable to PNC.

1.4.2 Participating Customer Use. The Managing Customer will provide to PNC upon request evidence of any and all other authorizations for such Participating Customer(s) to use the selected Services. PNC may continue to rely on the information supplied by the Managing Customer (and any Participating Customer) until PNC receives written notice of any change and has had a reasonable opportunity to act on such notice. With respect to each Participating Customer, if any, the Managing Customer represents and warrants that it has been duly authorized by all necessary corporate, legal entity, contractual, or other action under the applicable governing documents of such Participating Customer and applicable Law to enter into and execute this Agreement on behalf of such Participating Customer. Upon the execution and delivery of this Agreement by the Managing Customer on behalf of such Participating Customer, and subject to the acceptance of such Participating Customer as a Customer by PNC (which acceptance may be given or denied in the sole discretion of PNC), such Participating Customer will be deemed a "Customer" under this Agreement and will be bound by this Agreement (including any documents or instruments incorporated by reference into this Agreement). To the extent a Managing Customer wishes to open any Account(s) or to receive any Services for a Participating Customer, such Managing Customer must first notify PNC in writing and must complete any and all additional documentation that PNC may (in its sole discretion) require, which may include listing in the banking resolution client list (or any successor documentation related to banking authority provided by Customer to Bank) all Participating Customers and such Participating Customer will not receive any Account(s) or Service(s) unless PNC accepts such Participating Customer (which acceptance may be given or denied in the sole discretion of PNC). By including Participating Entities on the banking resolution client listing, those entities are made parties to this Agreement.

1.4.3 Third Party Access to Services. Customer must notify PNC in writing if any person or legal entity is allowed by Customer, or has the ability, to directly or indirectly transact through the Account,

benefit from, or have an interest in the Customer's use of the Account or Services ("Third Party"). If Customer provides access to Third Party, Customer agrees that it must (1) upon request, provide PNC with all information and documentation related to Third Party, (2) establish internal controls as it relates to know your customer and customer diligence requirements reasonably requested by PNC, (3) comply with PNC's request for diligence, and (4) ensure compliance by Third Party with this Agreement and any established procedures for use of the Account or Service. PNC reserves the right to deny or discontinue Services with respect to the Customer or any other Third Party. PNC may, in its sole discretion, prohibit certain businesses, or businesses that engage in certain activities, from accessing Services directly or indirectly.

1.4.4 Service Schedules. Each Service Schedule applicable to a particular Service is available on the Services Portal (www.PNC.com/TMDocuments). Prior to Customer accessing or using any of the Services, Customer shall review the relevant Service Schedule(s) for such Services and Customer acknowledges and agrees that it has been given access to such Service Schedule(s) via the Services Portal. By accessing or using a Service, Customer agrees to comply with and be bound by the then current terms and conditions set forth in the applicable Service Schedule for such Service. Each such Service Schedule is incorporated by reference into this Agreement.

1.4.4.1 New Services. Any Services which Customer may select and add subsequent to the Effective Date of this Agreement shall also be governed by this Agreement and the applicable Service Schedule(s). Customer shall access the Services Portal and review each additional Services Schedule(s) prior to selection of any such Services and will be subject to PNC's standard fees for such additional Services.

1.4.4.2 Acceptance. Customer's use of a new Service or continued use of an existing Service will ratify its acceptance of the applicable terms and conditions for that Service.

1.4.5 Supporting Documentation. With respect to any Account, Service or Services Portal (and in any addition to any Service Schedules), from time-to-time, PNC may furnish Customer (or require Customer to complete) Supporting Documentation. By using any Account, Service or Services Portal, Customer agrees to comply with and bound by the then current versions of such Supporting Documentation, which are hereby incorporated by reference into this Agreement.

1.4.6 Conflicts. In the event of a conflict or inconsistency between or among any provision of these General Terms and Conditions, any provision of a Service Schedule, or any provision of any Supporting Documentation, such conflict or inconsistency shall be resolved by giving precedence to the provisions in such instruments in the following order of priority: (a) the applicable Service Schedule, (b) any supplemental terms and conditions required by PNC as specifically set forth in a jurisdictional rider, (c) the General Terms and Conditions and (d) any additional Supporting Documentation.

1.4.7 Update Customer Information. It is Customer's responsibility to promptly notify PNC of any updates to its information on file with PNC, including information related to Customer's name, entity type, tax identification number, address, email address(es), contacts, officers, individuals with banking authority, account level signers, and other authorized Representatives; PNC must have a reasonable opportunity to act on such notice. PNC is not responsible for any issue resulting from Customer's failure to update information.

1.4.8 Consents. Customer is exclusively responsible for obtaining any consents necessary or required under any applicable Laws or payment network rules from its customers with respect to any information which may be shared with PNC. In addition, Customer is responsible for the accuracy, quality and legality of and the means by which Customer acquired such data and information.

1.5 Fees.

- 1.5.1 Standard Fees. PNC will charge Customer its standard fees for the Services unless otherwise mutually agreed to in writing. PNC will provide prior written notice of fee changes.
- 1.5.2 Account Analysis. PNC will perform a monthly account analysis to determine if Customer's applicable account balances are sufficient to offset that month's fees. Customer may request to have compensating balances offset fees, in lieu of receiving a monthly invoice. If compensating balances are not sufficient to offset the fees, PNC will debit one of Customer's accounts for the difference, which Customer may designate for that purpose.
- 1.5.3 Combined Compensating Balance. Monthly fees will be itemized on Customer's monthly account analysis statement. If Customer requests PNC to use the combined compensating balances of a legal entity to offset the fees incurred by a different legal entity, Customer represents and warrants to PNC that such use is authorized, has been properly disclosed to third parties if required by law, and will not violate any law, contract or any other obligation owed to any person, including any beneficial owner of the compensating balances or any customer of Customer or such other entity. There may be certain fees that Customer may not pay by compensating balances. PNC will debit one of Customer's PNC accounts for such fees.

2. Deposit Account Services

2.1 Deposits to Account.

- 2.1.1 Making Deposits. Customer may make deposits to the Account during normal business hours at any PNC branch, by mail and at any time electronically. If available for business accounts in Customer's market, Customer may also make deposits by automatic or telephone transfer, or at an ATM that accepts PNC deposits.
- 2.1.2 Refusal of Deposit. If a check Customer deposited does not have Customer's endorsement, PNC may endorse it for Customer or treat the check as if PNC had endorsed it. PNC is not bound by any conditional or restrictive endorsements on a check (e.g., a requirement that each check have more than one signature) or by any endorsement "without recourse". PNC reserves the right to refuse to accept for deposit any item which does not bear a proper endorsement, which is payable to someone other than Customer or under any other circumstances in PNC's sole discretion. Customer will be liable for any resulting losses if the Customer's endorsement is made improperly.
- 2.1.3 Verification. All deposits are subject to verification and Customer should retain a copy of any document that evidences each deposit. PNC will not be liable for any deposit that it does not receive. PNC reserves the right to adjust Customer's Account upon verification of any deposit or for errors related to the Account.
- 2.1.4 Non-Cash Deposits. All non-cash deposits are posted to the Account subject to PNC's receipt of "final payment" from the bank or other party on which the item is drawn. If PNC receives notice that an item is being returned to PNC unpaid, or if PNC does not receive final payment, PNC will charge Customer's Account consistent with this Agreement.
- 2.1.5 Funds Transfers. Credits to an account for an automated clearinghouse credit entry or other funds transfer are provisional until the receiving depository financial institution receives final settlement through a Federal Reserve Bank. If PNC does not receive final settlement or payment, PNC will charge Customer's Account as described in this Agreement. In such case, the person making the payment to the Customer will not be considered to have paid the amount to Customer. PNC may rely on the Account numbers given to PNC by the financial institutions or other persons who send

the fund transfer to PNC, and PNC will not be liable to Customer if PNC credits a fund transfer intended for Customer to another customer's account because the sender instructed PNC to credit an incorrect account number.

- 2.1.6 Final Payment. If PNC does not receive final settlement for a Fund Transfer or final payment for a non-cash deposit, Customer agrees to refund the amount credited to Customer's Account. PNC will charge the Account for the amount of the credit, for any interest, and for applicable charges. If the charge-back of a returned non-cash deposit, refund of a fund transfer, or a bank charge creates an overdraft, Customer agrees to pay PNC the amount of the overdraft immediately, and PNC may charge Customer's Account a service charge for the overdraft. For more information, please see PNC's *Funds Availability Policy*, which may be amended from time to time and is available on the Services Portal. PNC will charge any fees incurred to collect a deposited item to Customer's Account and may impose a service charge for the collection. Unless otherwise agreed to by PNC, Account overdrafts may be considered a violation of this Agreement.
- 2.1.7 Right to Refuse. PNC reserves the right to refuse or to return all or part of a deposit at any time. All deposits and credits to Customer's Account are subject to review for compliance with applicable Law, which may result in delays in posting such deposits or credits. PNC may require a check be deposited into Customer's Account instead of cashing it.
- 2.1.8 Check Image Errors. Customer's deposit or issuance of a check that does not use check form or check stock provided or approved by PNC, may result in errors in processing a check image created from such a check. To the extent permitted by Law, PNC shall have no liability to Customer in the event that Customer incurs a loss from such errors.
- 2.1.9 Substitute Check Documents. Customer shall not deposit a Substitute Check Document without PNC's express written consent. PNC's acceptance for deposit of a Substitute Check Document shall not be deemed a waiver of the foregoing prohibition. Customer shall not identify PNC as a "reconverting bank" or "truncating bank" on a Substitute Check Document that Customer deposits at any other financial institution or transfers to any other person.

2.2 Real Time Payments. Customer agrees not to effectuate or receive a payment on behalf of any person that is not a U.S. citizen or resident using the Clearing House Association's Real-Time Payment Network.

2.3 Remotely Created Checks. If Customer deposits a Remotely Created Check with PNC, Customer represents and warrants that the check is authorized to be paid in the amount stated and to the payee named on the check. PNC may honor Remotely Created Checks authorized by Customer in the amount stated on the check and to the payee named on the check. All of the terms in this Agreement and under applicable law that apply to a "check" and/or "item" apply to Remotely Created Checks, including without limitation substitute checks created from Remotely Created Checks and check images of Remotely Created Checks.

2.4 Withdrawals from Account.

- 2.4.1 Permitted Withdrawals. PNC may pay or return any transaction upon presentment if Customer's Account balance is less than the amount of that transaction. Checks or other debit items or withdrawal orders presented against insufficient ledger or available funds are subject to a service charge. If there are sufficient funds to cover some but not all of Customer's withdrawal orders, PNC may exercise its discretion in paying some but not all of the items in any order. PNC's general practice is to post withdrawals from Customer's Account according to the date and time PNC receives notice of the transaction. The order in which PNC processes these withdrawals may affect the total amount of overdraft item fees and returned item fees charged to Customer's Account. PNC will not be responsible for damages or wrongful dishonor if any item is not paid as a result of the order in which PNC processes the withdrawals. If, in PNC's sole discretion, PNC permits withdrawals for which there are not sufficient available funds, or Customer otherwise overdraws

the available funds in Customer's Account, Customer agrees to repay PNC immediately the funds advanced. PNC will assess Customer's Account a service charge, and PNC may also assess Customer's Account an interest charge, which will be separately disclosed to Customer, each day on the amount of the overdraft. At no time shall PNC be required to allow Customer to overdraw its Account, even if PNC allowed such activity on one or more previous occasions. If, within a reasonable time, Customer does not deposit sufficient funds to bring its Account current of incurring an overdraft, then PNC may charge Customer a fee for services used to recover the outstanding indebtedness.

- 2.4.2 Sufficient Funds Determination. PNC may conclusively rely on any deposits or withdrawals posted to Customer's Account and pending electronic transactions for which PNC has received notice, even if the notice incorrectly describes the transaction or transactions have not yet posted to the Customer's Account. This could result in an overdraft if sufficient funds are not available in Customer's Account to satisfy a withdrawal request. PNC will not be responsible for damages or wrongful dishonor if any item is not paid because of insufficient funds. If Customer's Account is a Sweep or a Zero Balance Account, PNC will not consider pending electronic transactions in determining whether Customer has sufficient funds to cover a withdrawal. Please review the *Funds Availability Policy*, which is available on the Services Portal, for more information.
- 2.4.3 Check Date. PNC WILL NOT BE LIABLE TO CUSTOMER FOR PAYING CHECKS WHICH ARE POST-DATED, STALE-DATED (OLDER THAN SIX MONTHS) OR UNDATED. If Customer does not wish PNC to pay a check Customer has issued, Customer must place a stop payment order with PNC and renew such stop payment order every six months.
- 2.4.4 Approved Check Forms. Customer agrees to use only check forms supplied or approved by PNC. PNC uses automated means to process Customer's checks. Customer agrees that PNC is not obligated to inspect any specific check, monitor nonstandard instructions or other legends appearing on checks, and reasonable commercial standards do not require PNC to do so. Customer agrees that PNC does not have to notify Customer if PNC refuses to pay a check Customer has written, if PNC pays a check that overdraws Customer's Account, or if PNC imposes a fee in connection with either of these events.
- 2.4.5 Withdrawals by Check. If Customer makes withdrawals by check, the check must be properly completed and signed by the person(s) whose authority is on file with PNC. PNC may refuse to honor a withdrawal if it receives conflicting instructions from two or more authorized signers or if there is reasonable doubt as to who is authorized to make a withdrawal. Customer agrees that its internal restrictions on authorized signers are for Customer's internal use only and do not bind PNC even if Customer has made PNC aware of them.
- 2.4.6 Charges for Cashing Checks. PNC reserves the right, in its sole discretion, to refuse to cash or to impose a charge on anyone who asks PNC to cash a check that Customer has written. PNC will not be liable to Customer for dishonor of Customer's check, or otherwise, as a result of such refusal.

2.5 Multicurrency Accounts. Customer may, in accordance with PNC's policies and procedures, have a Multicurrency Account. Generally, deposits and withdrawals may be made to and from Multicurrency Accounts only by wire transfer, or by such other means as PNC may permit in its sole discretion.

- 2.5.1 Repayment. PNC is not required to repay a deposit made at a non-U.S. branch or any deposit denominated in non-U.S. Dollar currencies if repayment is prevented, prohibited or otherwise blocked due to: (a) an act of war, insurrection, or civil unrest or strife, (b) any action by a non-U.S. governmental authority or instrumentality or authority asserting governmental, military, or police power, whether recognized as a government or not, or by any political or revolutionary political or social party or movement that usurps or materially impairs an otherwise normally operating

civil authority, or (c) the closure of a non-U.S. branch to prevent, in PNC's sole and reasonable judgment, harm to PNC's employees or property.

- 2.5.2 Applicable Laws. All currency transactions are subject to exchange control regulations of the United States, the laws of the country or jurisdiction of the currency, and the laws of any other branch where the account is maintained.

2.6 Foreign Currency Transactions.

- 2.6.1 In the event that a Service involves payment from or to Customer in a foreign currency, Customer's account shall be debited or credited in U.S. dollars with conversion based on PNC's then quoted rate for the foreign currency, plus or minus PNC's fees and expenses; however, if Customer's Account is designated as a foreign currency account, all transactions in the Account will be in the applicable foreign currency, subject to this Section. If Customer makes a payment to a beneficiary in a foreign country, PNC may deliver that payment in the applicable foreign currency, even if Customer has advised PNC to send it in U.S. dollars. Certain charges for foreign exchange, or otherwise, may be deducted from the amount of the payment. Regardless of whether Customer provides specific direction regarding use of a specific intermediary bank, PNC may use any intermediary bank that PNC selects to make payments. The effective date of any payment order initiated by Customer in a foreign currency will be subject to PNC's cutoff times, holiday schedules (in the United States and internationally) and PNC's obligations to comply with all applicable laws and regulations prior to executing the payment order. Customer acknowledges that foreign currency exchange rates are subject to change at any time. Customer agrees to assume the risk of any change in exchange rate between the time Customer requests a payment and the time the payment is completed, cancelled, rejected, or returned.
- 2.6.2 As to any Service involving payment from or to Customer in a foreign currency, Customer and PNC agree that, except as provided in this Section, a Currency Event will not have the effect of altering any term, discharging, or excusing performance, or giving PNC the right to terminate or alter, this Agreement, any documentation for such Service, or any transaction under such Service. Customer agrees, however, at PNC's request to compensate PNC for any loss, cost, expense, or reduction in return that PNC has incurred or sustained because of a Currency Event and that would not have been incurred or sustained but for the provision of a Service to Customer. PNC will deliver to Customer a certificate setting forth PNC's determination of the amount or amounts necessary to compensate PNC for any such loss, cost, expense, or reduction in return, which certificate shall be conclusive absent manifest error.
- 2.6.3 Unless otherwise agreed by the parties to a transaction, each currency with respect to a particular country will be deemed to include any Successor Currency of that country. If after the trade date and on or before the settlement date of a transaction, a country has lawfully eliminated, converted, redenominated, revalued or exchanged its Original Currency in effect on such trade or between the trade date and settlement date for a Successor Currency, then, any Original Currency amounts will be converted to the Successor Currency amount. If there is more than one such date, the date closest to the settlement date will be used. Notwithstanding the foregoing, and subject to anything agreed to by the Parties, the consequences of such substitution or replacement will be determined in accordance with applicable law.
- 2.6.4 Without limiting any other provisions of this Agreement (or any other rights or remedies of PNC), with respect to a Currency Event, Customer and PNC will make reasonable efforts to place Customer and PNC in substantially the same position with respect to the settlement of payments in the Successor Currency.

- 2.7 Check Presentment. Customer's Account may be debited on the day an item is presented by

electronic or other means, or at an earlier time based on notification received by PNC that an item drawn on Customer's Account has been deposited for collection in another financial institution. A determination of Customer's Account balance for purposes of deciding to pay or return an item or debit due to insufficiency of available funds may be made at any time between the receipt of such presentment or notice and the time of payment or return of the item or debit, and no more than one such determination need be made.

2.8 Transaction Limitations. If Customer has a Money Market Deposit Account, PNC reserves the right to require that Customer give PNC notice in writing of an intended withdrawal from Customer's Account not less than seven (7) days before such withdrawal is to be made. If PNC permits Customer to make withdrawals without giving PNC notice, PNC may still require Customer to give PNC notice prior to subsequent withdrawals. Customer may make unlimited withdrawals or transfers from Customer's Money Market Deposit Accounts, regardless of how the withdrawals or transfers are made. Customer will be charged if Customer makes more than a total of six (6) transfers to other accounts or to third parties during each monthly statement period.

2.9 Stop Payments. Customer may stop payment on a withdrawal order or on any check, except for cashier's checks, official checks, or other cash equivalent items, in accordance with this Section.

2.9.1 Receipt of Stop Payment Order. PNC must receive Customer's stop payment order at a time in a manner that gives PNC a reasonable opportunity to act on it prior to payment of the item. A STOP PAYMENT ORDER IS EFFECTIVE FOR SIX (6) MONTHS FROM THE DATE THE ORDER IS RECEIVED AND MAY BE RENEWED FOR ADDITIONAL SIX-MONTH PERIODS. PNC will accept stop payment orders issued by any person with signing authority on Customer's Account, regardless of who initiated the check or other withdrawal order, and even if more than one signature is required on a check or withdrawal order. Stop payment orders are subject to PNC's current charge for that service.

2.9.2 Placing a Stop Payment Order. Customer may place a stop payment order at any branch office, by calling PNC at the telephone number on Customer's statement, by writing to PNC at the address on Customer's statement, or by any other notice method PNC agrees to honor. PNC will request information about the check or other withdrawal order to be stopped.

2.9.3 Inadvertent Payment. STOP PAYMENT ORDERS ARE PROCESSED BY COMPUTER. UNLESS THE AMOUNT OF THE ITEM AND OTHER INFORMATION ARE REPORTED ABSOLUTELY ACCURATELY, PNC CANNOT ASSURE THAT THE ITEM CUSTOMER WANTS STOPPED WILL NOT BE PAID. In the event PNC inadvertently pays an item over Customer's valid stop payment order, PNC may refuse to recredit Customer's Account if Customer owed the money to the payee(s). Customer will be required to provide evidence satisfactory to PNC of the amount of Customer's loss. If PNC recredits Customer's Account, Customer shall be deemed to have assigned to PNC its rights against the payee(s), both on the item and the underlying claim, and PNC may require Customer to sign an affidavit that Customer did not receive full value from the transaction for which the check was issued and otherwise cooperate in PNC's recovery efforts.

2.10 Use of Check Images and Substitute Checks. For purposes of this Agreement, references to "checks" includes electronic images of a check created by PNC, a collecting bank, returning bank, Federal Reserve Bank or processor which receives the original check and "substitute checks". Except as provided in this Section, Customer acknowledges that check images and substitute checks will be processed by PNC in the same manner that it would process the original check. Customer also agrees that PNC may destroy any original check that has been imaged or returned as a substitute check.

2.11 Acknowledgement of Applicable Rules and Regulations. Customer acknowledges that transactions into and out of Customer's Account may also be subject to applicable clearinghouse and Federal Reserve Bank rules and regulations.

2.12 Interest Bearing Accounts; Calculation of Interest. The following provisions apply to interest-bearing business Accounts:

- 2.12.1 Changes. Interest rates are variable and PNC in its sole discretion may change the interest rate and annual percentage yield on Customer's Account any time without limitation or notice.
- 2.12.2 Reporting. PNC may withhold, report, and pay to the government a percentage of the interest earned on Customer's Account as required by law.
- 2.12.3 Methods of Calculation. For all interest-bearing Accounts except for Hybrid Checking, PNC uses the daily balance method to calculate the interest on Customer's Account. This method applies a daily periodic rate to the principal in the account each day. Tiered-rate Accounts earn interest on the collected Account balance each day at the interest rate and annual percentage yield in effect for that day's balance.
- 2.12.4 Interest Accrual. Interest begins to accrue on interest-bearing checking Accounts no later than the business day PNC receives credit for the deposit of checks and other non-cash items. Interest begins to accrue on money market deposit Accounts based on the day funds are available to Customer for withdrawal. Interest on business interest-bearing checking and money market Accounts is compounded and credited monthly. The average monthly balance is calculated by adding the principal in Customer's account for each day of the month and dividing that figure by the number of days in the month.
- 2.12.5 Corporate Analysis Checking with Interest. For corporate analysis checking Accounts with interest, PNC uses the average monthly investable balance (*i.e.*, the average collected balance less reserves, if applicable) to calculate earnings credit and interest on Customer's Account. PNC will perform a monthly analysis on Customer's Account(s) with PNC to determine if Customer's average monthly investable balance for the month is sufficient, as determined by PNC, to compensate PNC for that month's fees. Balances used to compensate PNC for fees shall not earn interest. PNC will then apply a daily periodic rate to the average investable balance in excess of balances needed to offset transaction and maintenance fees, multiplied by the number of days in the month. Interest is earned on the excess account balance at the interest rate in effect on the last calendar day of the month. Interest rates are subject to change at any time and may be tiered. The earnings credit rate and the interest rate may not be the same. Any interest earned will be credited to Customer's Account no later than the last business day of the month following the month of the analysis.
- 2.12.6 Linked Accounts. For Accounts linked together for Account analysis, interest is earned on the combined relationship's excess Account balance at the interest rate in effect for the appropriate balance tier on the last calendar day of the month and will be credited to the settlement Account. If Customer's analysis relationship includes balances that are owned by more than one entity, Customer is solely responsible to determine whether (a) all of the Account balances may lawfully earn interest and (b) any interest payments need to be allocated to the entities included in the analysis relationship.

2.13 Rule 370 Notification Requirements.

- 2.13.1 Beneficial Owners. If Customer has opened a deposit Account on behalf of the beneficial owner(s) of the funds in the Account (for example as an agent, nominee, guardian, executor, custodian, or funds held in some other capacity for the benefit of others), those beneficial owners may be eligible for "pass-through" insurance from the FDIC. This means the Account could qualify for more than the standard maximum deposit insurance amount (currently \$250,000 per depositor in the same ownership right and capacity). If PNC determines that this Account has transactional

features as defined in § 370.2(j) of the FDIC's Rules and Regulations (12 CFR 370.2(j)), Customer as the Account holder must be able to provide a record of the interests of the beneficial owner(s) in accordance with the FDIC's requirements as specified below.

- 2.13.2 FDIC Guidance. The FDIC has published a guide that describes the process to follow and the information Customer will need to provide in the event PNC fails. In addition, the FDIC published an Addendum to the guide, section VIII, which is a good resource to understand the FDIC's alternative recordkeeping requirements for pass-through insurance. The Addendum sets forth the expectations of the FDIC to demonstrate eligibility for pass-through insurance coverage of any deposit accounts, including those with transactional features. The Addendum will provide information regarding the records Customer should keep on the beneficial owners of the funds, identifying information for those owners, and the format in which to provide the records to the FDIC upon PNC's failure. Customer must be able to provide this information within 24 hours after the appointment of the FDIC as receiver in order to receive payment for the insured amount of pass-through deposit insurance coverage as soon as possible. That information can be accessed on the FDIC's website at <https://www.fdic.gov/deposit/deposits/brokers/part-370-appendix.html>.

Customer has the opportunity to validate that the file format and the information in it is appropriate to facilitate the timely calculation of deposit insurance. Customer may contact its PNC representative to do so.

- 2.13.3 Cooperation. Customer agrees to cooperate fully with PNC and the FDIC in connection with determining the insured status of funds in such Accounts at any time. In the event of PNC's failure, Customer agrees to provide the FDIC with the information described above in the required format within 24 hours. As soon as the FDIC is appointed as receiver, a hold will be placed on Customer's Account and will not be released until the FDIC determines that Customer has provided the necessary data to enable the FDIC to calculate the deposit insurance. Customer understands and agrees that its failure to provide the necessary data to the FDIC may result in a delay in receipt of insured funds and legal claims against Customer from the beneficial owners of the funds in the Account. If Customer does not provide the required data, Customer's Account may be held or frozen until the information is received, which could delay when the beneficial owners would receive funds. Notwithstanding other provisions in this Agreement, this Section survives after the FDIC is appointed as PNC's receiver, and the FDIC is considered a third-party beneficiary of this Section.

2.14 No Extension of Credit. PNC is under no obligation to process Customer's instructions or transactions if Customer's Account lacks an amount of sufficient funds. Nothing in this Agreement, shall be deemed to constitute a commitment or offer by PNC to extend credit or grant overdraft privileges to Customer.

2.15 Instructions.

- 2.15.1 Reliance on Account or Other Identifying Number. If PNC is sending payments from or receiving payments to your Account, PNC and the bank to which the Instruction is sent may rely on the account or other identifying number provided by Customer or contained in an incoming payment order. Neither PNC nor any bank to which the Instruction is sent has any obligation to verify such numbers or other information and we and they may rely on such without having liability to Customer or any other party involved in the transaction, even if such number(s) identify a beneficiary or bank other than the beneficiary or bank identified by name on the Instruction.

- 2.15.2 Cancellation or Amendment. PNC may execute Customer's Instruction as soon as it is received unless PNC has specifically agreed to accept an Instruction for execution on a future date. Customer will have no right to amend or cancel an Instruction once issued.

- 2.15.3 No Action on Instruction. PNC is not obligated to act on any Instruction and, where PNC does act,

there may be delays in processing an Instruction, including as a result of PNC reviewing such Instructions against applicable Laws or regulatory guidance. PNC will not be liable to Customer for any such delays or failure to act. If PNC rejects or does not act upon Customer's Instruction in accordance with this Section, PNC will notify Customer within a reasonable time. Notwithstanding the foregoing, PNC shall have no liability to Customer or any other person by reason of any delay in providing, or any failure to provide, such notice. Further, PNC will have no liability to Customer in connection with an Instruction Customer attempts to issue to PNC which PNC does not actually receive.

2.15.4 Instructions Received After Cut-Off Time. If an Instruction is received by PNC after the cut-off time specified for the applicable Service or on a day that is not a Banking Day, then the Instruction shall be deemed to have been received on the next Banking Day.

2.15.5 Review. PNC may conduct internal fraud or anti-money laundering reviews of Instructions or incoming payment orders before or after they are processed or posted to the Account. PNC undertakes such reviews voluntarily or to comply with applicable Laws. Such review does not constitute a Security Procedure designed to assure the authenticity of an Instruction, and Customer waives any claim or objection to PNC's use or non-use of such reviews.

2.16 Statements. At Customer's election, PNC will make available a monthly statement either electronically or by mail to the last address that Customer has specified for its Account. This statement will list all activity that relates to Customer's Account during the statement period and any other information required by Law. Upon receipt, Customer should review the statement carefully and notify PNC as soon as possible if there are any concerns regarding Customer's Account transactions. IF CUSTOMER FAILS TO NOTIFY PNC, WITHIN 30 DAYS OF RECEIPT OR AVAILABILITY OF THE STATEMENT OR OTHER WRITTEN OR ELECTRONIC REPORT OF CUSTOMER'S ACCOUNT TRANSACTIONS, OF ANY PROBLEM OR DISCREPANCY THAT APPEARS ON THE STATEMENT OR REPORT, PNC SHALL HAVE NO LIABILITY TO CUSTOMER FOR ANY ADDITIONAL LOSS, INCLUDING ANY LOSS OF INTEREST RESULTING FROM CUSTOMER'S FAILURE TO NOTIFY PNC. IN NO EVENT WILL PNC BE LIABLE FOR ANY UNAUTHORIZED TRANSACTION OR ANY FORGERY, UNAUTHORIZED SIGNATURE OR ALTERATION OF AN ITEM ON CUSTOMER'S ACCOUNT THAT IS NOT BROUGHT TO PNC'S ATTENTION WITHIN 30 DAYS OF THE DATE ON WHICH CUSTOMER'S STATEMENT OR REPORT WAS RECEIVED OR MADE AVAILABLE TO CUSTOMER. Notwithstanding the foregoing, the time period for notifying PNC or making a claim under the Check 21 Act, with respect to a substitute check or an image of a substitute check that is sent with a statement or that appears on a statement, will be as set forth in the Check 21 Act. If Customer's mailed statement is returned to PNC, PNC will suspend further mailings until a current address is received. Customer will be deemed to have received any information PNC mails to Customer five (5) business days after the information is mailed, even if it is returned to PNC as undeliverable. Customer will be deemed to have received information PNC makes available to Customer electronically on the date PNC makes the information available for access by Customer.

2.17 Special Notice for Holders of Attorney Trust Accounts Regarding Compliance with State Rules. If Customer maintains an "Attorney Trust Account" or "IOLTA Account" (designations vary by state) with PNC, Customer acknowledges that it is bound by its state's rules and regulations governing attorneys' conduct with respect to such accounts, and Customer agrees that it is the attorney's or firm's responsibility to comply with all Laws and rules regarding such Account. PNC is allowed to deduct certain routine service charges (referred to as "reasonable service charges" in some, but not all, states) from the interest paid to Customer's state on an Attorney Trust, IOLTA or similar, Account. Charges which are not reasonable service charges according to Customer's state's rules and regulations will be the responsibility of the attorney or law firm handling the Account. Charges will be assessed on a monthly analysis statement or charged to the attorney's or law firm's billing account. Charges are set out in the business fee schedule, statement or other disclosure PNC provides to Customer.

2.18 Special ERISA Disclosure. If Customer's Account is held on behalf of a "pension plan" within the meaning of section 3(2)(A) of ERISA, Customer represents that: (a) Customer is a responsible plan fiduciary within the meaning of ERISA and its regulations with respect to the plan; (b) Customer is authorized under the terms and conditions of the governing plan documents to enter into this Agreement and to retain PNC to perform the

Services contemplated herein; (c) Customer has received and reviewed PNC's ERISA section 408(b)(2) disclosure document (available at www.pnc.com/408b2) describing the Services PNC provides and the compensation PNC receives with respect to this Agreement; (d) Customer has determined that the arrangement for Services and any fees paid to PNC are reasonable, and the Services provided by PNC pursuant to this Agreement are appropriate and helpful to the plan; and (e) Customer has received all necessary disclosures regarding such fees, as required by, and in accordance with, applicable regulations promulgated under ERISA section 408(b)(2).

2.19 Inactive Accounts. If Customer's Account is inactive and Customer has not otherwise communicated with PNC about such Account for the period provided by Law, PNC will be required to transfer the balance of Customer's Account as "abandoned property" to the appropriate state authority. If Customer's Account is inactive six or more months, PNC reserves the right to impose an inactivity charge on Customer's Account. Customer also agrees that if its Account is inactive for six or more months, it will be subject to any new fees or fee increases which go into effect during the period of inactivity. If Customer's Account is considered "abandoned property" and turned over to the applicable state governmental authority, Customer may be able to reclaim the funds by proving to the governmental authority that Customer owns the funds and has met any other requirement under applicable Law.

2.20 Adverse Claims to Funds in Account. PNC may place a hold on Customer's Account in the amount of any funds for which there may be an adverse claim while PNC investigates the claim or until ownership of the funds is established to PNC's satisfaction. Customer is responsible for any expenses, including attorney's fees and court filing costs, PNC incurs as a result of such adverse claims.

2.21 Money Owed. Except to the extent otherwise agreed with Customer in writing, any loans, charges, service or analysis charges, overdraft or other obligations or other indebtedness in connection with the Services now or hereafter owed to PNC by Customer may be charged in whole or in part to the Account, to any other account(s) in Customer's name. Customer grants PNC a security interest and right of set-off in the balance in the Account and in any other account(s) in Customer's name, to pay all loans, charges, service or analysis charges, overdrafts or other obligations or other indebtedness now or hereafter owed to PNC and its affiliates by Customer. PNC may exercise its right of set-off without advance notice to Customer and without regard to any other right that PNC may have against Customer or any other party. Such set-off shall be effective immediately upon the occurrence of the event giving rise to the set-off rights even though PNC may enter the set-off on its books at a later date. PNC's security interest and right of set-off shall prevail and take priority over any adverse claim, change of ownership, pledge, attachment, garnishment, levy, court order or other legal process of any kind whatsoever. Should one of these events occur, PNC may take any action permitted or required by Law.

2.22 Transfer of Ownership. CUSTOMER'S ACCOUNT IS NOT ASSIGNABLE OR TRANSFERABLE EXCEPT ON PNC'S RECORDS. PNC must approve any pledge of Customer's Account as security for a debt, and any pledge remains subject to PNC's security interest and right of set-off, unless PNC otherwise agrees in writing. If Customer wishes to transfer ownership of its Account, PNC may require that Customer's Account be closed and a new one be opened by and in the name of the new owner(s).

2.23 Death of Sole Proprietor. Following the death of a sole proprietor of an unincorporated business, the balance in the Account shall be payable in accordance with Law upon presentation of appropriate qualification documents and any required tax release.

2.24 Charges to Account. Customer's Account may be subject to various charges, including item charges, a monthly service charge, charges for the use of certain Account services, and late payment charges as set out in the business fee schedule, statement or other fee disclosure PNC provides to Customer, which are made part of this Agreement. Unless otherwise agreed, these charges will be deducted from Customer's Account balance automatically and may cause Customer to become overdrawn or Customer's outstanding checks to be returned unpaid. If funds in Customer's Account are attached, garnished, or levied against, or if PNC is prohibited by Law from paying on Customer's Account, PNC may assess a legal process charge. PNC will debit Customer's Account for any expenses PNC may incur as a result of any such legal action. Any such legal action may reduce Customer's Account balance and cause Customer's outstanding checks to be returned unpaid. PNC reserves the right to charge a fee for cashing checks Customer writes. This fee will be collected from the payee at the time the check is cashed.

If the payee refuses to pay PNC's check cashing fee, PNC may refuse to cash Customer's check, and PNC will not be liable to Customer for dishonor of such check. Customer may contact its PNC representative to learn the amount of the fee. PNC reserves the right to make changes to its fees and charges. Where practicable, notice of such changes will be provided to Customer as required or permitted by Law.

2.25 Closing Customer's Account. Customer or PNC may close Customer's Account at any time for any reason and without prior notice. If PNC closes the Account, PNC will mail Customer a check to the last address that Customer has specified for its Account for the final balance. Customer will still be liable to PNC for any service charges, returned checks or overdrafts, which may occur after the Account is closed.

2.26 Disclosure Statements. In connection with Customer's Account, PNC may give to Customer certain disclosure statements or policies and may revise them from time to time. All such statements, policies and revisions shall be considered to be part of this Agreement.

2.27 Change in Account Information. Customer must notify PNC immediately of any change in the signing authority for Customer's Account. PNC may ask Customer to execute and deliver to PNC new banking resolutions and signature cards before the change is made effective. Customer must also notify PNC in writing of any change in Customer's address.

2.28 Reporting of Errors. If Customer chooses to receive payment acknowledgements, notifications, or confirmation of submission or receipt of any payment, Customer must immediately report to PNC non-receipt, discrepancies or errors in such acknowledgement, notification or confirmation.

3. Accessing PNC Services and Technology

3.1 Rights of Use. Subject to the terms and conditions of this Agreement, PNC hereby grants to Customer a nonexclusive, nontransferable right to use the Services and any Technology solely for lawful purposes in accordance with this Agreement. No right is granted for use of the Services or Technology by any third party or by Customer to operate a service bureau. Customer must retain intact all applicable copyright, patent, and trademark notices on and in all copies of any such Technology. Upon termination of a Service, the license to use the Service and Technology shall terminate.

3.2 Cooperation with PNC. Customer must notify PNC immediately if Customer becomes aware of any actual, suspected, or threatened: (a) unauthorized or unlawful access to, or use or destruction of any Service or Technology; (b) unauthorized access to any facility, computer network, system, or device which has access to PNC Services or Technology; (c) incident or situation that compromises or could compromise PNC's systems through any Services, Technology, or where Customer has direct transmission access to PNC's systems, including but not limited to Customer's computer network or system being exposed to or accessible by the public or any unauthorized person; or (d) introduction or detection of any malware, malicious code, spyware, virus, or a similar item into or in Customer's network or system. Customer agrees to cooperate with PNC's reasonable requests to provide information related to such incidents.

3.3 Limitations to Use. PNC reserves the right to suspend access to all or a portion of a Service or any Technology, or to temporarily restrict its use, at any time without notice to Customer if PNC suspects unusual activity, fraud, possible risk of loss, a violation of any of the terms and conditions of this Agreement with respect to the use of such Service or Technology, a security risk, or other technical problem. PNC also reserve the right to terminate Customer's use of a Service or Technology if, in its sole judgment, Customer or the authorized user have misused, or PNC reasonably anticipates will misuse, the Service or Technology.

3.4 Technology Purchase. Customer is responsible for purchasing, selecting, and maintaining the hardware, software, or other technology Customer uses to send data or information to PNC or to access the Services. Customer agrees that PNC will not be responsible for the installation specifications (including cabling, power, and space), the installation, or the operation, maintenance, or technical support of any third-party product.

3.5 File Testing. Customer agrees that PNC will have no liability for any use of the File Format Testing

Service, or any action or transaction in connection with the File Format Testing Service. Customer should only use test data for the File Format Testing Service. In addition to the test tool, Customer must complete end-to-end testing and meet all other requirements.

3.6 Security Procedures for Use of PNC Services.

- 3.6.1 Generally. If required for a Service, Customer must select a Security Procedure and must use the Security Procedure when delivering Instructions to PNC. PNC may require or implement additional Security Procedures. Security Procedures may include security codes, personal identification numbers, tokens, check stock, or other security processes or devices. To initiate transactions Customer must designate one or more Authorized Person(s).
- 3.6.2 PNC Reliance. If PNC follows a commercially reasonable Security Procedure in acting on any Instruction issued in Customer's name: (a) PNC shall be entitled to rely without investigation on such Instruction; and (b) Customer shall be bound by such Instruction.
- 3.6.3 Authenticity of Instructions. The purpose of Security Procedures is to confirm the authenticity of Instructions and not to detect errors in the content or transmission of Instructions, and PNC assumes no responsibility for failure to detect errors. Each time Customer uses a Service, Customer represents and warrants to PNC that it has determined that, in view of Customer's requirements, the Security Procedure is a satisfactory method of verifying the authenticity of requests or Instructions. PNC also assumes no responsibility to discover or audit for any unauthorized disclosure or use of the Security Procedure or other breach of security by Customer's employees, agents, or representatives, or any Third Party, and all losses resulting therefrom shall be solely Customer's responsibility. Customer shall promptly notify PNC of any suspected breach of security, whether involving Customer's employees, agents, or representatives or other parties. PNC may take all action it deems, in its sole discretion, reasonable to prevent further breach or loss, whether it learns of a suspected breach through Customer's notice thereof or through its own means.
- 3.6.4 Access Credentials. In conjunction with certain Service(s) or Technology, PNC may issue and/or Customer may otherwise create its own combination of unique identifiers inherent to Customer and/or any Authorized Person, including user identification codes, passwords, keys, authentication or verification codes, security devices, digital signatures and certificates, and other similar devices and information for or in conjunction with access to the Services and/or Technology ("**Access Credentials**"). Customer agrees, for itself and for each Authorized Person, that it will maintain adequate security controls for all Access Credentials. Customer is exclusively responsible for any and all activity performed using Customer's Access Credentials. Customer must immediately notify PNC if Customer becomes aware that any actual or suspected unauthorized access to any Technology or Service has occurred or if there has been any actual or suspected loss, theft, compromise, breach, or unauthorized use of Access Credentials. PNC may take all action it deems reasonable in its sole discretion, including suspending Services and/or Technology, to prevent or mitigate against any actual or suspected compromise to Access Credentials, regardless if PNC was notified by Customer or PNC has a good faith reason to believe such actual or suspected compromise to Access Credentials has occurred.
- 3.6.5 Customer Responsibilities. Customer is responsible for all statements made and acts or omissions that occur while Customer's Security Procedures are being used. Where Customer has authorized any person to use its Security Procedures, Customer's authorization shall be considered by PNC as unlimited and will be effective until Customer revokes the authorization in writing.

PNC Security Procedures are strictly confidential and should be disclosed only to those individuals who need to know them. Customer must instruct those individuals that they should not disclose

the Security Procedures or otherwise make them available to anyone.

4. Compliance With Laws, Regulation and Policy Requirements

4.1 US Patriot Act and Other Laws. In using and performing the Services, Customer and PNC agree respectively to comply with all Laws, including without limitation the Bank Secrecy Act, the USA PATRIOT Act, the federal anti-money laundering statutes and any Laws, regulations and Executive Orders that are enforced or administered by OFAC. Customer represents and warrants that Customer has all licenses that may be required by OFAC to make a payment or conduct any other transaction through PNC. PNC may delay, or refuse to process or carry out, any transaction initiated by Customer or involving one of Customer's Accounts with PNC if PNC believes in good faith that such delay or refusal may be necessary to comply with Laws. If there is a conflict between this Agreement and any Law, then this Agreement shall fully vary such Law to the extent permitted by Law.

4.2 Certification of Beneficial Owners and Other Additional Information. If Customer is required to provide to PNC a Certification of Beneficial Owner(s), Customer agrees the information in the Certification of Beneficial Owners, as updated from time to time in accordance with this Agreement, is true, complete, and correct as of the date thereof. It is Customer's responsibility to promptly update the Certification of Beneficial Owner(s) upon any change to ownership or control. Customer agrees to provide such information and documentation as may reasonably be requested by PNC from time to time, including for purposes of compliance with applicable Laws (including without limitation the USA PATRIOT Act and other "know your customer" and anti-money laundering rules and regulations), and any policy or procedure implemented by PNC to comply therewith. If Customer is required to deliver a Certification of Beneficial Owners to PNC, Customer will also provide: (a) confirmation of the accuracy of the information set forth in the most recent Certification of Beneficial Owners provided to PNC, as and when requested by PNC; and (b) a new Certification of Beneficial Owners in form and substance acceptable to PNC when the individual(s) identified as a controlling party and/or a direct or indirect individual owner on the most recent Certification of Beneficial Owners provided to PNC have changed.

4.3 Confidentiality.

4.3.1 Customer Information. In addition to the obligations contained in this Agreement, PNC will handle Customer Information in the manner described in PNC's Data Security Addendum, which can be found at the following link: https://www.pnc.com/content/dam/pnc-com/pdf/Security/PNC_Data_Security_Addendum.pdf. As a regulated financial institution, PNC maintains a comprehensive cybersecurity program aligned to industry best practices. PNC's use of Confidential Information is subject to section 4.3.2 below. When applicable, PNC will handle Customer Information in accordance with the principles described in the Data Security Addendum. The Data Security Addendum supplements this Agreement, but any liability, including any breach notification or other reimbursement costs, is subject to the Limitation of Liability (Section 6) provisions in this Agreement. In the event of a direct conflict between the terms of the Addendum and this Agreement, the terms of the Agreement shall control.

4.3.2 Use of Confidential Information. Except as expressly provided in this Agreement or with the other party's prior written consent, each party agrees that: (a) it will not disclose Confidential Information of the other party to any third-party; (b) it will protect the Confidential Information of the other party as required by applicable Laws and regulations; and (c) it will not use Confidential Information of the other party for purposes other than as necessary to exercise its rights or perform its obligations under this Agreement. In addition to the foregoing, each party shall have reasonable measures, policies, and procedures designed to: (a) protect the security and confidentiality of the Confidential Information; (b) protect against any anticipated threats or hazards to the security or integrity of such Confidential Information; (c) protect against unauthorized access to or use of such Confidential Information; and (d) ensure the complete, permanent, and secure destruction of such Confidential Information as may be required by this Agreement or applicable Law. PNC will notify Customer of any Security Incident within a

reasonable time following discovery of such Security Incident, without undue delay, and in any event within the period mandated by applicable Law. Neither Party makes any representations or warranties as to the accuracy or completeness of its respective Confidential Information.

- 4.3.3 Permissible Disclosure. Notwithstanding the foregoing, without the need of obtaining the consent of the disclosing party, a receiving party may disclose information relating to this relationship to its auditors and regulators and may disclose Confidential Information to those of its Representatives who need to know such Confidential Information

(a) as necessary or useful for the receiving party or its Representatives to exercise any rights and perform any obligations in connection with this Agreement, or

(b) in the case of PNC and its Representatives, in conjunction with the provision of any services, as otherwise permitted or required by Laws, for fraud detection and prevention purposes, risk management purposes, or to otherwise communicate with Customer (and the Representatives of Customer),

provided that with respect to the Confidential Information disclosed such Representatives are subject to obligations of confidentiality substantially as protective as those set forth in this Agreement. A party may also disclose Confidential Information if legally compelled to do so pursuant to a court or administrative deposition, interrogatory, request for documents, subpoena, civil investigative demand, or other similar legal process or requirement of law, or in defense of any claims or causes of action asserted against it. In making any disclosure under such legal process or requirement of law, each party agrees to use reasonable efforts to preserve the confidential nature of such information and to reasonably cooperate with the other party in an effort to reasonably limit the nature and scope of any required disclosure of Confidential Information. Nothing herein shall require a party to fail to honor a subpoena, court or administrative order, or a similar requirement or request on a timely basis.

- 4.3.4 Exceptions. No information shall be within the protection of this Agreement where such information: (a) is or becomes publicly available through no fault of the receiving party or its Representatives; (b) is rightly obtained from third-parties, who, to the best of a receiving party's knowledge, are not under an obligation of confidentiality; (c) was known to the receiving party prior to its disclosure without any obligation to keep it confidential as evidenced by tangible records kept by the receiving party in the ordinary course of its business; or (d) is independently developed by the receiving party without reference to the originating party's Confidential Information.

- 4.3.5 Termination. In the event that this Agreement is terminated for any reason, each party agrees to promptly destroy or return to the other all copies of the Confidential Information of the other, without retaining any copies thereof; provided, however, that each party may retain limited media and materials containing Confidential Information of the other party for reasonable and required compliance, archival, backup and audit purposes, subject to the other terms of this Agreement.

- 4.3.5 Publicity. Customer may not use PNC's trademarks, brands, logos or names in any marketing material, advertisement, news release or public statement, unless specific prior written approval has been obtained from a senior executive within PNC's Treasury Management business.

4.4 Representations and Warranties.

- 4.4.1 Customer and PNC. Each Party represents, warrants, and covenants that: (a) it is duly organized validly existing, and in good standing; (b) the execution, delivery and performance of all documents or agreements provided in connection with this Agreement are within each Party's

powers, have been duly and validly authorized, and do not contravene its charter, by-laws, or any indenture, agreement, undertaking, law, regulation or order; (c) no approval, consent or authorization of any government authority is necessary to perform or receive any Service; (d) the terms and conditions contained in this Agreement are valid and binding obligations enforceable in accordance with their terms. Customer also represents, warrants, and covenants that, except as otherwise expressly set forth herein, it will not allow any Third Party to directly access any Services or Accounts without PNC's express written consent.

4.4.2 Status of Customer. Customer represents and covenants that: (a) it is not a "Consumer" as defined in section 205.2(e) of Regulation E of the Board of Governors of the United States Federal Reserve Board pursuant to the Consumer Credit Protection Act, as amended, 15 U.S.C. 1601 et. seq., and that Customer will use each Service solely for business, and not personal, family or household purposes; (b) it is not a sole proprietor; and (c) it will not use the Services in any manner that violates Law.

4.4.3 PNC. **PNC MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, IN CONNECTION WITH ANY OF THE SERVICES OR ANY SOFTWARE OR EQUIPMENT PNC MAY SUPPLY TO CUSTOMER, INCLUDING, ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

4.5 Calls, Monitoring of Use, Consent for Service Calls. Customer agrees that PNC may record and/or monitor any communications, including telephone conversations, PNC has with Customer in connection with the Services. However, PNC will not be liable to Customer if PNC does not record or maintain a record of a conversation or communication. PNC may monitor and record the activity of any person using a Service. Anyone using a Service, consents to such monitoring and recording. By providing telephone number(s) or other contact information to PNC, Customer authorizes PNC and its affiliates and designees to contact Customer regarding its Accounts and Services with PNC and its affiliates, using any means, including placing calls using an automated dialing system to cell, VoIP, or other wireless phone number, or by sending prerecorded messages or text messages, even if charges may be incurred for the calls or text message.

4.6 Electronic Records, Signatures and Delivery. This Agreement and other documentation may be provided to Customer either in paper form or electronically. Any part of this Agreement in electronic form shall be a "writing" or "in writing" and shall constitute an "original" both in electronic form and when printed from electronic files or records. All references to a signature may include electronic, digital, facsimile or stamp signatures. Any Communication may at PNC's option be delivered electronically, pursuant to the Notices Section of this Agreement, and be signed or executed using PNC's approved method for electronic signatures. PNC may use or accept a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format) for transmission, delivery and/or retention.

4.7 Taxes. Customer is responsible for paying all applicable taxes, based upon the Services selected, including federal, state, and local property, privilege, sales, use, excise, or similar taxes, but excluding taxes based upon PNC's net income or assets.

5. Indemnification by Customer

Customer will indemnify and hold PNC, its officers, employees, agents, affiliates, attorneys, and contractors harmless from any claim, loss, penalty, assessment, cost, or damage, whether in contract or tort (including attorney fees), arising under this Agreement, or in connection with the Services provided under this Agreement, or otherwise, including but not limited to those asserted by third parties including governmental authorities, for reimbursement or damages and those which arise out of or under the Electronic Funds Transfer Act, any applicable state electronic funds transfer rules or regulations, or any rules or guidelines of any automated clearing house. Notwithstanding the foregoing, such indemnification shall not apply to any claims, damages, losses, liabilities, and expenses solely and directly attributable to PNC's gross negligence or willful misconduct. Customer may

participate at its expense in the defense of any such action or claim.

6. Limitation of PNC Liability to Customer

6.1 Actual Damages. PNC shall be liable to Customer only for Customer's actual, direct damages resulting from PNC's failure to exercise ordinary care in performing each of the Services, subject to Section 6.3 (Maximum Damages). PNC's responsibility to Customer is limited to PNC's exercise of ordinary care in performing the Services covered by this Agreement. Substantial compliance by PNC with PNC's standard procedures for providing a Service shall be deemed to constitute the exercise of ordinary care. PNC will have no liability to Customer for taking or not taking any action permitted but not required. PNC will not be liable for the action or inaction of Customer, its Representatives, or any third party, including in handling items deposited to or withdrawn from Customer's Account.

6.2 Types of Damages. Notwithstanding the foregoing, in no event shall PNC, its Representatives, or agents be liable for any loss of profits, data or goodwill or for any indirect, consequential, incidental, punitive, exemplary, or special losses or damages, or expenses (including reasonable attorneys' fees), which Customer may incur or suffer, whether the possibility of such damage was known, foreseeable or contemplated by either Party.

6.3 Maximum Damages. The aggregate liability of PNC its Representatives and agents to Customer and any of Customer's Representative for any claim or cause of action, whether based on contract, tort, strict liability or any other legal theory shall not exceed: (i) *in the case of a Funds Transfer, Instruction for the transfer of money or other payment* that is misdirected, lost or otherwise paid to the wrong person as a result of PNC's failure to comply with the terms of this Agreement or Law, an amount in excess of the face amount of such Funds Transfer, Instruction or other payment and (ii) *in all other cases* for an amount in excess of twelve (12) times the fees Customer has paid PNC for the particular Service(s) to which the claim or cause of action relates during the month immediately prior to the month in which the act or omission giving rise to the claim occurred.

6.4 No Liability. PNC shall have no liability to Customer for the selection, operation, or maintenance of Customer's equipment, software, or communications facilities.

6.5 Use of Fraud Services. PNC offers fraud detection tools such as Positive Pay for Checks and ACH Positive Pay, designed to help detect and/or deter check and other payment system fraud. If Customer fails to implement the available fraud detection Services or others made available for this purpose **or fails to use such fraud detection Services in a way that would help to detect fraudulent items (such as setting default to pay all or failure to issue timely return instructions)**, PNC shall have no liability to Customer for any unauthorized, altered, counterfeit or other fraudulent transactions occurring in Customer's Accounts that such Service was designed to detect or deter.

6.6 Third Party Claims. NO THIRD PARTY SHALL HAVE ANY RIGHTS OR CLAIMS AGAINST PNC UNDER THIS AGREEMENT.

7. Termination

7.1 For Convenience. Customer may terminate this Agreement or any Service at any time upon notice to PNC, but PNC may have a reasonable amount of time to act upon such notice. PNC may terminate this entire Agreement or any Service at any time upon not less than thirty (30) calendar days prior written notice.

7.2 Immediate Termination by PNC With Notice. In addition to its rights under Section 7.1, PNC may terminate this entire Agreement or a particular Service immediately upon notice to Customer if one of the following occurs: (a) Customer fails to perform or comply with any of the terms or conditions of this Agreement (including any breach of Security Procedures); (b) Customer breaches any other agreement it has with PNC including any agreement (i) relating to Customer's indebtedness to PNC or (ii) relating to Customer's Account(s) with PNC (including Section 2 of this Agreement, Deposit Account Services terms) or (iii) which Customer executes as security for its obligations to PNC; (c) Customer breaches any of its representations and warranties; (d) Customer insolvency, receivership, or voluntary or involuntary bankruptcy, or any assignment for the benefit of creditors; (e)

in PNC's sole judgment, Customer's financial condition or business is impaired or PNC reasonably believes that Customer may not have sufficient available funds in its accounts with PNC to settle transactions hereunder; or (f) there are conflicts in Customer's ownership or control leading to adverse claims on the Accounts.

7.3 Immediate Termination by PNC Without Notice. PNC may terminate this entire Agreement or a particular Service immediately and without prior notice if: (a) in PNC's sole judgment, such termination is necessary because of legal process, Law, or other government guidelines; or (b) PNC suspects fraud or unlawful activity in connection with any Service.

7.4 Effect of Termination. Upon the termination of this Agreement for any reason or expiration of any transition period agreed to by PNC pursuant to Section 7.5, below, Customer and each Authorized Person shall immediately cease use of any Access Credentials and use of the Services. Notwithstanding any such termination, this Agreement shall continue in full force and effect as to all transactions for which PNC has commenced processing and as to all rights and liabilities arising prior to such termination.

7.5 Orderly Transition. Other than for a termination by PNC pursuant to Sections 7.2 or 7.3, above or Customer's failure to pay any undisputed amount by the requisite due date, upon expiration or any termination of this Agreement, in whole or in part, PNC in its sole discretion may, but is under no obligation to, continue to allow Customer to access and use the Services after the date of such termination or expiration to effectuate an orderly transition from the Services for a period not to exceed ninety (90) days. During such period, all fees, as updated from time to time, will continue to be in effect and the terms of this Agreement shall survive and continue to govern the Parties' rights and obligations with respect to the Services.

7.6 Accounts. Nothing in this Section limits or restricts PNC's ability to close Accounts as set forth in Section 2.25 of this Agreement (Closing Customer's Account).

8. Miscellaneous Provisions

8.1 Notice of Change. PNC may add to, change, modify, replace, or delete any of the provisions of this Agreement, the Service Schedules, or any Supporting Documentation including converting Customer's Account from one product to another, by giving Customer notice of the change. Customer's continued use of the Service after the effective date of any such change will constitute Customer's agreement to the change. Notwithstanding the foregoing, PNC may change any term or condition immediately and without prior notice to Customer if PNC determines in its sole discretion that the change is necessary: (i) to avoid potential loss to Customer or PNC; (ii) due to circumstances that substantially impact PNC's operations or the security of funds transfer; or (iii) to comply with any statute, regulation or ruling of any government agency to whose jurisdiction PNC is subject.

8.2 Force Majeure. Neither Party shall have responsibility nor incur liability for any failure to carry out, or any delay in carrying out, any of such Party's obligations under this Agreement caused, directly or indirectly, by circumstances beyond its reasonable control, including acts of God; pandemics; viruses; epidemics; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; riots; interruptions, loss or malfunctions of utilities, or communications services; acts of military authority or similar governmental action or any other cause beyond such Party's reasonable control. Notwithstanding the foregoing, no event or occurrence described in this Section shall relieve Customer of its obligation to make any payment due to PNC.

8.3 Governing Law and Venue.

8.3.1 Governing Law. This Agreement is governed by the laws and regulations of the State of Texas, without regard to principles of conflict of laws. The Services and the Agreement are also governed by the laws and regulations of the United States of America, including federal banking laws and the Electronic Signatures in Global and National Commerce Act.

8.3.2 Venue. Customer hereby irrevocably consents and agrees that any action, suit or proceeding resulting from, arising out of, or related to this Agreement shall be instituted in any federal court in the State of Texas and hereby waives any objection which Customer may now

or hereafter have to the laying of the venue of any such action, suit or proceeding in any such jurisdiction, on the basis of a more convenient forum or otherwise.

8.4 WAIVER OF JURY TRIAL. PNC AND CUSTOMER EACH IRREVOCABLY WAIVE ANY AND ALL OF ITS RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE ARISING OUT OF, BY VIRTUE OF, OR IN ANY WAY CONNECTED TO THIS AGREEMENT, ANY DOCUMENT EXECUTED IN CONNECTION HERewith, ANY AMENDMENT OR SUPPLEMENT HERETO OR THERETO, OR CUSTOMER'S ACCOUNT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. PNC AND CUSTOMER ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

8.5 Customer's Agents and Authorized Representatives. Any person or entity acting on behalf of or for the benefit of the Customer, including any Designated Third-Party Processor, used by Customer to take any action in connection with a Service shall be deemed for all purposes under this Agreement to be Customer's agent. All terms of this Agreement will apply to the acts and omissions of each such third party and Customer will be legally bound thereby.

- 8.5.1 As part of the Technology, PNC may make available to Customer APIs, standard or customized integrations or other communication channels for accessing or using the Services or receiving or transmitting information or instructions related to Customer's Accounts.
- 8.5.2 From time to time, PNC may (in its sole discretion) permit Customer to designate one or more Designated Third-Party Providers to engage in TPP Activities. Any such TPP Activities by any Designated Third-Party Provider (a) will be subject to the terms and conditions of this Agreement, any Services Schedule, and such other terms, conditions and instruments as PNC may establish from time to time with respect to the Services and Accounts (or the access or use thereof) and (b) will occur through Technology that PNC has approved for such activities.
- 8.5.3 Before Customer uses a Designated Third-Party Provider to perform TPP Activities, Customer must provide notice to PNC as to (a) the identity of such Designated Third-Party Provider, (b) the TPP Activities to be performed by such Designated Third-Party Provider and (c) the Account(s) as to which the Designated Third-Party Provider is permitted to perform TPP Activities. PNC may also require Customer to indicate the Services with which the Designated Third-Party Provider is permitted to interact. Customer must provide PNC such other information as PNC may reasonably request regarding any Designated Third-Party Provider with respect to their TPP Activities and their access, use and interaction with any Account(s), Account information, Services or Technology. Both Customer and its Third-Party Provider must meet all PNC requirements (including the requirements in this Section). PNC is entitled to rely on any notification or authorization (or any revocation of a notification or authorization) made by Customer or its Representatives with respect to such Designated Third-Party Provider or TPP Activities (including any notification, authorization or revocation given electronically by Customer's Representatives who have administrative access to Customer's Accounts or any online or electronic functionality associated with such Accounts).
- 8.5.4 A Designated Third-Party Provider may be required to enter into a Joint Customer Access Agreement with PNC or other terms, conditions and instruments as PNC may designate from time to time. Customer acknowledges and agrees that (a) PNC has no obligation to allow any Designated Third-Party Provider to access any Account(s), Account information, Services or Technology, and (b) PNC may (at any time and in its sole discretion) revoke, suspend or terminate a Designated Third-Party Provider's access to any Account(s), Account information, Services or Technology, with or without notice to Customer (though PNC will reasonably endeavor to notify Customer as soon as practicable of such revocation, suspension or termination).
- 8.5.5 Customer acknowledges and agrees that each of Customer's Designated Third-Party Provider(s) is acting as Customer's agent and Representative with respect to Customer's Account(s), as well as

the Services and Technology that PNC makes available hereunder. Action taken by any Designated Third-Party Provider shall be considered an action taken by Customer and not by PNC. A Designated Third-Party Provider is not PNC's vendor, service provider, Representative or agent. PNC is not responsible or liable for any of the products or services provided by, or any other actions or omissions of any Designated Third-Party Provider. PNC's records (rather than the records of any Designated Third-Party Provider) are the official records for Customer's Account(s) and Services. PNC is not responsible for a Designated Third-Party Provider's access, storage, transmission or processing of any data or information it receives from or on behalf of PNC. If a Designated Third-Party Provider sends instructions or data to PNC (or any agent or representative of PNC) with respect to Customer's Account(s) and the Services provided to Customer, PNC (and PNC's agents and Representatives) can rely on such instructions and data as if received directly from Customer, and neither PNC nor its agents and Representatives have any obligation to confirm the accuracy of such instructions or data. It is Customer's responsibility to ensure Customer has appropriate agreements in place with any Designated Third-Party Providers with regards to their access and use of Customer's Accounts, Account information, the Services, and any Technology (and any information related thereto), including as it relates to the security and protection of Customer's Account(s), Customer's Account information and the access and use of the Services and Technology. Without limiting the foregoing, PNC has no responsibility or liability for (a) any action or omission of any Designated Third-Party Provider in connection with the access or use of (or failure to access or use) any of the Accounts, Account information, Technology or Services, or (b) for any unauthorized transactions or any losses with respect to Customer's Accounts that are attributable to the actions or omissions of any of Customer's Designated Third-Party Providers.

- 8.5.6 Neither Customer nor its Designated Third-Party Providers may use any Technology in a manner or for a purpose not expressly permitted by this Agreement, the Service Schedules or any other terms and conditions applicable to such Technology (including any applicable Joint Customer Access Agreement).
- 8.5.7 PNC reserves the right to suspend or terminate Customer's access to any Technology (including any API connection) if Customer's access or use of such Technology (a) is in violation of this Agreement, any Service Schedule, any other terms, and conditions applicable to such Technology or applicable Law, or (b) if such access or use poses a threat to the security or operations of PNC (or any of its affiliates or other customers).
- 8.5.8 Certain Services may use a PNC Connection Provider to (a) facilitate the transfer of information about Customer's Account(s) from PNC to Customer or Customer's Designated Third-Party Provider or (b) transfer Customer's data and instructions (including payment instructions) from Customer's Designated Third-Party Provider to PNC. In order to fully use any such Services, Customer (or Customer's Designated Third-Party Provider) may need to install or use a Connectivity Platform provided by the PNC Connection Provider, which enables such transfer. Before Customer (or Customer's Designated Third-Party Provider) uses any Services that involve the use of a PNC Connection Provider or a Connectivity Platform, Customer (and Customer's applicable Designated Third-Party Provider, if any) must complete the required PNC application and meet all PNC requirements.

8.6 Assignment and Successors. Customer may not assign this Agreement or any of its rights or obligations hereunder, by operation of law or otherwise, without prior written consent of PNC, which consent shall not be unreasonably withheld. No consent is required for PNC to assign, delegate or otherwise transfer this Agreement, in whole or in part, or PNC's rights or obligations under this Agreement. PNC may contract with others to provide all or any part of the Services or perform any or all of PNC's obligations under the Agreement. This Agreement shall be binding upon, and inure to the benefit of, Customer and PNC and each of their respective permitted successors and assigns.

8.7 Location of Services. Customer acknowledges and agrees that PNC or its Representatives may perform some or all of the Services (including processing Customer Confidential Information and other data) from locations outside of the United States.

8.8 Survival. The rights and obligations of the Parties which by their nature must survive termination of this Agreement will survive any such termination.

8.9 No Waiver. Except for changes made in accordance with this Agreement, no deviation, whether intentional or unintentional, shall constitute an amendment of this Agreement. Further, no such deviation, delay, or failure to exercise any option or right set forth in this Agreement shall constitute a waiver of any rights or obligations of either Customer or PNC. Any waiver by either Customer or PNC of any provision of this Agreement or any other rights proscribed shall be in writing and shall not constitute a waiver of Parties' rights under that provision in the future or of any other rights.

8.10 Headings. The headings in this Agreement are for convenience only and shall not be used for construction or interpretation of any provisions hereof.

8.11 Interpretation. The term "including", and words of similar import, means "including but not limited to" or "including without limitation." Words or defined terms in the singular include the plural case, and vice versa. All references to a signature in this Agreement include Electronic Signatures and tangible signatures (e.g., handwritten and stamp signatures).

8.12 Severability. If any one or more of the provisions of this Agreement (or any portion thereof) is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall not be affected or impaired thereby.

8.13 Entire Agreement. This Agreement (including those documents that are incorporated herein), constitutes the entire agreement with respect to the Services covered by this Agreement and supersedes any previous or contemporaneous proposals, representations, warranties, understandings, and agreements for such Services, either oral or in writing.

8.14 Ownership, Trademarks and Copyrights. All rights, title, and interest, including copyright, in and to the Services or Technology are owned by PNC or by the third parties from whom PNC have obtained the right to use them. Customer may not copy, modify, translate, decompile, reverse engineer, reproduce, adapt, or disassemble any Service.

8.15 Notices.

8.15.1 Communications required or permitted under this Agreement must be in writing. Each Party agrees that the other Party may send any Communication electronically (except with respect to any Critical Notice from Customer to PNC, which must be sent as set forth in 8.15.4 below). All electronic Communications will constitute a "writing," such that any reference to a "writing" or "written" in this Agreement will include electronic communications. All references to a signature may include electronic, digital, facsimile or stamp signatures.

8.15.2 PNC may, at its option, send Communications to Customer by (i) first class mail; (ii) commercial courier service; (iii) email sent to Customer-provided email address; (iv) PINACLE alerts, messages or other means of notice available through PINACLE or any successor or other online access channel for use in accessing Accounts and Services, including messages sent through PINACLE or successor access channel to the Customer's PINACLE administrators or other designated PINACLE users; (v) sending notification to Customer by mail, email, or PINACLE notice that the Communication has been posted to a designated website; (vi) to the extent permissible by Law, posting to an agreed-upon website or online portal or platform; (vii) any other agreed-upon method of electronic delivery. All Communications sent by PNC to Managing Customer will be effective notice to all Participating Customers. Any such Communications to Customer delivered

by mail, commercial courier service or email shall be sent to the applicable postal, physical and email addresses (as the case may be) for Customer provided to PNC at account opening or otherwise thereafter transmitted to PNC via (a) online portals or channels designated for such purpose by PNC (e.g., PINACLE or the Services Portal), or (b) via a Communication delivered to PNC in accordance with this Section. Communications sent electronically to Customer will be deemed received and effective when the Communication, or a notice advising of its posting to a website, is sent.

8.15.3 Unless otherwise indicated by PNC in a Communication to Customer, Customer will transmit Communications (other than Critical Notices) to PNC via functionality for such purpose in PINACLE (or a successor access channel designated by PNC) or via email to the business email address for a designated Customer relationship contact. PNC may designate (via a Communication to Customer) additional or different methods for Customer to transmit Communications to PNC.

8.15.4 All Critical Notices from Customer to PNC shall be delivered to PNC at:

PNC Bank, National Association
PNC Firstside Center
500 First Avenue
Pittsburgh, PA 15219
Mail Stop P7-PFSC-03-B
Attention: Treasury Management

With a copy to:
PNC Bank, National Association
Legal Department
1600 Market Street, 8th Floor
Philadelphia, PA 19103
ATTN: Treasury Management Counsel

8.16 Facsimile Signatures. If Customer chooses to use facsimile signatures, Customer agrees that: (a) it is impossible for PNC to determine whether or not a facsimile signature is genuine; (b) PNC may honor any and all checks, drafts or other orders for the payment or withdrawal of money bearing or appearing to bear an authorized facsimile signature, even if the facsimile signature was made by an unauthorized person or the item on which a facsimile signature appears is itself a counterfeit item, or the facsimile signature is counterfeit; and (c) Customer assumes full responsibility and will indemnify PNC for all items paid over a forged or unauthorized facsimile signature.

[remainder of this page left intentionally blank]

IN WITNESS WHEREOF, intending to be legally bound, Customer has caused its duly authorized representative to execute this Agreement on its behalf, as of the Effective Date.

[CUSTOMER NAME]

By: _____

Print Name: _____

Title: _____

Address Line 1: _____

Address Line 2: _____

City: _____ State/Province: _____

Zip Code/Postal Code: _____ Country: United States of America

Email: _____

Phone: _____

ADDENDUM A

DEFINITIONS

"Account" means the business account(s) Customer identifies for use in connection with the Services and which is subject to the Agreement and any other related documentation provided at account opening, as updated, or amended from time to time. Accounts include, but are not limited to, demand deposit and/or interest-bearing checking and savings business accounts, including money market accounts.

"Agreement" means this PNC Treasury Management Services Agreement, all applicable Service or other Schedules, and Supporting Documentation.

"API" means application programming interfaces.

"ATM" means an automated teller machine.

"Authorized Person" means an individual designated by Customer to act for Customer with respect to the Services.

"Banking Day" means Monday through Friday, excluding federal holidays, when PNC is open to conduct general banking business.

"Beneficial Owner(s)" means the definition set forth at 31 CFR 1010.230(d).

"Check 21 Act" means the Check Clearing for the 21st Century Act, 12 CFR § 229, or any successor legislation.

"Communication" means any communication, message, information or documentation, notice (including any Critical Notice), signature card, periodic statement, disclosure, agreement, or authorization related to the Agreement or Services.

"Confidential Information" means all information which is non-public, confidential, and/or proprietary in nature to which one Party is given access by or on behalf of the other Party. Confidential Information includes technology, know-how, processes, software, databases, employee information, trade secrets, contracts, proprietary information, historical information, financial information, information about or from either party's vendors, product and business requirements, business strategies, operating data, and organizational structures. Customer Information is a subset of Confidential Information.

"Connectivity Platform" means any software, platform or other connectivity means provided by or otherwise directed by a PNC Connection Provider.

"Critical Notice" means any notice concerning (a) any alleged breach or default under this Agreement by a Party, or (b) any failure of a Party to comply with any Law in connection with this Agreement, any Services or any performance of such Party's obligations related thereto.

"Currency Event" means: (i) that a country has lawfully eliminated, converted, redenominated, revalued or exchanged its currency, or fixed its exchange rates; (ii) that a relevant rate option or other price source for a national currency has disappeared or been replaced; or (iii) that an agreed sponsor (or a successor sponsor) has failed or exchanged its currency.

"Customer" means the Managing Customer and, if applicable, any Participating Customer(s) of such Managing Customer.

"Customer Information" means all non-public personal information of consumers, including information defined as such by the Gramm-Leach-Bliley Act (Pub. L. 106-102).

"Designated Third-Party Provider" means any third-party agents, technology solution vendors and other service providers acting on Customer's behalf.

"Effective Date" means the date set forth in Section 1.1 (Parties) above on which the Agreement is effective.

"Electronic Signature" has the meaning given it in 15 U.S.C. § 7006 (as the same may be hereafter amended, modified or replaced).

"ERISA" means the Employment Retirement Income Security Act of 1974, as amended.

"FDIC" means the Federal Deposit Insurance Corporation.

"Federal Reserve Bank" means one of the 12 regional banks of the Federal Reserve, which is the central bank of the United States.

"File Format Testing Service" means the PINACLE file format testing service, which assists Customer testing files in a test environment.

"Funds Transfer" means any payment order or other instruction for moving moneys from an Account such as by wire or ACH credit.

"Instruction" means any instruction, direction, payment order, Funds Transfer or other debit or credit order.

"Joint Customer Access Agreement" means an agreement between PNC and Customer's Designated Third-Party Provider regarding such Designated Third-Party Provider acting on Customer's behalf.

"Law(s)" means all applicable local, state, and federal laws, rules, and regulations (and the laws of foreign countries, if Customer directs PNC to make a payment to a beneficiary in a foreign country), as amended from time to time.

"Managing Customer" means the business, governmental or non-profit entity that executed and entered into this Agreement for the purpose of receiving Services on behalf of itself and any of its Participating Customer(s).

"Multicurrency Account" means an Account that is denominated in a foreign (*i.e.*, non-U.S. Dollar) currency.

"OFAC" means the Office of Foreign Assets Control.

"Original Currency" means the then-current lawful currency of a country.

"Participating Customer" means (a) any subsidiary, affiliate, chapter, department, agency, office or similar associated entity of a Managing Customer or (b) any other organization, instrumentality or entity otherwise subject to the management, control or direction of a Managing Customer (whether by contract or operation of law): (i) on whose behalf the Managing Customer has executed and entered into this Agreement for the purpose of such Participating Customer (in addition to the Managing Customer) receiving Services hereunder; and (ii) that has itself (or the Managing Customer on its behalf has) completed any and all documentation required by PNC in order for such other Participating Customer to be (and has otherwise been accepted in writing by PNC, in its sole discretion, as) a Customer eligible to receive Services.

"Party" means each of Customer and PNC, and **"Parties"** means, collectively, Customer and PNC.

"PNC" means PNC Bank, National Association located in Wilmington, DE.

"PNC Connection Provider" means a third-party service provider engaged by PNC.

"Remotely Created Check" means a check that Customer is authorized to create and present for payment by an authorized signer on the account on which the check is drawn, and which does not bear the signature of an

authorized signer on that account and includes checks that are defined in applicable law as “remotely created checks”.

“Representative” means a Party's affiliates, employees, officers, representatives, contractors, subcontractors, and advisers.

“Security Incident” means (a) unauthorized or unlawful access to, or use, loss, destruction, alteration, or disclosure of any of your Customer Information held by PNC or any rendering of such Customer Information inaccessible or unusable; or (b) unauthorized access to any PNC controlled facility, computer network, system, or device containing any your Customer Information.

“Security Procedure” means any security procedure that applies to a Service.

“Service Schedule” means the service description, requirements and obligations of the parties found in the respective titled document. Service Schedules are available on the Services Portal.

“Services” means one or more of the Treasury Management services provided by PNC (or on its behalf by its Representatives).

“Services Portal” means www.PNC.com/TMDocuments, or any successor website designated by PNC.

“Substitute Check Document” means a document that Customer or someone on Customer's behalf created or printed from an image or other electronic record of an original paper check.

“Successor Currency” means any currency of a country that lawfully replaces the Original Currency of such country.

“Supporting Documentation” means with respect to any Account, Service or Services Portal (and in addition to any Service Schedule): (a) any onboarding documents, terms of use, authorization forms or other instruments PNC requires to be completed by Customer or that PNC otherwise makes available to Customer; (b) any supplemental terms and conditions required by PNC as specifically set forth in a jurisdictional rider; and (c) any instructions, technical documents, specifications or product/service descriptions made available by PNC from time-to-time.

“Technology” means any website, access channel, software, API, or other technology to which PNC may give Customer access.

“TPP Activities” means any Designated Third-Party Provider obtaining information about Customer's Account(s), sending, or receiving data or instructions (including payment instructions) in connection with Customer's Account (s) and the Services PNC provides Customer, or otherwise interfacing with such Account(s) and Services.



BOND ACCOUNTING AND SAFEKEEPING SERVICES AGREEMENT

This Bond Accounting and Safekeeping Services Agreement (this "Agreement") is made effective as of _____ between PNC Bank, National Association ("PNC") and _____ ("Customer," "you," or "your").

A. SAFEKEEPING SERVICES

The provisions of this Section A apply only if you select to receive Safekeeping Services on Attachment A to this Agreement.

1. **Custody and Transfer of Assets.** PNC agrees to hold and keep as custodian all stocks, bonds (together with any other securities, "Securities") and certificates of deposit and other property ("Other Property" and, together with Securities, the "Assets") delivered to and accepted by PNC for Customer's account. Notwithstanding any agreement with PNC or any of its affiliates to the contrary, PNC will not pursuant to this Agreement review the Assets; recommend the purchase, retention, sale, exchange, or deposit in reorganization of the Assets; or otherwise serve as an investment adviser or trustee. PNC has no responsibility to determine the validity or genuineness of any Assets. Subject to the terms and conditions of any pledge agreement between PNC and Customer, PNC will transfer the Assets to persons as Customer requests, including to another PNC account, an account at a PNC affiliate, or to third parties; however, PNC will not transfer any funds in excess of Customer's collected balance on deposit with PNC.
2. **No Orders.** PNC will not accept orders to effect securities transactions in any account. All orders must be placed with Customer's broker-dealer.
3. **Collection and Distribution of Principal and Income.** PNC will collect payments of principal, interest, dividends, and income on Securities and Other Property. Customer is obligated, and PNC will not be liable for any failure, to collect Securities (including but not limited to zero coupon bonds and similar instruments) at maturity or upon call for redemption or payment. Upon receipt of payments or collections as collected funds, PNC will credit Customer's account(s) established pursuant to this Agreement, or upon Customer's directions, will make these payments by wire transfer.

4. Pledge of Securities; Security Interest. Upon receipt of all approvals requested by PNC, PNC will hold securities as custodian for a pledgee, including PNC and its affiliates, to whom owner has pledged the securities; which pledge shall be irrevocable until released by pledgee. As security for Customer's obligations hereunder and under any other agreement relating to Customer's safekeeping account or any other account held by PNC, unless superseded by a pledge agreement executed by PNC and Customer, Customer grants PNC a continuing security interest, lien and right of setoff in all Securities, money, deposits, or Other Property belonging to Customer, or in which Customer may have an interest, that PNC, or any of its affiliates, may hold, carry, possess or control for any purpose, including safekeeping. Customer authorizes the sale, without notice, of any Assets to satisfy Customer's Obligations and agrees PNC shall have the discretion to determine which particular Assets are to be sold. The sale of any Assets will be free of any right of redemption, and Customer shall remain liable for any deficiency.

5. Proxies, Financial Statements, and Other Materials. PNC will use its reasonable best efforts to forward to Customer any proxies, financial statements, warrants, rights to subscribe, plans for reorganization or recapitalization, plans for exchange of securities, or similar corporate communications or rights which PNC may receive relating to Securities. However, unless otherwise required by law, PNC has no obligation, and shall not be liable for, any failure to do so. PNC will in no case be responsible for transmitting any information or materials unless PNC receives adequate notice through its customary sources of information.

PNC will not vote any proxies or otherwise exercise any rights of a shareholder for Securities held under this Agreement.

6. Holding of Securities; Services; Execution. PNC is authorized to hold all Securities in its own name or in the name of its nominee, in registered or unregistered form, with a centralized securities depository system ("CSDS"), any affiliate bank or corporation of PNC, or other nominee selected by PNC or through a nominee of a CSDS. PNC is designated Customer's agent with power of substitution to hold, endorse, transfer, register and deliver Securities in accordance with Customer's instructions, and to take all actions which are incidental, necessary or desirable to the performance thereof. PNC is authorized, but not required, as Customer's agent to open mail addressed to Customer and to sign or endorse any declarations, affidavits, certificates of ownership or other documents which are now or may hereafter be required with respect to all coupons, registered interest, dividends or other income on Securities.

7. Other Property now or hereafter held or received for the account of Customer. PNC has no responsibility to take any action other than specified herein or to institute or participate in any legal proceedings relating to Securities or Other Property. PNC is

authorized but not required to execute as Customer's agent in its name all necessary certificates of ownership required by federal income tax regulations, but without claiming thereon any personal exemption. Customer, and not PNC, is responsible for money or Securities paid or delivered to any broker or other person upon Customer's direction.

8. **Disposition of Assets upon Termination.** Upon termination of this Agreement, Customer shall give written instructions to PNC as to the proper disposition of the Assets. Until such disposition has occurred, the provisions of Sections B.1, B.4, and B.6 herein will remain in effect, however, PNC's only duty with respect to the Assets will be to keep the Assets in safekeeping. In the event that following termination of this Agreement, Customer fails to timely satisfy its obligations to PNC incurred pursuant to this Agreement, Customer hereby authorizes PNC to liquidate all or a portion of the Assets as PNC deems necessary to cover recurring service and maintenance fees and charges, and other costs, expenses and charges, including, without limitation, attorney's fees and court costs, associated with the account(s) established pursuant to this Agreement until final disposition of the Assets.

B. BOND ACCOUNTING SERVICES

The provisions of this Section B apply only if you select to receive Bond Accounting Services on Attachment A to this Agreement.

1. **Services.** PNC will provide to Customer computer-generated reports and provide accounting services concerning the securities and other investments included within Customer's investment portfolio. Computer generated reports will consist of any and/or all accounting, management and regulatory reports generated by the system used to support this service.
2. **Restrictions on Data Incorporated in the Services.**
 - a. Proprietary Notice; PNC Services provided solely for Customer's internal or personal use; No Redistribution to Third Parties. ALL DATA FURNISHED BY PNC PURSUANT TO THIS AGREEMENT ARE PROPRIETARY TO PNC (OR PNC'S LICENSORS) ("DATA") ARE SO FURNISHED AT CUSTOMER'S REQUEST AND FOR CUSTOMER'S EXCLUSIVE USE. NO DATA SO FURNISHED MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, DISTRIBUTED, REDISTRIBUTED, SOLD, RESOLD, LEASED, RENTED, LICENSED, SUBLICENSED, ALTERED, MODIFIED, ADAPTED, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY CUSTOMER OR ANY OTHER PERSON OR ENTITY, WITHOUT PNC'S PRIOR WRITTEN CONSENT; PROVIDED, HOWEVER, CUSTOMER MAY PROVIDE COPIES OF ITS PORTFOLIO TO ITS ADVISORS,

ACCOUNTANTS, ATTORNEYS, OTHER INVESTMENT ADVISORS, AND REGULATORY AGENCIES SOLELY AS NECESSARY TO MANAGE CUSTOMER'S PORTFOLIO AND FOR CUSTOMER'S EXCLUSIVE USE WITHOUT OBTAINING PNC'S PRIOR WRITTEN CONSENT. ANY VIOLATION OF THIS PROVISION WILL RESULT IN TERMINATION OF ACCESS TO THE DATA.

- b. **No Warranties; Limitation on Liability; Liability Cap.** All Data furnished pursuant to this Agreement is obtained by PNC from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error as well as other factors, however, all Data is provided "AS IS" without warranty of any kind, and PNC (AND PNC'S LICENSORS), IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO CUSTOMER OR ANY OTHER PERSON OR ENTITY AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH DATA.

Under no circumstance shall PNC (or PNC's licensors) have any liability to Customer or any other person or entity for (i) any loss, damage or other injury in whole or in part caused by, resulting from or relating to, any error (negligent or otherwise), or any other circumstance or contingency within or outside the control of PNC or any of its directors, officers, employees or agents, or licensors, in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any Data, or (ii) ANY INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL, INCIDENTAL OR COMPENSATORY DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, LOST PROFITS), EVEN IF PNC SHALL HAVE BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES, IN EITHER CASE CAUSED BY, RESULTING FROM OR RELATING TO THE USE OF, OR INABILITY TO USE, ANY DATA. Without limiting the foregoing, in no event shall the total liability of PNC or PNC's licensors in the aggregate to Customer arising from this Agreement (based on any cause of action whatsoever) exceed the fees actually paid by Customer to PNC within the twelve (12) month period immediately preceding the date upon which the relevant claim accrued.

- c. **Moody's Rights to Data.** Customer agrees and acknowledges that the Moody's Data is and shall remain the valuable intellectual property owned by, or licensed to, Moody's Investors Service, Inc., ("Moody's") and that no proprietary rights are being transferred to Customer in such materials or in any of the Data contained therein. Customer agrees that misappropriation or misuse of such materials shall cause serious damage to Moody's and that in such event money damages may not constitute sufficient compensation to Moody's; consequently, Customer agrees that in the event of any misappropriation or misuse, Moody's shall have the right to obtain injunctive relief in addition to any other legal or financial remedies to which Moody's may be entitled.

- d. **Securities Disclosures.** Moody's hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's have, prior to assignment of any rating, agreed to pay to Moody's for the appraisal and rating services rendered by it fees ranging from \$1,500 to \$2,700,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS) also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at www.moody's.com under the heading "Shareholder Relations -- Corporate Governance -- Director and Shareholder Affiliation Policy."

Customer expressly agrees that (i) the credit ratings and other opinions contained in such Data are, and will be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, hold or sell any securities, (ii) each rating or other opinion will be weighed solely as one factor in any investment decision made by or on behalf of Customer, and (iii) it will accordingly make its own study and evaluation of each security, and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

- e. **Records Retention.** Customer shall maintain records of the information supplied to PNC and PNC shall duplicate, store and reasonably safeguard all information, data and reports prepared and processed for Customer.

C. GENERAL PROVISIONS

The following provisions shall apply to all services provided to Customer under this Agreement:

1. **Customer Identification Program Notice:** To help the government fight financial crimes, Federal regulation requires us to obtain and verify the beneficial owners, i.e., entity owners and control persons, of legal entity customers. In certain circumstances, we may obtain and verify comparable information for any person authorized to provide instructions for an account. Requiring the disclosure of key individuals who own or control a legal entity helps law enforcement investigate and prosecute crimes.
2. **Fees and Expenses.** Customer shall pay, and PNC may debit any account of Customer at PNC for, fees in accordance with the schedule of Bond Accounting and Safekeeping Fees, as provided to you and as may be amended by PNC from time to time. Customer

will pay and reimburse PNC for all applicable government and third-party fees, penalties, expenses, taxes, or other charges, arising out of or related to this Agreement, including but not limited to registration, redenomination, insurance, collection, pledge, and courier fees and expenses.

3. **Information Sharing; PNC Capital Markets LLC.** Customer acknowledges that data relating to Assets and transactions in accounts established pursuant to this Agreement ("Customer Data") will be accessible by personnel of PNC's affiliate, PNC Capital Markets LLC ("PNCCM"). PNCCM is a broker- dealer registered with the Securities and Exchange Commission. PNCCM shall be permitted, but not required, to use Customer Data to generate recommendations for Customer relating to investment or trading strategies that PNCCM deems suitable for Customer and to contact Customer regarding such recommendations using the contact information provided by Customer to PNC. Any such recommendations shall be made on behalf of PNCCM and not PNC.
4. **No Municipal Advisory Services.** PNC does not provide municipal advisory services to its customers and we will not act as a municipal advisor for you or your account. Accordingly, you agree that IF you are a Municipal Entity OR You are or in the future become an Obligated Person PNC will not provide advice regarding the investment of Proceeds of Municipal Securities. For purposes of this Section : A Municipal Entity is a State or a political subdivision of a State; a municipal corporate instrumentality; any agency, authority, or instrumentality of the above; any plan, program or pool of assets sponsored or established by any of the above; or any other issuer of municipal securities; An Obligated Person is any person who is either generally or through an enterprise, fund, or account of such person, committed by contract or other arrangement to support the payment of all or part of the obligations on the municipal securities to be sold in an offering of municipal securities, such as a private obligor to a primary issuance of municipal securities; and Proceeds of Municipal Securities are (a) monies a Municipal Entity receives from the sale of municipal securities, or the investment income of such monies, or (b) monies held by a Municipal Entity or Obligated Person under legal documents that are reasonably expected to be used as security or source of payment for the debt service on municipal securities (including reserves, sinking funds, and pledged funds created for such purpose), and the investment income of such funds.
5. **Limitation of Liability; Indemnification; Force Majeure.**
 - a. The services to be rendered by PNC under this Agreement are only of a safekeeping, record-keeping and reporting nature and shall not be in the nature of accounting advice, investment advice, counseling or direction, nor shall the rendering of those services warrant, insure or assure the profitability,

stability, longevity or value of Customer's investment portfolio, and Customer expressly agrees to hold harmless PNC, its agents, employees, affiliates, subsidiaries or related entities from any and all claims arising from a depreciation in or loss to Customer's investment portfolio, regardless of the cause. PNC will not be liable for (i) any loss, damage, or liability incurred by Customer unless it results directly from the PNC's gross negligence or willful misconduct in the performance of its obligations as described by this Agreement or (ii) under any circumstances, any consequential, special or indirect losses or damages which Customer may incur or suffer by or as a consequence of PNC's performance of, or failure to perform, the services to be provided hereunder, whether or not the likelihood of such losses or damages was known by PNC.

- b. Customer shall indemnify, defend and hold PNC and its officers, directors, employees, agents and representatives harmless from and against any suit, judgment, claim, asserted claim, demand, loss, liability, expense or interest (including legal fees and expenses) ("Losses and Expenses") arising out of or in connection with this Agreement (including, without limitation, Customer's breach of any representation, certification, warranty or covenant herein), excluding, however, those Losses and Expenses which are finally determined by a court of competent jurisdiction to have resulted directly from PNC's gross negligence or willful misconduct in the performance of its obligations as described by this Agreement. This indemnification shall survive resignation of PNC or the termination of this Agreement.
- c. No failure, delay or default in performance of any obligation of PNC under this Agreement shall constitute an event of default or breach to the extent that such failure to perform, delay or default arises out of a cause, existing or future, beyond the reasonable control and without gross negligence or willful misconduct of PNC; including, but not limited to: action or inaction of any governmental, civil or military authority; fire; flood; war; terrorism; acts of public enemies; riot; theft; earthquake, natural disaster, epidemics or acts of God; pandemics; any loss of data or damage, delay or error arising out of sabotage, interruption or imperfection in telephonic service, communication lines or equipment failures, satellite malfunctions, electrical disturbances, brown-outs or black-outs, failure of functions or malfunctions of the Internet or telecommunications services, firewalls, encryption systems or security devices caused by any of the above or any other cause beyond the reasonable control of PNC and its employees; or the act, negligence, omission or default of the Customer.

6. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY DISPUTE THAT ARISES OR IS RELATED TO THE NEGOTIATION, EXECUTION, PERFORMANCE OR NON-PERFORMANCE, INTERPRETATION, TERMINATION OR CONSTRUCTION OF THIS AGREEMENT, AND ANY OTHER DOCUMENT OR INSTRUMENT DELIVERED PURSUANT HERETO, AND ALL MATTERS BASED UPON, ARISING OUT OF OR RELATED TO THE FOREGOING (WHETHER IN CONTRACT, TORT, EQUITY, LAW OR STATUTE).

7. Miscellaneous.

- a. This Agreement shall be governed and interpreted pursuant to the laws of the State of Texas without reference to its provisions regarding conflict of laws.
- b. If a court determines that any provision of this Agreement is not enforceable, that provision shall be deemed to be deleted from this Agreement but the remainder of this Agreement shall remain in full force and effect. The parties intend that this Agreement shall be legally binding upon the parties, their heirs, executors, successors or assigns. This Agreement contains the entire understanding of the parties and supersedes any other oral or written agreement between the parties.
- c. This Agreement may be executed in counterparts, each one of which will be deemed to be an original, but all of which together will constitute one and the same instrument.

8. Customer Representations. Customer represents and warrants that:

- a. Customer is not executing this Agreement on behalf of an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended (ERISA) or an Individual Retirement Account (IRA).
- b. (i) Customer is in compliance with all applicable local, state, federal and foreign laws and regulations applicable to Customer which could reasonably be expected to have a material effect on the terms of this Agreement and/or the ability of PNC to perform the services hereunder; (ii) Customer has the authority to execute and deliver this Agreement and all documents relating to the Assets; (iii) this Agreement constitutes a legal, valid and binding obligation of the Customer; (iv) the execution of this Agreement and the payment of fees to PNC from the Customer Account(s) are fully permitted under all laws and regulations applicable to the Customer and under the Customer's governing

documents, if any; (v) except as set forth in a pledge agreement executed by PNC and Customer, the Assets are free of encumbrances; (vi) Customer will notify PNC promptly of any event which might affect these representations, Customer's authority or the propriety of this Agreement, or any material change in Customer's circumstances that might affect the manner in which services are provided by PNC or a sub-custodian to the Customer;

9. Amendment and Termination. PNC may amend this Agreement (i) upon written notice in order to conform with any requirement of law, or (ii) upon PNC's providing thirty (30) days' prior written notice to Customer. This may include changing, dropping or adding fees and policies; changing features and services or the entities that provide them; and limiting the usage or availability of any feature or service, within the limits of applicable laws and regulations. Although it is PNC's policy to send notice to Customers of any material changes, we are not obligated to do so in most cases. Customers can obtain the updated or amended Agreement by contacting us. Outside of changes originating in these ways, no provision of this Agreement can be amended or waived except in writing by one of our authorized representatives. This Agreement may be terminated by either party hereto by written notice to the other party upon the insolvency, bankruptcy, or liquidation of the other party or the initiation of a material enforcement action by a regulatory authority against such other party, or upon breach of this Agreement by such other party. Otherwise, this Agreement shall continue in effect until terminated by either party hereto by giving at least sixty (60) days' prior written notice to the other party. Obligations of the parties accruing prior to termination of this Agreement and Sections B.6 and C.2 shall survive such termination.

10. Additional Provisions. PNC may enter into subcontracts, agreements and understandings with any of its affiliates or any third party whenever such terms and conditions deem it necessary or appropriate to perform its services hereunder. No such subcontract, agreement or understanding shall discharge PNC from its obligations hereunder.

11. Important Disclosures. (i) Securities are not obligations of or guaranteed or insured by the Federal Deposit Insurance Corporation or the Federal Reserve Board; (ii) Securities are not deposits or other obligations of and are not endorsed, insured or guaranteed by PNC or any of its affiliates; and (iii) Securities are subject to investment risk, including the possible loss of principal. Customer acknowledges that the rate of return on investment in Securities and Other Property is not guaranteed. The value of Securities and Other Property will fluctuate, and on any given day the value of Securities and Other Property could be more or less than the purchase price. Past performance is not a guarantee of future results.

12. PNC Bond Accounting and Safekeeping Services Portal. Customer accepts and assumes all risk of loss or dissemination of information attributable to the use of the PNC Bond Accounting and Safekeeping Services Portal (the “Portal”) and electronic communications between Customer and PNC. Customer and each Designated User are responsible for safekeeping the Customer ID, the Customer Password, all User IDs, all User Passwords and all security questions and associated answers. Customer and each Designated User shall not, at any time, permit access to the Portal by any person who does not need to obtain access to the Portal consistent with Customer’s rights hereunder.

By signing below, Customer acknowledges that it has received a copy of this Agreement, has read and understands this Agreement, and agrees to be bound by the terms of this Agreement, including Attachment A hereto.

Customer Name

Signature Date

Signer Name Title

BOND ACCOUNTING AND SAFEKEEPING SERVICES

ATTACHMENT A – IMPLEMENTATION FORM

This Attachment to the to the PNC Financial Institutions Group Bond Accounting and Safekeeping Agreement captures details about how your PNC Bond Accounting and Safekeeping (BASK) accounts will be configured.

SECTION 1: ACCOUNT REGISTRATION, SETTLEMENT, AND ENROLLED SERVICES

Please complete the following table for each account to be established with PNC Bank, N.A.:

- Account Registration (Customer Name) – Specify the full legal name for which the account will be established (must correspond to the tax documentation provided to PNC).
- PNC Settlement DDA – For all Safekeeping accounts, provide the 10-digit PNC account number to be used for all cash settlements (e.g., trades, coupons, paydowns, maturities, etc.) for the account.
- Choose one or both – Select the service(s) to be configured for the account. SK = Safekeeping, BA = Bond Accounting.

			Choose one or both	
#	Account Registration (Customer Name)	PNC Settlement DDA	SK	BA
1			☐	☐
2			☐	☐
3			☐	☐
4			☐	☐
5			☐	☐

SECTION 2: BOND ACCOUNTING CONFIGURATIONS (REQUIRED FOR ALL ACCOUNTS WITH BOND ACCOUNTING SERVICE)

For each account for which the Bond Accounting service has been selected, please provide information regarding how PNC should configure accounting calculations.

Accounting Method Preference

- * – Constant Yield by Type
- A – Constant Yield (MBS) and Straight Line (Non-MBS) by Type
- F – Fair Value by Type
- G – Constant Yield by Group
- T – Straight Line by Type
- X – Fair Value by Group

Amortization Limit

- A – Never amortize above purchase price or below par.
- B – Never amortize above purchase price but may amort below par (only if retrospective changes).

Accretion Limit

- A – Never accrete above par or below purchase price.
- B – May accrete above par but not below purchase price (only if retrospective changes).

Reporting Cycle

Bond Accounting reports are generated at the end of day and are available the following business day. PNC allows clients to select from one of three possible bond accounting run days.

- 1 – Month-end bond accounting is completed 5 business days prior to the last business day of the month
- 2 – Month-end bond accounting is completed 3 business days prior to the last business day of the month
- 3 – Month-end bond accounting is completed on the first business day of the following month

#	Accounting Method	Amort Limit	Accrete Limit	Report Cycle	Fed Tax Rate (%)	State Tax Rate (%)
1						
2						
3						
4						
5						

Setup Information (PNC Use Only)

IP Bank: _____

IP Proc Group: _____

IP Bill Cycle: MO

IP Bill Account: _____

IP Bill Code: A

Amort to Opt: Y



BOND ACCOUNTING AND SAFEKEEPING SERVICES ATTACHMENT B – NEW USER SETUP FORM

To add new users to a PNC BASK account, please complete this Attachment B – New User Setup Form and return it to cmgsolutions@pnc.com. Note: PINACLE admins must assign the Bond Accounting and Safekeeping module to a new users' PINACLE non-admin operator profiles before this form is returned.

First Name	Last Name	Email Address	PINACLE Operator ID

Customer Name: _____

Signature: _____ Date: _____

Signer Name: _____

Signer Title: _____

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/24/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider authorizing an agreement with NLUC, PLLC (Next Level) for certain acute and primary care medical services as part of its medical benefits package.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

As part of the medical benefits offered to City employees, employees and their covered dependants, who enroll in a medical plan, receive access to NextCare primary care and urgent care services. These services include, but are not limited to:

- primary and preventative care,
- chronic condition management,
- urgent care,
- 24/7 telemedicine visits,
- wellness coaching,
- labs, and
- vaccines.

Approval of this item authorizes the contract for these services.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1.	Addendum Next Level Prime - City of Friendswood 2026-2029 Revised
2.	COF_PRIME_Terms_and_Conditions.docx (1)
3.	Form 1295 Certificate 101594167
4.	Government Code Verifications Form - City of Friendswood

Contract Addendum: City of Friendswood Master Terms and Conditions

These Master Terms and Conditions (this “**MTC**” or this “**Agreement**”) govern all use of services from NLUC, PLLC, a Texas professional limited liability company (“**Next Level**”), by the entity City of Friendswood, (the “**Employer**”) (collectively the “**Parties**” and individually a “**Party**”).

WHEREAS, Next Level is in the business of offering acute and primary care medical services (as further defined below, the “**Services**”) through arrangements with licensed Texas providers;

WHEREAS, as part of its health plan and benefits, the Employer desires to offer certain of the Services provided by Next Level to Enrolled Persons (as defined below) pursuant to the terms and conditions set forth herein; and

WHEREAS, Next Level is willing to perform such Services under the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Next Level and the Employer agree as follows:

1. **Rate:** The Parties agree that the monthly rate shall be **\$30 per employee per month (PEPM) for employee-only coverage** and **\$60 per employee per month (PEPM) for employee-and-family coverage**.
2. **Amendments:**
 - a. **Amendment to Term.** Section 6 – Term, Termination, and Survival of the Agreement is hereby amended to replace the first sentence with the following:
“The term of this Agreement (the ‘Term’) shall commence on 10/01/2026, and shall continue through 09/30/2029.”
 - b. **Amendment to General Terms.**
 - (1) Section 14 – Waiver of Jury Trial is hereby deleted in its entirety.
 - (2) Section 15 -- Indemnification is hereby deleted in its entirety.
3. **No Other Changes:** Except as expressly amended by this Amendment, all other terms, conditions, and provisions of the Original Agreement shall remain in full force and effect.
4. **Entire Agreement:** This Amendment, together with the Original Agreement, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, or agreements, whether written or oral.
5. **Counterparts:** This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the dates indicated hereinbelow.

CITY OF FRIENDSWOOD

NLUC PLLC

By: _____
MORAD KABIRI, City Manager
Date: _____

By: _____
BRANDON MORENO, Chief Financial Officer
Date: _____

MASTER TERMS AND CONDITIONS

These Master Terms and Conditions (this “**MTC**” or this “**Agreement**”) govern all use of services from NLUC, PLLC, a Texas professional limited liability company (“**Next Level**”), by the entity [City of Friendswood] (the “**Employer**”) (collectively the “**Parties**” and individually a “**Party**”).

WHEREAS, Next Level is in the business of offering acute and primary care medical services (as further defined below, the “**Services**”) through arrangements with licensed Texas providers;

WHEREAS, as part of its health plan and benefits, the Employer desires to offer certain of the Services provided by Next Level to Enrolled Persons (as defined below) pursuant to the terms and conditions set forth herein; and

WHEREAS, Next Level is willing to perform such Services under the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Next Level and the Employer agree as follows:

1. Next Level’s Role and Responsibilities.

- a. Next Level shall provide the Services selected from the option set forth in Schedule 1 to Enrolled Persons (as defined below) participating in the Program (as defined below).
- b. Next Level is not offering the Program as a health insurance plan or a substitute for health insurance. Additionally, the Program does not replace any existing or future health insurance or health plan coverage that an employer may maintain.
- c. Next Level shall maintain full autonomy with respect to patient care, medical decisions, recordkeeping, and any other service deemed to be the practice of medicine.

2. Definitions.

- a. “**Employer**” means City of Friendswood .
- b. “**Date of Enrollment**” means the effective date of the Employer’s election for joining the Program (as set forth in Schedule 1), which may only be designated as the first day of a month.
- c. “**Enrolled Employee(s)**” shall mean employees employed by the Employer, whether or not the employee is covered under the Employer’s group benefit plans.
- d. “**Enrolled Person(s)**” shall mean all Enrolled Employees and their dependents (if applicable) that are eligible to make use of the Services of the Program.

- e. **“Program”** means the Next Level PRIME direct program offered and operated by Next Level.
- f. **“Provider”** shall mean a physician, physician’s assistant or nurse practitioner employed or engaged by Next Level.
- g. **“Services”** comprising the Program shall include unlimited telemedicine visits and an unlimited number of visits with a Provider to seek medical evaluation and management visits related to chronic illnesses, and one annual wellness physical examination. The Program Services shall also include **“Urgent Care Services”** coverage, which shall entail an unlimited number of visits with a Provider at any Next Level location to seek treatment for an acute medical concern, such as a sudden illness or injury. The Services covered shall include the visit with a Provider, x-rays, IV fluids, casting, and CLIA-waived laboratory testing such as rapid strep, flu, RSV, Mono, Covid, trichomonas, urine pregnancy, and urinalysis. The Services must be provided at a Next Level location or via the Next Level telemedicine platform (the **“Platform”**) in order to be covered by the Program. The Services under the Program shall not include: (a) any treatment or testing administered at a hospital visit (or any other healthcare facility) in connection with a chronic illness; (b) any visits to other physicians (including specialists) in connection with the chronic illness or in connection with complications from the chronic illness; or (c) any services not specifically mentioned in this definition. Other commonly utilized Services such as durable medical equipment, vaccines, Covid-related testing and non-CLIA waived laboratory testing listed in Schedule 2 are included in the price per employee per month.

3. **Direct Provider Program.**

- a. Enrollment. Enrolled Employees and Enrolled Persons shall be enrolled in the Program (which shall include the Services designated in Schedule 1). Pursuant to the terms of Schedule 2. If labs need to be sent to an outside laboratory, Next Level will use Quest Laboratories. These labs will be treated as either a self-pay cost to the Enrolled Persons billed from Quest Laboratory OR the Enrolled Person may submit his/her insurance information to Quest for processing.
- b. Monthly Fee. Employer shall pay a monthly fee for the included Services as set forth in Schedule 1 (the **“Monthly Fees”**). The Monthly Fees are due by the 1st day of each month. The Program and the included Services will be initiated only upon receipt of the first month’s payment of the Monthly Fees but no earlier than the first day of the month after payment of the Monthly Fees has been received. A one percent (1%) penalty will be charged against any Monthly Fees that are not timely received by the 5th business day of each month.
- c. Covered Person Determination. The Employer shall determine, in its sole discretion, which of its employees and their eligible dependents shall be considered an Enrolled Employee and/or Enrolled Person.

4. **Additional Services Outside of Direct Provider Program.**

- a. The Employer acknowledges and agrees that the Employer may elect for eligible Enrolled Persons to receive certain Services relating to the diabetes management program of Next Level (the “***Diabetes Management Services***”) in accordance with the terms set forth on Schedule 3 attached hereto. The Employer understands and acknowledges that the fees for the Diabetes Management Services (the “***Diabetes Management Fees***”) as set forth on Schedule 3 attached hereto shall be separate from the Monthly Fees paid by the Employer under the terms of Schedule 1 attached hereto. The Employer and Next Level shall coordinate on the contents and transmittal of an initial screener (an “***Initial Screener***”) to be sent to Enrolled Persons who are considering the Diabetes Management Services. Enrolled Persons who successfully complete the Initial Screener will then be further evaluated for eligibility by Next Level in accordance with the terms of Schedule 3 attached hereto.
- b. The Employer also acknowledges that Enrolled Persons may elect to enter into direct arrangements with Next Level regarding certain health services (e.g., weight loss services) that are not covered under the Services set forth in this Agreement (collectively, the “***Direct Services***”). Any fees for such Direct Services shall be paid for directly by the Enrolled Persons to Next Level and shall be separate from the Monthly Fees or any other fees paid by the Employer under this Agreement.

5. **Confidentiality.** From time to time during the Term of this Agreement, either Party (as the “***Disclosing Party***”) may disclose or make available to the other Party (as the “***Receiving Party***”), non-public, proprietary, or confidential information of the Disclosing Party (“***Confidential Information***”), which includes (as it pertains to the Confidential Information of Next Level) but is not limited to pricing, methods, design and structure of the Program. The terms of this Agreement shall constitute Confidential Information. However, Confidential Information does not include any information that: (a) is or becomes generally available to the public other than as a result of the Receiving Party’s breach of this Section 5; (b) is or becomes available to the Receiving Party on a non-confidential basis from a third-party source; *provided*, that such third party is not and was not prohibited from disclosing such Confidential Information; (c) was in the Receiving Party’s possession prior to the Disclosing Party’s disclosure hereunder; or (d) was or is independently developed by the Receiving Party without using any Confidential Information. The Receiving Party shall: (x) protect and safeguard the confidentiality of the Disclosing Party’s Confidential Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (y) not use the Disclosing Party’s Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (z) not disclose any such Confidential Information to any person or entity, except to the Receiving Party’s Group (as defined below) who need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement.

If the Receiving Party is required by applicable law or legal process to disclose any Confidential Information, it shall, prior to making such disclosure, use commercially reasonable efforts to notify the Disclosing Party of such requirements to afford the Disclosing

Party the opportunity to seek, at the Disclosing Party's sole cost and expense, a protective order or other remedy. For purposes of this Section 5, the "**Receiving Party's Group**" shall mean the Receiving Party's affiliates and its employees, officers, directors, shareholders, partners, members, managers, agents, independent contractors, attorneys, accountants, and financial advisors. Notwithstanding the foregoing, Next Level will not be obligated to provide Confidential Information to the Employer regarding any patients, including but not limited to information protected under the Health Insurance Portability and Accountability Act of 1996.

6. **Term, Termination, and Survival.**

- a. **Term.** The term of this Agreement (the "**Term**") shall commence as of October 1, 2025, or the first day of the month after payment has been received, whichever is later (such date, the "**Effective Date**"), and shall continue through September 30, 2026, unless sooner terminated pursuant to the terms of this Agreement (such period, the "**Initial Term**"). This Agreement may be renewed for successive one (1) year terms with a six percent (6%) escalator annually (each, a "**Renewal Term**"), upon the written agreement of the Parties. The Initial Term and the Renewal Terms shall, collectively, constitute the Term of this Agreement.
- b. **For Cause Termination.** Either Party may terminate this Agreement, effective upon written notice to the other Party (the "**Defaulting Party**"), if the Defaulting Party:
 - i. Breaches this Agreement, including a failure to pay fees and compensation due under this Agreement, and such breach is incapable of cure, or with respect to a breach capable of cure, the Defaulting Party does not cure such breach within ten (10) business days after receipt of written notice of such breach;
 - ii. Becomes insolvent or admits its inability to pay its debts generally as they become due;
 - iii. Becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law;
 - iv. Is dissolved or liquidated or takes any corporate action for such purpose;
 - v. Makes a general assignment for the benefit of creditors; and/or
 - vi. Has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.
- c. The rights and obligations of the Parties set forth in this Section 6 and any right or obligation of the Parties in this Agreement which, by its nature, should survive termination or expiration of this Agreement, will survive any such termination or expiration of this Agreement, and with respect to Confidential Information, the rights and obligations set forth in Section 5 hereof will survive such termination or expiration of this Agreement.

- d. **Minimum Enrollment Requirement:** Next Level requires that the Employer maintain at least five (5) employees enrolled in the plan at all times. If enrollment falls below five employees, the Employer will be billed monthly for a minimum of five employees.
 - e. **Large Group Minimum Enrollment Requirement:** Employers with contract rates based on 100 employees or more, if enrollment drops below 100 employees in any given month, the Employer will still be responsible for and billed monthly for a minimum of 100 employees.
7. **Effects of Termination.** In the event of a termination of this MTC, Next Level shall continue to perform the Services under this MTC through the designated termination date. However, if the termination date falls on any date other than the last day of the month, Next Level shall continue to perform the Services under this MTC until the last day of the month of the termination date. For example, if the termination date is March 15, Next Level shall continue to perform the Services under this MTC through March 31.
8. **The Program is Not Health Insurance.** The Employer acknowledges and agrees that the Program is not a health insurance plan or a substitute for health insurance. Rather, the Program is a contract to provide medical services at a discounted rate. Additionally, the Employer acknowledges and agrees that the Program does not replace any existing or future health insurance or health plan coverage that the Employer may offer to its employees (including any Enrolled Employees). The Employer also acknowledges and agrees that (a) the Services provided by Next Level are only a limited set of services that are a limited benefit under the Employer's medical plan and that, standing alone, the Services do not qualify as minimum essential coverage under the Patient Protection and Affordable Care Act (as amended, "***PPACA***"), (b) Next Level is not providing any legal or regulatory advice or service to the Employer, (c) Next Level assumes no fiduciary or other responsibility of any kind with respect to the Employer or its assets, notices, disclosures, or reporting obligations, and (d) Next Level is not taking on any administrative or fiduciary functions related to the medical plan of the Employer.
9. **Employer Responsibility.** The Employer is solely responsible for determining whether the Program is appropriate for use with its group health plan and compliant with all applicable laws, including but not limited to the implications of participating in the Program if the Employer offers a high deductible health plan that can be paired with a health savings account. The Employer shall determine and be solely responsible for advising its employees whether they may use funds from a Health Savings Account to pay for any services provided by Next Level. The Employer acknowledges and agrees that Next Level has made no representations to the Employer regarding the consequences that may result from the Employer's employees' use of funds from a Health Savings Account to pay for any services provided by Next Level. Next Level advises the Employer to seek legal counsel regarding this matter. The Employer agrees to indemnify and hold Next Level harmless with regard to any claims, losses, and/or damages related to the matters discussed in Section 9.

10. Marketing Plan and Medical Plan Assurances.

- a. Next Level and the Employer shall enter into a marketing plan (the “**Marketing Plan**”) pertaining to the Services that will be offered to Enrolled Persons (which shall also include, without limitation, the Diabetes Management Services and any Direct Services). The Marketing Plan may include methods by which each of Next Level and the Employer communicate directly with Enrolled Persons regarding the offered Services.
- b. The Employer understands, acknowledges, and agrees that the Employer is solely responsible for complying with the Employee Retirement Income Security Act (as amended, “**ERISA**”), the PPACA, the Internal Revenue Code of 1986 (as amended, the “**Code**”), the Consolidated Omnibus Budget Reconciliation Act (as amended, “**COBRA**”), and any other applicable law governing the medical plan of the Employer, including, without limitation, any such provisions or rules relating to annual or lifetime benefit limits, preventative care, maximum out-of-pocket or cost sharing restrictions (including restrictions related to high-deductible health plans and associated health savings accounts), privacy and security in relation to the Health Insurance Portability and Accountability Act (as amended, “**HIPAA**”), HIPAA portability, all United States Equal Employment Opportunity Commission non-discrimination or other requirements related to group health plans and the voluntary nature of incentives, continuation coverage requirements, and any required coordination of benefits with respect to the Services provided under this MTC.
- c. The Employer further acknowledges, agrees, and represents that the Employer has modified, to the extent necessary, any applicable HIPAA privacy notices to permit the uses and disclosures of the protected health information pertaining to the Employer’s medical plan that may arise from and out of the Employer electing to make the Services available to Enrolled Persons, including, without limitation, the use of such protected health information as part of health care operations or for promoting the Services to Enrolled Members (but no additional services of Next Level). The Employer shall be responsible for determining which, if any, of such incentives shall fulfill any applicable federal, state, or local income or employment tax withholding obligations with respect to such provided incentives.
- d. The Employer also acknowledges and agrees that (i) the Services provided by Next Level are only a limited set of services that are a limited benefit under the Employer’s medical plan and that, standing alone, the Services do not qualify as minimum essential coverage under the PPACA, (ii) Next Level is not providing any legal or regulatory advice or service to the Employer, (iii) Next Level assumes no fiduciary or other responsibility of any kind with respect to the Employer or its assets, notices, disclosures, or reporting obligations, and (iv) Next Level is not taking on any administrative or fiduciary functions related to the medical plan of the Employer.

11. **Independent Contractor**. Each of the Parties to this MTC is an independent contractor with respect to the other Party, and neither Party is an agent, employee, or representative of the other. Neither Party will represent itself as an agent of the other or assume or create any obligation in the name of the other.

12. **Choice of Law.** This MTC and all related documents including all exhibits and schedules attached hereto, and all matters arising out of or relating to this MTC, whether sounding in contract, tort, or statute, are governed by, and construed in accordance with, the laws of the State of Texas, United States of America, without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Texas.
13. **Choice of Forum.** Each Party irrevocably and unconditionally agrees that it will not commence any action, litigation, or proceeding of any kind whatsoever against the other Party in any way arising from or relating to this MTC, including all exhibits, schedules, attachments, and appendices attached to this MTC, and all contemplated transactions, including, but not limited to, contract, equity, tort, fraud, and statutory claims, in any forum other than the United States District Court for the Southern District of Texas or the courts of the State of Texas sitting in Harris County, Texas, and any appellate court from any thereof. Each Party irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees to bring any such action, litigation, or proceeding only in the United States District Court for the Southern District of Texas or the courts of the State of Texas sitting in Harris County, Texas. Each Party agrees that a final judgment in any such action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.
14. **WAIVER OF JURY TRIAL.** EACH PARTY ACKNOWLEDGES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS MTC, INCLUDING EXHIBITS, SCHEDULES, ATTACHMENTS, AND APPENDICES ATTACHED TO THIS MTC, IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS MTC, INCLUDING ANY EXHIBITS, SCHEDULES, ATTACHMENTS, OR APPENDICES ATTACHED TO THIS MTC, OR THE TRANSACTIONS CONTEMPLATED HEREBY.
15. **Indemnification.** The Employer shall indemnify, protect, defend, and hold harmless Next Level, its officers, directors, agents, representatives, affiliates, partners, members, and their respective successors and assigns, from and against any loss, liability, claim, damage, and expense (including attorneys' fees) arising out of or based upon: (a) the Employer's breach of this MTC, or (b) the Employer's false representation or misrepresentation to its employees regarding the services contemplated by this MTC, including the cost for the Services offered and performed by Next Level.
16. **Entire Agreement.** This MTC, including and together with any exhibits, schedules, attachments, and appendices, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.
17. **Notice.** All notices hereunder must be in writing to the other Party. If to Next Level, the notice shall be sent to:

NLUC PLLC
5718 Westheimer Road, Suite 1800
Houston, Texas 77057
Attn: Juliet Breeze
Email: jlbreeze@nlucc.com

with a copy to:

Attn: _____
Email: _____

Notices to any other Party must be transmitted to the Party's designated address via nationally-known express delivery and deemed given the next business day after actual delivery.

18. **Severability**. If any term or provision of this MTC is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this MTC or invalidate or render unenforceable such term or provision in any other jurisdiction.
19. **Amendments**. No amendment to, modification of, or termination of this MTC will be effective unless it is in writing and signed by the Parties.
20. **Waiver**. No waiver by any Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.
21. **Force Majeure**. Next Level shall not be liable or responsible to the Employer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Next Level including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, lock-outs, strikes or other labor disputes (whether or not relating to either Party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, or telecommunication breakdown or power outage; *provided*, that if the event in question continues for a period in excess of sixty (60) days, the Employer shall be entitled to give notice in writing to Next Level to terminate this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the dates below (but to be made effective as of the Effective Date) by their respective duly authorized officers. This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which, taken together, shall constitute one and the same instrument.

EMPLOYER:

City of Friendswood

By: Morad Kabiri

Signature:  Signed by: Morad Kabiri
63D6B98AB62404...

Title: City Manager

Date: 8/7/2025

NEXT LEVEL:

NLUC PLLC

By: Brandon Moreno

Signature: 

Title: Chief Financial Officer

Date: 08 / 11 / 2025

SCHEDULE 1

NEXT LEVEL PRIME		
Membership		Time of Service Payment
☒	\$30 PEPM (Employee Only Coverage)	\$0
☒	\$60 PEPM (Employee Plus Coverage)	\$0
<u>INCLUDED</u> <i>All CLIA-waived labs (Rapid Strep, Flu, RSV, Mono, Covid, Urinalysis, Trichomonas, Urine Pregnancy) X-rays, IV Fluids, Casting/Splinting All Labs, DME, and Immunization listed in <u>Schedule 2</u></i>		

SCHEDULE 2

IMMUNIZATIONS

Flu shot (4+ years)
Flu shot (6mo-4yr)
High dose flu
PPD/ TB Skin
PPD/ TB X - Ray
Hepatitis B adult per vaccination
Hepatitis B child per vaccination
TD (Tetanus)
TDAP
MMR
DTaP
Polio
Pneumococcal conj (PCV13)
Varicella
HepA (1-18 year)
HepA (18+ years)
HPV
Meningococcal (Menactra)
Shingrix
Rotavirus
Hib
MEN B
Pneumococcal (PPSV23)

DME

Airgel Ankle Stirrup
Gamed Day Ankle Brace
Universal Wrist Support
Arm Sling (Padded)
Crutches
Lumbar Support
Neoprene Hinged Knee Wrap
Pneumatic Walking Boot
Post Op Shoe
Slimline Cast Boot
Thumb Spica/Wrist Splint

COVID

Rapid Antigen Test

NEXT LEVEL LABS

CHEMISTRY

CMP
Lipid panel
TSH
Free T4
Total T3
HIV screen
Hemoglobin A1c
Microalbumin, Urine (w/creatinine)
Vitamin D
Hepatitis B Antibody
Hepatitis B Surface Antigen
Uric Acid
PSA
Vitamin B12/Folate
Testosterone, male
Hepatitis C Ab
Vitamin B12
Lipase
Folic Acid
Amylase
Hepatitis A
RPR Screen
Magnesium

Iron, total
Estradiol
FSH
LH
HCG Quantitative
Sedimentation Rate

CYTOLOGY

Pap smear

HEMATOLOGY

CBC

MICRO

Urine Culture
Throat Culture
Wound Culture

****Labs not on the list above will need to be sent to an outside laboratory. Next Level utilizes Quest Laboratories. Labs sent to Quest will be treated as either a self-pay cost to the employee/patient billed from Quest Laboratory to the employee/patient OR the employee/patient may submit their insurance information to Quest for processing.*

Title	The City of Friendswood
File name	file
Document ID	0d68a0f46581e7f25e62893887e35777ea409420
Audit trail date format	MM / DD / YYYY
Status	● Signed

This document was requested from app.contractsafe.com

Document History



SENT

08 / 08 / 2025

16:26:12 UTC

Sent for signature to Brandon Moreno (bmoreno@nlucc.com)
from sghanem@nextlevelurgentcare.com
IP: 172.58.52.72



VIEWED

08 / 11 / 2025

15:04:14 UTC

Viewed by Brandon Moreno (bmoreno@nlucc.com)
IP: 66.196.219.18



SIGNED

08 / 11 / 2025

15:06:04 UTC

Signed by Brandon Moreno (bmoreno@nlucc.com)
IP: 66.196.219.18



COMPLETED

08 / 11 / 2025

15:06:04 UTC

The document has been completed.

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 03/16/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Consider accepting the Council Chamber Renovation Project and authorizing the commencement of the contractor's one-year maintenance period.

Originating Department: City Manager

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item accepts the Council Chamber Renovation Project (the "Project") and authorizes the commencement of Construction Masters of Houston, Inc. (the "Contractor") one-year maintenance period.

The scope of work related to the Project primarily focused on updating the Council Chamber's audiovisual technology, as the existing system is outdated and at its end of life. The upgrades include the following basework with the addition of three alternates:

Summary	Amount
Base Bid	\$330,165.16
Labor, materials, equipment, and supervision to renovate chambers per the drawings by Brinkley Wiginton Architects dated 02/26/2025. Includes all AV/IT design, engineering, fabrication, project management, installation, equipment, commissioning, training, and warranty.	
Alternative #1 - Replace Carpet	\$12,501.37
Labor, materials, equipment, and supervision to renovate chambers per the drawings by Brinkley Wiginton Architects dated 02/26/2025. Demo existing carpet, scrape up existing glue and prep floor, float over existing boltholes, cut flush to the floor during base bid seat demo. Apply floor float needed on the floor. Supply/Install new carpet per drawing.	
Labor, materials, equipment, and supervision to renovate chambers per the drawings by Brinkley Wiginton Architects dated 02/26/2025. Saw cut an approximate 2" x 3" deep trench to accommodate two (2) conduits and new floor boxes for new AV/IT cabling, by others. Saw cut work to be performed during weekend working hours. Pour back	

new high-strength concrete. Supply/Install new floor boxes and conduit with pull strings per drawings.	
Alternative #3 - Re-staining the dais and wall.	\$20,594.90
Labor, materials, equipment, and supervision to renovate chambers per the drawings by Brinkley Wiginton Architects dated 02/26/2025. Sand down and re-stain the wood on the dais and back wall behind the dais.	
TOTAL:	\$370,196.70

The total cost of the Project was paid by the City's Public, Educational, and Governmental (PEG) Access Channels Funds, which are restricted funds that can only be used for capital costs associated with operating these channels, such as facilities and equipment.

City staff inspected the Project and found it to be built in compliance with the contract specifications and City requirements. As such, the City accepts the project and allows for the commencement of the Contractor's maintenance period. During this time, the City will hold the Contractor's one-year maintenance bond until such time as any and all project deficiencies are remedied per staff directions. Upon the completion of this period, the City will take full ownership of the project and the remaining bond will be released to the Contractor.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1.	Payment Bond
2.	Performance Bond

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/17/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider approving the disposal of three (3) Police Department vehicles through America's Auto Auction.

Originating Department: Police Department

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item approves the disposal of three (3) Police Department vehicles, specifically, a 2007 Jeep Grand Cherokee, a 2010 Dodge Ram truck, and a 2013 Chevrolet Tahoe, through America's Auto Auction, formerly EBlock Houston. The department has decommissioned the vehicles and proposes their disposal through services provided by America's Auto Auction.

Costs associated with keeping vehicles suitable for service are high, thus, making the most cost-effective solution that of auction. The units have been replaced through the Vehicle Replacement Fund. The vehicles 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 sales 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 recommends approval.

ATTACHMENTS

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/26/2026

Prepared by: Raquel Martinez, City Secretary

Subject: Consider authorizing the disposal of a decommissioned Fire Marshal vehicle through Public Surplus.

Originating Department: Emergency Services Department

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Friendswood Department of Emergency Services has one decommissioned vehicle, a 2012 Ford Fusion (FM10 - Vin# 31633) that is present for disposal. The vehicle will be disposed of through www.publicsurplus.com. The proceeds from the sale of this vehicle will be deposited into the City Vehicle Replacement Fund.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

Proceeds from the sale of this vehicle will be deposited into the City Vehicle Replacement Plan.

RECOMMENDATIONS

Staff recommends Mayor and Council consent to dispose of this asset in the manner described above.

ATTACHMENTS

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/20/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider designating the person holding the position of Deputy Chief of Police as the Local Rabies Control Authority and appointing the person appointed to such position to the Animal Shelter Advisory Committee.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Pursuant to Section 826.017 of the Texas Health and Safety Code, the City Council is required to designate an officer to act as the local rabies control authority for purposes of the Rabies Control Act of 1981 (the "Act"). Pursuant to the Act, the local rabies control authority shall enforce:

1. the Act and the Department of State Health Services's rules that comprise the minimum standards for rabies control;
2. the ordinances and rules of the City; and
3. the rules adopted by the executive commissioner of the Health and Human Services Commission under the area rabies quarantine provisions of the Act.

This item allows Council to designate the person holding the position of Deputy Chief of Police as the Local Rabies Control Authority.

Additionally, this item appoints the Deputy Chief of Police to the Animal Shelter Advisory Committee. This appointment is necessary, in order to fill a vacancy on the committee created by the retirement of Captain Lauersdorf. The committee is composed of five members, who serve three-year terms. The committee assists the City in complying with the requirements of the state law pertaining to animal shelters and performs other duties delegated to it by the City Council.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1. DSHS LRCA Form - Need Mayors Signature

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/24/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider reappointing Judge Robert J. Barfield as an Associate Municipal Court Judge and designating him as the Acting Municipal Court Judge until a Municipal Court Judge is appointed to fill the position vacated due to the retirement of Judge James Woltz.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Section 4.02(b) and (c) of the City's Charter state, in part, as follows:

- (b) The Judge of said court shall be appointed by Council to serve for a term of two years. The judge shall receive such salary as may be fixed by Council.
- (c) The Council may appoint such Associate or Alternate Judges of said [municipal] court as shall be deemed necessary and appropriate by said Council. Associate or Alternate Judges shall be appointed for terms and shall possess the same qualifications as are required of the regular Judge of said court.

Judge Robert Barfield has continuously served as an Associate Judge of the Friendswood Municipal Court since April 28, 2004, and desires reappointment. Furthermore, with the retirement of Judge Woltz, Judge Barfield has agreed to serve as the Acting Municipal Court Judge until a Municipal Court Judge is appointed by the City Council.

The City will start seeking applications for the Office of the Municipal Court Judge for Council's review and ultimate appointment of the City's next Municipal Court Judge.

As such, this item reappoints Judge Barfield as an Associate Municipal Court Judge for the City of Friendswood for the two-year term that began on July 1, 2026, and designates him as the Acting Municipal Court Judge until Council appoints a person to fill the vacanted position.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/24/2026

Prepared by: Karen Horner, City Attorney

Subject: Consider appointing Judge Julie K. Escalante, Judge Richard J. Cope, Jr., and Judge Richard P. Flake as Associate Municipal Court Judges.

Originating Department: City Attorney

Degree of importance:

SUMMARY / ORIGINATING CAUSE

Section 4.02(c) of the City's Charter state, in part, as follows:

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

With the retirement of Judge Woltz and Judge Robert Barfield serving as the Acting Municipal Court Judge, it would be prudent to appoint additional Associate Judges to ensure that the court and jail continue to operate efficiently and effectively. Judge Julie Escalante, Judge Flake, and Judge Cope have agreed to serve as Associate Municipal Court Judges. The Associate Judges will serve when Judge Barfield is unable to do so.

As such, this item appoints Judge Escalante, Judge Flake, and Judge Cope as Associate Municipal Court Judges for the City of Friendswood, for a two-year term, which term began on July 1, 2026. These appointments are subject to the Judges' execution of an agreement for judicial services with the City.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

- | | |
|----|--------------------------|
| 1. | Judge Escalante - Resume |
| 2. | Judge Cope - Resume |
| 3. | Judge Flake - Resume |

FRIENDSWOOD CITY COUNCIL AGENDA ITEM FORM

Date requested for City Council consideration: September 14, 2026

Date submitted: 08/26/2026

Prepared by: Linda Newsted, Deputy City Secretary

Subject: Consider reappointing Jeff Smith to the Construction Board of Appeals, effective immediately and ending on June 30, 2028.

Originating Department: City Secretary

Degree of importance:

SUMMARY / ORIGINATING CAUSE

The Construction Board of Appeals has the authority to hear appeals of decisions and interpretations of the building official and consider variances of the technical codes. They also hear and decide appeals of decisions of the fire marshal under the life safety code and hear and decide appeals of decisions and interpretations of the fire marshal. They are also the board designated to hear and decide appeals for interpretation of the flood ordinance. Membership of the board should be composed of individuals with knowledge and experience in the technical codes, such as design professionals, contractors, building industry representatives, fire protection engineering professionals, industrial safety professionals, and licensed electrical contractors. Alternate members, if appointed, should consist of a member at-large from the building industry and one member at-large from the public.

Mr. Jeff Smith is a resident of Friendswood who served over 30 years in the Galveston Fire Department, where he was responsible for the Fire Marshal's Office, which oversees the development and enforcement of municipal fire codes. Mr. Smith has over 40 years of experience as a volunteer for the Friendswood Volunteer Fire Department and has served in various volunteer capacities with other local charitable organizations and city committees.

If reappointed, Mr. Smith will serve a two-year term effective immediately and ending June 30, 2028.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1. Smith, Jeff Volunteer Application_Redacted

Volunteer Application for Committees, Boards & Commissions

City of Friendswood

910 S. Friendswood Drive, Friendswood, Texas 77546

www.friendswood.com

BE A FRIENDSWOOD VOLUNTEER

It is the desire and intent of City Council to encourage and support citizen participation in an advisory capacity governing the affairs of the City. Service through membership on a board, commission, or committee is a valued, important opportunity for participation in an advisory capacity. To these ends, a policy has been adopted that sets out an orderly process for citizens interested in serving as members of a City committee, board or commission and for the City Council to oversee appointments.

All information provided in this application is public information pursuant to the provisions of the Texas Public Information Act. If you have questions or need more information about this application, please email the Office of the City Secretary at citysecretary@friendswood.com or call (281) 996-3270.

VOLUNTEER APPLICATION FOR COMMITTEES, BOARDS & COMMISSIONS

Volunteer First Name	Jeff
Volunteer Last Name	Smith
Home Address	
City	Friendswood
State	TX
Zip Code	77546
Home Phone	na
Work Phone	na
Cell Phone	
Email Address	
Occupation	Retired Fire Chief
Special Interests and Talents	Public safety, Charity cooking, Cole Gordon Helping Hand board member, and current EMT for the Astros.
Are you currently serving as a member of any Friendswood governmental body?	Yes

Please Name the
Government Body

KFB and FVFD (contractor to City)

AREAS OF INTEREST

PLANNING & PRESERVATION

Please indicate your primary and secondary interests. You can select more than one.

Planning & Zoning
Commission

Field not completed.

Zoning Board of
Adjustments &
Appeals

Field not completed.

Keep Friendswood
Beautiful Committee

Field not completed.

Community &
Economic
Development
Committee

Field not completed.

Construction Board of
Adjustments &
Appeals

Primary

Investment
Committee

Field not completed.

Friendswood
Downtown Economic
Development
Corporation

Field not completed.

(Section Break)

RECREATION

Please indicate your primary and secondary interests. You can select more than one.

4th of July Steering
Committee

Field not completed.

4th of July Volunteer

Field not completed.

Senior Citizens
Advisory Committee

Field not completed.

(Section Break)

EDUCATION

Please indicate your primary and secondary interests. You can select more than one.

Library Advisory
Board

Field not completed.

Library Volunteer

Field not completed.

2 bond cycles with the citizens bond advisory committee, Facility Co-chair with Ron Cox

SPECIAL
COMMITTEES AS
CALLED

(Section Break)

OTHER

Please indicate your primary and secondary interests. You can select more than one.

West Ranch
Management District

Field not completed.

Volunteer Fire
Dept/EMS

Field not completed.

Animal Shelter
Advisory Committee

Field not completed.

Charter Review (As
Needed)

Field not completed.

(Section Break)

I Am Available For

Short-Term Projects, Daytime, Evening, Summer

Please use the space
below for additional
comments.

I have been an active volunteer for over 40 years in the CoF. I am proud of our city leadership and am looking for ways to continue to support the community.

(Section Break)

These questions are asked because the City Council wants to maintain balance to insure proper representation on boards and commissions.

Date of Birth

[REDACTED]

Sex

Male

How long have you
been a Friendswood
resident?

42

Have you been
convicted of a crime,
other than minor
traffic violations in the
past 10 years?

No

What experience do
you have that may
qualify you for service
on a particular board
or commission (i.e.
license, degrees, and
certificates)?

Retired from the City of Galveston Fire department after 30 years. My last 10 years were at the ranks of Asst. Fire Chief and Fire Chief. I was directly responsible for the Fire Marshal's office during this time and helped develop plans for post-hurricane fire code solutions while working with all city departments, in order for city to reopen to recover ad valorem revenues, as well as get employees back to work using temporary concessions and staff availability outside of standard hours. We worked with businesses and contractors while representing the best interests of the city at the same time.

Please list any civic or
community endeavors
in which you have
been involved

FVFD 42 years
Lighthouse Charity Team past Board of directors member and cook. 35 years under Mr. Daugird and Mr. Gordon
Cole Gordon Helping Hand Foundation Boardmember since Cole's passing
KFB 8+ years
Citizens Bond advisory committee for 2 cycles
Harbor Church 20+ years since they were at the high school.

Several cooking teams that compete and also do charity cooks for families in need.

Additional Information *Field not completed.*

BACKGROUND
CHECK Consent

(Section Break)

Acknowledgement I understand that the information provided on this application may be available to the public upon request and will be kept on file for at least three years.

Electronic Signature Agreement I Understand and Agree

Electronic Signature jeffrey Smith

Date 12/13/2024

Thank you for taking the time to complete this application.

(Section Break)

**CITY OF FRIENDSWOOD
BOARDS AND COMMISSIONS
INFORMATION STATEMENT AND APPLICATION**

If you have ever been a member of a Friendswood Board, Committee or Commission before, please indicate the Board, Committee or Commission and appropriate dates of service.

Name of Board,
Committee or
Commission *Field not completed.*

Dates of Service *Field not completed.*

(Section Break)

Personal Reference
#1: First Name and
Last Name Ron Cox

Address

City Friendswood

State TX

Zip Code 77546

Phone

Email Address *Field not completed.*

(Section Break)

Personal Reference
#2: First Name and
Last Name Brian Mansfield

Address 1600 Whitaker

City	Friendswood
State	TX
Zip Code	77546
Phone	
Email Address	<i>Field not completed.</i>

Email not displaying correctly? [View it in your browser.](#)

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 07/06/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Consider approving the ad valorem tax report for July 2026.

Originating Department: Finance

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows the Council to receive the ad valorem tax report for July 2026.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

ATTACHMENTS

1.	GalCo Tax July 2026
----	---------------------



Cheryl E. Johnson, PCC
Assessor and Collector of Taxes
County of Galveston
722 Moody Avenue, Galveston, Texas 77550
Toll Free (877) 766-2284 Fax: (409) 766-2479
Email: galcotax@co.galveston.tx.us



August 5, 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 July, 2026 is true and correct.

Under my hand and seal this 5th day of August, 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 Emergency Services Dist. No. 1
GC Emergency Services Dist. No. 2
GC Consolidated Drainage District
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

08/03/2026 08:54:13 5214010
TC298-D SELECTION: DEPOSIT
RECEIPT DATE: ALL
LOCATION: ALL

TAX COLLECTION SYSTEM
DEPOSIT DISTRIBUTION
FROM: 07/01/2026 THRU 07/31/2026
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 34
INCLUDES AG ROLLBACK

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	174,483.54	.00	16,554.88	.00	191,038.42	20,141.62	.00	.00	211,180.04
	I & S	.114423	49,943.62	.00	4,738.57	.00	54,682.19	.00	.00	.00	54,682.19
	TOTAL	.514172	224,427.16	.00	21,293.45	.00	245,720.61	20,141.62	.00	.00	265,862.23
2024	M & O	.404140	22,418.45	.00	6,693.46	.00	29,111.91	7,307.45	.00	.00	36,419.36
	I & S	.110032	6,103.68	.00	1,822.36	.00	7,926.04	.00	.00	.00	7,926.04
	TOTAL	.514172	28,522.13	.00	8,515.82	.00	37,037.95	7,307.45	.00	.00	44,345.40
2023	M & O	.379450	807.87	.00	208.35	.00	1,016.22	112.47	.00	.00	1,128.69
	I & S	.121278	258.21	.00	66.59	.00	324.80	.00	.00	.00	324.80
	TOTAL	.500728	1,066.08	.00	274.94	.00	1,341.02	112.47	.00	.00	1,453.49
2022	M & O	.388560	279.30	.00	56.38	.00	335.68	9.08	.00	.00	344.76
	I & S	.098754	70.98	.00	14.34	.00	85.32	.00	.00	.00	85.32
	TOTAL	.487314	350.28	.00	70.72	.00	421.00	9.08	.00	.00	430.08
2021	M & O	.385147	276.84	.00	71.37	.00	348.21	9.79	.00	.00	358.00
	I & S	.102167	73.94	.00	18.93	.00	92.37	.00	.00	.00	92.37
	TOTAL	.487314	350.28	.00	90.30	.00	440.58	9.79	.00	.00	450.37
2020	M & O	.392153	53.44	.00	41.69	.00	95.13	23.65	.00	.00	118.78
	I & S	.095161	12.97	.00	10.12	.00	23.09	.00	.00	.00	23.09
	TOTAL	.487314	66.41	.00	51.81	.00	118.22	23.65	.00	.00	141.87
2019	M & O	.432160	51.67	.00	46.49	.00	98.16	23.69	.00	.00	121.85
	I & S	.089279	10.67	.00	9.61	.00	20.28	.00	.00	.00	20.28
	TOTAL	.521439	62.34	.00	56.10	.00	118.44	23.69	.00	.00	142.13
ALL	M & O		198,371.11	.00	23,672.62	.00	222,043.73	27,627.75	.00	.00	249,671.48
	I & S		56,473.57	.00	6,680.52	.00	63,154.09	.00	.00	.00	63,154.09
	TOTAL		254,844.68	.00	30,353.14	.00	285,197.82	27,627.75	.00	.00	312,825.57
DLQ	M & O		23,887.57	.00	7,117.74	.00	31,005.31	7,486.13	.00	.00	38,491.44
	I & S		6,529.95	.00	1,941.95	.00	8,471.90	.00	.00	.00	8,471.90
	TOTAL		30,417.52	.00	9,059.69	.00	39,477.21	7,486.13	.00	.00	46,963.34
CURR	M & O		174,483.54	.00	16,554.88	.00	191,038.42	20,141.62	.00	.00	211,180.04
	I & S		49,943.62	.00	4,738.57	.00	54,682.19	.00	.00	.00	54,682.19
	TOTAL		224,427.16	.00	21,293.45	.00	245,720.61	20,141.62	.00	.00	265,862.23

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TC298-M SELECTION: DEPOSIT

5214010

TAX COLLECTION SYSTEM
DEPOSIT DISTRIBUTION
REVERSALS DETAIL SCHEDULE
FROM: 07/01/2026 THRU 07/31/2026
JURISDICTION: 337 FRIENDMD CITY

PAGE: 61
INCLUDES AG ROLLBACK

YEAR	DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE / REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2024	RF260721	168787	202412	0.00	0.00	0.00	0.00 24S2	437.52-	437.52-RF
2024	RF260721	168787	202412	437.52-	0.00	0.00	0.00 24S2	437.52	0.00 RF
2024	RF260721	720851	202412	0.00	0.00	0.00	0.00 24S2	942.99-	942.99-RF
2024	RF260721	720851	202412	942.99-	0.00	0.00	0.00 24S2	942.99	0.00 RF
2024	RF260721	737564	202501	51.42-	0.00	0.00	0.00 24S2	51.42	0.00 RF
2024	RF260721	737564	202501	0.00	0.00	0.00	0.00 24S2	51.42-	51.42-RF
2024	RF260721	742406	202412	0.00	0.00	0.00	0.00 24S2	795.23-	795.23-RF
2024	RF260721	742406	202412	795.23-	0.00	0.00	0.00 24S2	795.23	0.00 RF
2024 TOTAL				2,227.16-	0.00	0.00	0.00	0.00	2,227.16-

2025	908070926T	1012770000006	202606	715.36-	0.00	107.31-	0.00 25HC	0.00	822.67-TR
2025	924072826CHC	1034990000021	202607	579.59-	0.00	75.35-	0.00 25HC	0.00	654.94-TR
2025	908070126T	1057800000015	202512	988.03-	0.00	0.00	0.00 25HC	0.00	988.03-TR
2025	RF260721	168787	202512	0.00	0.00	0.00	0.00 25S1	418.54-	418.54-RF
2025	RF260721	168787	202512	418.54-	0.00	0.00	0.00 25S1	418.54	0.00 RF
2025	RF260721	169103	202512	128.55-	0.00	0.00	0.00 25S1	128.55	0.00 RF
2025	RF260721	169103	202512	0.00	0.00	0.00	0.00 25S1	128.55-	128.55-RF
2025	RF260721	184481	202512	499.07-	0.00	0.00	0.00 25S1	499.07	0.00 RF
2025	RF260721	184481	202512	0.00	0.00	0.00	0.00 25S1	499.07-	499.07-RF
2025	RF260721	202314	202512	406.03-	0.00	0.00	0.00 25S1	406.03	0.00 RF
2025	RF260721	202314	202512	0.00	0.00	0.00	0.00 25S1	406.03-	406.03-RF
2025	RF260721	233550	202601	128.54-	0.00	0.00	0.00 25S1	128.54	0.00 RF
2025	RF260721	306898	202601	401.19-	0.00	0.00	0.00 25S1	401.19	0.00 RF
2025	RF260721	306898	202601	0.00	0.00	0.00	0.00 25S1	401.19-	401.19-RF
2025	RF260721	720851	202512	0.00	0.00	0.00	0.00 25S1	1,005.72	1,005.72-RF
2025	RF260721	720851	202512	1,005.72-	0.00	0.00	0.00 25S1	1,005.72	0.00 RF
2025	RF260721	737564	202601	51.42-	0.00	0.00	0.00 25S1	51.42-	51.42-RF
2025	RF260721	737564	202601	0.00	0.00	0.00	0.00 CERT	0.00	4,025.94-TR
2025	908070126T	742379	202604	3,626.97-	0.00	398.97-	0.00 25S1	804.21-	804.21-RF
2025	RF260721	742406	202512	0.00	0.00	0.00	0.00 25S1	804.21	0.00 RF
2025	RF260721	742406	202512	804.21-	0.00	0.00	0.00 25S1	712.73	712.73-RF
2025	RF260721	747778	202512	712.73-	0.00	0.00	0.00 25S1	293.43	293.43-RF
2025	RF260721	757244	202512	293.43-	0.00	0.00	0.00 25S1	293.43	0.00 RF
2025	RF260721	757244	202512	0.00	0.00	0.00	0.00 25S1	293.43-	293.43-RF

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TC298-M SELECTION: DEPOSIT

5214010

TAX COLLECTION SYSTEM
DEPOSIT DISTRIBUTION
REVERSALS DETAIL SCHEDULE
FROM: 07/01/2026 THRU 07/31/2026
JURISDICTION: 337 FRIENDWD CITY

PAGE: 62
INCLUDES AG ROLLBACK

YEAR DEPOSIT	ACCOUNT NUMBER	EFF YR/MO	LEVY PAID	DISCOUNT GIVEN	PENALTY INTEREST	ATTORNEY CAUSE /REV	REFUND AMOUNT	PAYMENT AMOUNT CAT
2025 TOTAL			10,759.38-	0.00	581.63-	0.00	0.00	11,341.01-
YEAR 2024								
REFUNDS			2,227.16-	0.00	0.00	0.00	0.00	2,227.16-
RETURNED ITEMS			0.00	0.00	0.00	0.00	0.00	0.00
TRANSFERS/REVERSALS			0.00	0.00	0.00	0.00	0.00	0.00
TOTAL			2,227.16-	0.00	0.00	0.00	0.00	2,227.16-
ALL YEARS								
REFUNDS			11,926.02-	0.00	0.00	0.00	0.00	11,926.02-
RETURNED ITEMS			0.00	0.00	0.00	0.00	0.00	0.00
TRANSFERS/REVERSALS			11,819.90-	0.00	1,163.26-	0.00	0.00	12,983.16-
TOTAL			23,745.92-	0.00	1,163.26-	0.00	0.00	24,909.18-

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	277,097,148		6,198,302,130 0		00.514172		29,423,940.81		18,332	
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YEAR	TAXES DUE	MONTH ADJ	ADJUSTMENT YTD	LEVY PAID	PAID YTD	BALANCE	COLL %	YTD UNCOLL

2025	28,085,783.72	1,338,157.09	1,338,157.09	28,964,438.73	28,964,438.73	459,502.08	98.44	0.00
2024	292,504.02	83,949.04	83,949.04	55,775.58	55,775.58	152,779.40	26.74	0.00
2023	90,269.76	25,576.84	25,576.84	11,955.38	11,955.38	52,737.54	18.48	0.00
2022	46,639.80	128.07	128.07	16,245.37	16,245.37	30,266.36	34.93	0.00
2021	27,567.15	3,153.49	3,153.49	610.11	610.11	23,803.55	2.50	0.00
2020	19,946.57	.00	0.00	1,002.84	1,002.84	18,943.73	5.03	0.00
2019	15,213.80	.00	0.00	627.64	627.64	14,586.16	4.13	0.00
2018	12,293.33	118.68	118.68	393.15	393.15	11,781.50	3.23	0.00
2017	11,156.64	116.37	116.37	146.92	146.92	10,893.35	1.33	0.00
2016	9,727.29	.00	0.00	378.01	378.01	9,349.28	3.89	0.00
2015	9,600.44	.00	0.00	265.02	265.02	9,335.42	2.76	0.00
2014	6,417.74	589.71	589.71	196.80	196.80	5,631.23	3.38	589.71
2013	6,272.78	2,060.56	2,060.56	62.20	62.20	4,150.02	1.48	2,060.56
2012	5,458.39	1,408.65	1,408.65	2.33	2.33	4,047.41	.06	1,408.65
2011	5,550.88	2,270.23	2,270.23	1.42	1.42	3,279.23	.04	2,270.23
2010	3,596.44	770.24	770.24	0.59	0.59	2,825.61	.02	770.24
2009	5,154.38	2,250.90	2,250.90	0.58	0.58	2,902.90	.03	2,250.90
2008	4,278.43	2,246.86	2,246.86	0.58	0.58	2,030.99	.02	2,246.86
2007	1,318.21	183.24	183.24	0.58	0.58	1,134.39	.05	183.24
2006	2,437.90	326.09	326.09	577.50	577.50	1,534.31	27.35	326.09
2005	1,170.61	431.19	431.19	0.00	0.00	739.42		431.19
2004	1,537.12	1,268.96	1,268.96	0.00	0.00	268.16		1,268.96
****	28,663,895.40	1,211,307.97	1,211,307.97	29,052,681.33	29,052,681.33	822,522.04		13,806.63
CURR	28,085,783.72	1,338,157.09	1,338,157.09	28,964,438.73	28,964,438.73	459,502.08		0.00
DELQ	578,111.68	126,849.12	126,849.12	88,242.60	88,242.60	363,019.96		13,806.63

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TC160

ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2025
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 252
INCLUDES AG ROLLBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	8,027,944,608	8,027,944,608	79,712,354	4,148,017-	75,564,337	8,103,508,945
AG EXCLUSION	39,387,887	39,387,887	8,197,470	550,750	8,748,220	48,136,107
IMPROVEMENTS	1,061,342,920	1,061,342,920	351,534,606	40,707,816-	310,826,790	1,372,169,710
APPRAISED VALUE	8,027,944,608	8,027,944,608	431,246,960	44,855,833-	386,391,127	8,414,335,735
EXEMPTIONS	2,067,351,739	2,067,351,739	94,520,161	14,223,068	109,293,979	2,176,645,718
TAXABLE VALUE	5,921,204,982	5,921,204,982	336,726,799	59,629,651-	277,097,148	6,198,302,130
LEVY	28,085,783.72	28,085,783.72	1,926,164.61	588,007.52-	1,338,157.09	29,423,940.81
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,479	10,479	670	192	871	11,350
OVER 65	3,794	3,794	210	60	273	4,067
DISABLED	190	190	10	4	15	205
VETERAN	271	271	19	2	21	292
TOTAL EXEMPT	92	92	0	0	0	92

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TC160 ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2024
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 253
INCLUDES AG ROLBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	7,686,327,908	7,686,327,908	159,316	0	159,316	7,686,487,224
AG EXCLUSION	36,196,207	36,196,207	0	3,720-	3,720-	36,192,487
IMPROVEMENTS	1,020,792,976	1,020,792,976	14,713,271	19,156,456-	4,443,185-	1,016,349,791
APPRAISED VALUE	7,686,327,908	7,686,327,908	14,872,587	19,156,456-	4,283,869-	7,682,044,039
EXEMPTIONS	2,032,678,237	2,032,678,237	3,898,785	9,878,614	13,773,679	2,046,451,916
TAXABLE VALUE	5,617,453,464	5,617,453,464	10,973,802	29,031,350-	18,057,548-	5,599,395,916
LEVY	292,504.02	292,504.02	56,424.23	140,373.27-	83,949.04-	208,554.98
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,666	10,666	1	66	67	10,733
OVER 65	3,772	3,772	0	16	16	3,788
DISABLED	190	190	0	2	2	192
VETERAN	268	268	0	0	0	268
TOTAL EXEMPT	86	86	0	0	0	86

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TC160

ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2023
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 254
INCLUDES AG ROLLBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	7,378,007,830	7,378,007,830	83,780	0	83,780	7,378,091,610
AG EXCLUSION	32,425,077	32,425,077	0	0	0	32,425,077
IMPROVEMENTS	942,980,218	942,980,218	186,423	4,138,796-	3,952,373-	939,027,845
APPRAISED VALUE	7,378,007,830	7,378,007,830	270,203	4,138,796-	3,868,593-	7,374,139,237
EXEMPTIONS	2,071,397,163	2,071,397,163	137,293	2,214,809	2,352,102	2,073,749,265
TAXABLE VALUE	5,274,185,590	5,274,185,590	132,910	6,353,605-	6,220,695-	5,267,964,895
LEVY	90,269.76	90,269.76	427.95	26,004.79-	25,576.84-	64,692.92
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,427	10,427	1	22	23	10,450
OVER 65	3,603	3,603	0	8	8	3,611
DISABLED	178	178	1	1	2	180
VETERAN	259	259	1	1	2	261
TOTAL EXEMPT	88	88	0	0	0	88

ALL PROPERTY

JURISDICTION: 0337 FRIENDWD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	6,593,325,295	6,593,325,295	18,801	0	18,801	6,593,344,096
AG EXCLUSION	32,486,183	32,486,183	0	0	0	32,486,183
IMPROVEMENTS	873,775,097	873,775,097	0	244,798-	244,798-	873,530,299
APPRAISED VALUE	6,593,325,295	6,593,325,295	18,801	244,798-	225,997-	6,593,099,298
EXEMPTIONS	1,782,152,718	1,782,152,718	0	172,198-	172,198-	1,781,980,520
TAXABLE VALUE	4,778,686,394	4,778,686,394	18,801	72,600-	53,799-	4,778,632,595
LEVY	46,639.80	46,639.80	91.62	219.69-	128.07-	46,511.73
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,595	10,595	0	2-	2-	10,593
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

ALL PROPERTY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
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	655,381-	655,381-	774,502,084
APPRAISED VALUE	5,827,810,207	5,827,810,207	0	655,381-	655,381-	5,827,154,826
EXEMPTIONS	1,579,451,702	1,579,451,702	0	20,064-	20,064-	1,579,431,638
TAXABLE VALUE	4,214,667,192	4,214,667,192	0	635,317-	635,317-	4,214,031,875
LEVY	27,567.15	27,567.15	.00	3,153.49-	3,153.49-	24,413.66
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

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ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2018
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 257
INCLUDES AG ROLLBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	4,207,374,518	4,207,374,518	0	0	0	4,207,374,518
AG EXCLUSION	23,842,910	23,842,910	0	0	0	23,842,910
IMPROVEMENTS	617,900,409	617,900,409	0	20,265-	20,265-	617,880,144
APPRAISED VALUE	4,207,374,518	4,207,374,518	0	20,265-	20,265-	4,207,354,253
EXEMPTIONS	891,117,422	891,117,422	0	0	0	891,117,422
TAXABLE VALUE	3,292,414,186	3,292,414,186	0	20,265-	20,265-	3,292,393,921
LEVY	12,293.33	12,293.33	.00	118.68-	118.68-	12,174.65
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE						
EXEMPTION COUNTS:						
HOMESTEADS	10,001	10,001	0	0	0	10,001
OVER 65	2,897	2,897	0	0	0	2,897
DISABLED	0	0	0	0	0	0
VETERAN	204	204	0	0	0	204
TOTAL EXEMPT	0	0	0	0	0	0

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TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2017
JURISDICTION: 0337 FRIENDMD CITY

PAGE: 258
INCLUDES AG ROLBACK

ALL PROPERTY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	4,271,816,787	4,271,816,787	0	0	0	4,271,816,787
AG EXCLUSION	18,989,755	18,989,755	0	0	0	18,989,755
IMPROVEMENTS	615,911,811	615,911,811	0	20,061-	20,061-	615,891,750
APPRAISED VALUE	4,271,816,787	4,271,816,787	0	20,061-	20,061-	4,271,796,726
EXEMPTIONS	988,826,434	988,826,434	0	0	0	988,826,434
TAXABLE VALUE	3,264,000,598	3,264,000,598	0	20,061-	20,061-	3,263,980,537
LEVY	11,156.64	11,156.64	.00	116.37-	116.37-	11,040.27
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	10,005	10,005	0	0	0	10,005
OVER 65	2,854	2,854	0	0	0	2,854
DISABLED	0	0	0	0	0	0
VETERAN	207	207	0	0	0	207
TOTAL EXEMPT	647	647	0	0	0	647

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TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2014

PAGE: 259
INCLUDES AG ROLLBACK

ALL PROPERTY

JURISDICTION: 0337 FRIENDWD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	3,220,611,338	3,220,611,338	0	0	0	3,220,611,338
AG EXCLUSION	22,656,763	22,656,763	0	0	0	22,656,763
IMPROVEMENTS	458,693,442	458,693,442	0	0	0	458,693,442
APPRAISED VALUE	3,220,611,338	3,220,611,338	0	0	0	3,220,611,338
EXEMPTIONS	739,118,459	739,118,459	0	0	0	739,118,459
TAXABLE VALUE	2,458,836,116	2,458,836,116	0	0	0	2,458,836,116
LEVY	6,417.74	6,417.74	.00	589.71-	589.71-	5,828.03
UNCOLLECTIBLE	.00	.00	.00	.00	.00	589.71-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	9,648	9,648	0	0	0	9,648
OVER 65	2,524	2,524	0	0	0	2,524
DISABLED	176	176	0	0	0	176
VETERAN	220	220	0	0	0	220
TOTAL EXEMPT	624	624	0	0	0	624

ALL PROPERTY

JURISDICTION: 0337 FRIENDWD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	3,137,530,828	3,137,530,828	0	0	0	3,137,530,828
AG EXCLUSION	23,290,819	23,290,819	0	0	0	23,290,819
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	3,137,530,828	3,137,530,828	0	0	0	3,137,530,828
EXEMPTIONS	704,624,861	704,624,861	0	0	0	704,624,861
TAXABLE VALUE	2,409,615,148	2,409,615,148	0	0	0	2,409,615,148
LEVY	6,272.78	6,272.78	.00	2,060.56-	2,060.56-	4,212.22
UNCOLLECTIBLE	.00	.00	.00	.00	.00	2,060.56-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	9,611	9,611	0	0	0	9,611
OVER 65	2,398	2,398	0	0	0	2,398
DISABLED	183	183	0	0	0	183
VETERAN	215	215	0	0	0	215
TOTAL EXEMPT	618	618	0	0	0	618

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TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2012
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 261
INCLUDES AG ROLBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	3,010,746,098	3,010,746,098	0	0	0	3,010,746,098
AG EXCLUSION	24,253,634	24,253,634	0	0	0	24,253,634
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	3,010,746,098	3,010,746,098	0	0	0	3,010,746,098
EXEMPTIONS	688,493,465	688,493,465	0	0	0	688,493,465
TAXABLE VALUE	2,297,998,999	2,297,998,999	0	0	0	2,297,998,999
LEVY	5,458.39	5,458.39	.00	1,408.65-	1,408.65-	4,049.74
UNCOLLECTIBLE	.00	.00	.00	.00	.00	1,408.65-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	9,520	9,520	0	0	0	9,520
OVER 65	2,294	2,294	0	0	0	2,294
DISABLED	184	184	0	0	0	184
VETERAN	202	202	0	0	0	202
TOTAL EXEMPT	611	611	0	0	0	611

ALL PROPERTY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	3,027,077,728	3,027,077,728	0	0	0	3,027,077,728
AG EXCLUSION	25,181,497	25,181,497	0	0	0	25,181,497
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	3,027,077,728	3,027,077,728	0	0	0	3,027,077,728
EXEMPTIONS	693,987,772	693,987,772	0	0	0	693,987,772
TAXABLE VALUE	2,307,908,459	2,307,908,459	0	0	0	2,307,908,459
LEVY	5,550.88	5,550.88	.00	2,270.23-	2,270.23-	3,280.65
UNCOLLECTIBLE	.00	.00	.00	.00	.00	2,270.23-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	9,686	9,686	0	0	0	9,686
OVER 65	2,190	2,190	0	0	0	2,190
DISABLED	191	191	0	0	0	191
VETERAN	183	183	0	0	0	183
TOTAL EXEMPT	606	606	0	0	0	606

ALL PROPERTY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	3,002,750,969	3,002,750,969	0	0	0	3,002,750,969
AG EXCLUSION	26,708,568	26,708,568	0	0	0	26,708,568
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	3,002,750,969	3,002,750,969	0	0	0	3,002,750,969
EXEMPTIONS	694,556,367	694,556,367	0	0	0	694,556,367
TAXABLE VALUE	2,281,486,034	2,281,486,034	0	0	0	2,281,486,034
LEVY	3,596.44	3,596.44	.00	770.24-	770.24-	2,826.20
UNCOLLECTIBLE	.00	.00	.00	.00	.00	770.24-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	9,651	9,651	0	0	0	9,651
OVER 65	2,079	2,079	0	0	0	2,079
DISABLED	176	176	0	0	0	176
VETERAN	180	180	0	0	0	180
TOTAL EXEMPT	598	598	0	0	0	598

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ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2009
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 264
INCLUDES AG ROLLBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	2,942,056,457	2,942,056,457	0	0	0	2,942,056,457
AG EXCLUSION	23,103,283	23,103,283	0	0	0	23,103,283
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	2,942,056,457	2,942,056,457	0	0	0	2,942,056,457
EXEMPTIONS	667,628,670	667,628,670	0	0	0	667,628,670
TAXABLE VALUE	2,251,324,504	2,251,324,504	0	0	0	2,251,324,504
LEVY	5,154.38	5,154.38	.00	2,250.90-	2,250.90-	2,903.48
UNCOLLECTIBLE	.00	.00	.00	.00	.00	2,250.90-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	9,409	9,409	0	0	0	9,409
OVER 65	1,961	1,961	0	0	0	1,961
DISABLED	167	167	0	0	0	167
VETERAN	174	174	0	0	0	174
TOTAL EXEMPT	583	583	0	0	0	583

ALL PROPERTY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	2,345,825,847	2,345,825,847	0	0	0	2,345,825,847
AG EXCLUSION	20,583,444	20,583,444	0	0	0	20,583,444
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	2,345,825,847	2,345,825,847	0	0	0	2,345,825,847
EXEMPTIONS	514,930,336	514,930,336	0	0	0	514,930,336
TAXABLE VALUE	1,810,312,067	1,810,312,067	0	0	0	1,810,312,067
LEVY	4,278.43	4,278.43	.00	2,246.86-	2,246.86-	2,031.57
UNCOLLECTIBLE	.00	.00	.00	.00	.00	2,246.86-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	7,211	7,211	0	0	0	7,211
OVER 65	1,423	1,423	0	0	0	1,423
DISABLED	98	98	0	0	0	98
VETERAN	127	127	0	0	0	127
TOTAL EXEMPT	517	517	0	0	0	517

ALL PROPERTY

JURISDICTION: 0337 FRIENDWD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	2,768,485,568	2,768,485,568	0	0	0	2,768,485,568
AG EXCLUSION	27,382,734	27,382,734	0	0	0	27,382,734
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	2,768,485,568	2,768,485,568	0	0	0	2,768,485,568
EXEMPTIONS	624,625,914	624,625,914	0	0	0	624,625,914
TAXABLE VALUE	2,116,476,920	2,116,476,920	0	0	0	2,116,476,920
LEVY	1,318.21	1,318.21	.00	183.24-	183.24-	1,134.97
UNCOLLECTIBLE	.00	.00	.00	.00	.00	183.24-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	9,235	9,235	0	0	0	9,235
OVER 65	1,781	1,781	0	0	0	1,781
DISABLED	159	159	0	0	0	159
VETERAN	168	168	0	0	0	168
TOTAL EXEMPT	587	587	0	0	0	587

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ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2006
JURISDICTION: 0337 FRIENDWD CITY

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INCLUDES AG ROLLBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	0	0	0	0	0	0
AG EXCLUSION	0	0	0	0	0	0
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	0	0	0	0	0	0
EXEMPTIONS	0	0	0	0	0	0
TAXABLE VALUE	0	0	0	0	0	0
LEVY	2,437.90	2,437.90	.00	326.09-	326.09-	2,111.81
UNCOLLECTIBLE	.00	.00	.00	.00	.00	326.09-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	0	0	0	0	0	0
OVER 65	0	0	0	0	0	0
DISABLED	0	0	0	0	0	0
VETERAN	0	0	0	0	0	0
TOTAL EXEMPT	0	0	0	0	0	0

ALL PROPERTY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	0	0	0	0	0	0
AG EXCLUSION	0	0	0	0	0	0
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	0	0	0	0	0	0
EXEMPTIONS	0	0	0	0	0	0
TAXABLE VALUE	0	0	0	0	0	0
LEVY	1,170.61	1,170.61	.00	431.19-	431.19-	739.42
UNCOLLECTIBLE	.00	.00	.00	.00	.00	431.19-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	0	0	0	0	0	0
OVER 65	0	0	0	0	0	0
DISABLED	0	0	0	0	0	0
VETERAN	0	0	0	0	0	0
TOTAL EXEMPT	0	0	0	0	0	0

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ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2004
JURISDICTION: 0337 FRIENDWD CITY

PAGE: 269
INCLUDES AG ROLLBACK

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	0	0	0	0	0	0
AG EXCLUSION	0	0	0	0	0	0
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	0	0	0	0	0	0
EXEMPTIONS	0	0	0	0	0	0
TAXABLE VALUE	0	0	0	0	0	0
LEVY	1,537.12	1,537.12	.00	435.52-	435.52-	1,101.60
UNCOLLECTIBLE	.00	.00	.00	.00	.00	435.52-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	0	0	0	0	0	0
OVER 65	0	0	0	0	0	0
DISABLED	0	0	0	0	0	0
VETERAN	0	0	0	0	0	0
TOTAL EXEMPT	0	0	0	0	0	0

ALL PROPERTY

JURISDICTION: 0337 FRIENDWD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	0	0	0	0	0	0
AG EXCLUSION	0	0	0	0	0	0
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	0	0	0	0	0	0
EXEMPTIONS	0	0	0	0	0	0
TAXABLE VALUE	0	0	0	0	0	0
LEVY	1,034.56	1,034.56	.00	404.62-	404.62-	629.94
UNCOLLECTIBLE	.00	.00	.00	.00	.00	404.62-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	0	0	0	0	0	0
OVER 65	0	0	0	0	0	0
DISABLED	0	0	0	0	0	0
VETERAN	0	0	0	0	0	0
TOTAL EXEMPT	0	0	0	0	0	0

ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2002
JURISDICTION: 0337 FRIENDWD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	0	0	0	0	0	0
AG EXCLUSION	0	0	0	0	0	0
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	0	0	0	0	0	0
EXEMPTIONS	0	0	0	0	0	0
TAXABLE VALUE	0	0	0	0	0	0
LEVY	.00	.00	.00	232.54-	232.54-	232.54-
UNCOLLECTIBLE	.00	.00	.00	.00	.00	232.54-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	0	0	0	0	0	0
OVER 65	0	0	0	0	0	0
DISABLED	0	0	0	0	0	0
VETERAN	0	0	0	0	0	0
TOTAL EXEMPT	0	0	0	0	0	0

ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2001
JURISDICTION: 0337 FRIENDWD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	0	0	0	0	0	0
AG EXCLUSION	0	0	0	0	0	0
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	0	0	0	0	0	0
EXEMPTIONS	0	0	0	0	0	0
TAXABLE VALUE	0	0	0	0	0	0
LEVY	.00	.00	.00	98.14-	98.14-	98.14-
UNCOLLECTIBLE	.00	.00	.00	.00	.00	98.14-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	0	0	0	0	0	0
OVER 65	0	0	0	0	0	0
DISABLED	0	0	0	0	0	0
VETERAN	0	0	0	0	0	0
TOTAL EXEMPT	0	0	0	0	0	0

ALL PROPERTY

TAX COLLECTION SYSTEM
SUPPLEMENTAL / ADJUSTMENT CONTROL TOTALS
FOR TAX YEAR: 2000
JURISDICTION: 0337 FRIENDSWOOD CITY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	0	0	0	0	0	0
AG EXCLUSION	0	0	0	0	0	0
IMPROVEMENTS	0	0	0	0	0	0
APPRAISED VALUE	0	0	0	0	0	0
EXEMPTIONS	0	0	0	0	0	0
TAXABLE VALUE	0	0	0	0	0	0
LEVY	.00	.00	.00	98.14-	98.14-	98.14-
UNCOLLECTIBLE	.00	.00	.00	.00	.00	98.14-
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	0	0	0	0	0	0
OVER 65	0	0	0	0	0	0
DISABLED	0	0	0	0	0	0
VETERAN	0	0	0	0	0	0
TOTAL EXEMPT	0	0	0	0	0	0

Summary of Jurisdiction Remittances Processed Property Tax File

For Remitted Deposit Dates 07/01/2026 thru 07/31/2026 as of 08/03/2026

Batch Seq

5214927

Report run on: August 3, 2026 2:33 PM

Tax Unit		M & O Total	I & S Total	TIF Levy	TIF Interest	Fee Total	Total
337 FRIENDWD CITY							
ACH 98886	Print Date:08/03/2026						
	Current	25,842.66	7,397.10	0.00	0.00	0.00	33,239.76
	Delq	1,151.49	318.83	0.00	0.00	0.00	1,470.32
Last Deposit Date	07/01/2026	\$26,994.15	\$7,715.93	\$0.00	\$0.00	\$0.00	\$34,710.08
ACH 98932	Print Date:08/03/2026						
	Current	30,875.15	8,837.62	0.00	0.00	0.00	39,712.77
	Delq	769.37	218.07	0.00	0.00	0.00	987.44
Last Deposit Date	07/07/2026	\$31,644.52	\$9,055.69	\$0.00	\$0.00	\$0.00	\$40,700.21
ACH 98984	Print Date:08/03/2026						
	Current	62,976.28	18,026.13	0.00	0.00	0.00	81,002.41
	Delq	28,271.89	7,697.34	0.00	0.00	0.00	35,969.23
Last Deposit Date	07/16/2026	\$91,248.17	\$25,723.47	\$0.00	\$0.00	\$0.00	\$116,971.64
ACH 99026	Print Date:08/03/2026						
	Current	35,123.05	10,053.56	0.00	0.00	0.00	45,176.61
	Delq	(1,748.83)	(476.14)	0.00	0.00	0.00	(2,224.97)
Last Deposit Date	07/23/2026	\$33,374.22	\$9,577.42	\$0.00	\$0.00	\$0.00	\$42,951.64
ACH 99073	Print Date:08/03/2026						
	Current	36,221.28	10,367.78	0.00	0.00	0.00	46,589.06
	Delq	2,561.39	713.80	0.00	0.00	0.00	3,275.19
Last Deposit Date	07/31/2026	\$38,782.67	\$11,081.58	\$0.00	\$0.00	\$0.00	\$49,864.25
Total:		\$222,043.73	\$63,154.09	\$0.00	\$0.00	\$0.00	\$285,197.82

08/03/2026 09:28:2 5214142

TC168

TAX COLLECTION SYSTEM
TAX COLLECTOR MONTHLY REPORT
FROM 08/01/2025 TO 07/31/2026

PAGE: 11
INCLUDES AG ROLLBACK

FISCAL START: 08/01/2025 END: 07/31/2026 JURISDICTION: 0175 FRIENDMD CITY CENTER PID

	CERT TAXABLE VALUE	ADJUSTMENTS	ADJ TAX VALUE	TAX RATE	TAX LEVY	PAID ACCTS
	-----	-----	-----	-----	-----	-----
CURRENT YEAR	0	4,095,664	4,095,664	0 00.000000	1,083,718.80	4

YEAR	TAXES DUE	MONTH ADJ	ADJUSTMENT YTD	LEVY PAID	PAID YTD	BALANCE	COLL %	YTD UNCOLL
	-----	-----	-----	-----	-----	-----	-----	-----
2025	0.00	1,083,718.80	1,083,718.80	1,083,718.80	1,083,718.80	0.00		0.00
****	0.00	1,083,718.80	1,083,718.80	1,083,718.80	1,083,718.80	0.00		0.00
CURR	0.00	1,083,718.80	1,083,718.80	1,083,718.80	1,083,718.80	0.00		0.00
DELT	0.00	.00	0.00	0.00	0.00	0.00		0.00

FISCAL START: 08/01/2025 END: 07/31/2026 JURISDICTION: 0175 FRIENDWD CITY CENTER PID

	CERT TAXABLE VALUE	ADJUSTMENTS	ADJ TAX VALUE	TAX RATE	TAX LEVY	PAID ACCTS
CURRENT YEAR	0	4,095,664	4,095,664	0 00.000000	1,083,718.80	4

YEAR	TAXES DUE	MONTH ADJ	ADJUSTMENT YTD	LEVY PAID	PAID YTD	BALANCE	COLL %	YTD UNCOLL
2025	0.00	.00	1,083,718.80	0.00	1,083,718.80	0.00		0.00
****	0.00	.00	1,083,718.80	0.00	1,083,718.80	0.00		0.00
CURR	0.00	.00	1,083,718.80	0.00	1,083,718.80	0.00		0.00
DELO	0.00	.00	0.00	0.00	0.00	0.00		0.00

ALL PROPERTY

	CERTIFIED ROLL	ROLL AS OF 08/01/2025	SUPPLEMENTALS THIS PERIOD	ADJUSTMENTS THIS PERIOD	NET CHANGE THIS PERIOD	ROLL AS OF 07/31/2026
LAND VALUE	0	0	3,919,124	0	3,919,124	3,919,124
AG EXCLUSION	0	0	0	0	0	0
IMPROVEMENTS	0	0	176,540	0	176,540	176,540
APPRAISED VALUE	0	0	4,095,664	0	4,095,664	4,095,664
EXEMPTIONS	0	0	0	0	0	0
TAXABLE VALUE	0	0	4,095,664	0	4,095,664	4,095,664
LEVY	.00	.00	1,083,718.80	.00	1,083,718.80	1,083,718.80
UNCOLLECTIBLE	.00	.00	.00	.00	.00	.00
RECEIVABLE					.00	
EXEMPTION COUNTS:						
HOMESTEADS	0	0	0	0	0	0
OVER 65	0	0	0	0	0	0
DISABLED	0	0	0	0	0	0
VETERAN	0	0	0	0	0	0
TOTAL EXEMPT	0	0	0	0	0	0

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 07/06/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Consider approving the minutes of the City Council Special Meeting held on August 11, 2026.

Originating Department: City Secretary

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows for the review and approval of the minutes of the City Council Special Meeting held on August 11, 2026.

A copy of the draft minutes is attached for your review.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1.	2026 08 11 Special CC Meeting Minutes (DRAFT)
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**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF FRIENDSWOOD
August 11, 2026**

THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD MET IN A SPECIAL MEETING ON WEDNESDAY, AUGUST 11, 2026, AT 8:01 A.M. IN THE COUNCIL CHAMBERS, FRIENDSWOOD CITY HALL, LOCATED AT 910 S. FRIENDSWOOD DRIVE, FRIENDSWOOD, TEXAS, WITH THE FOLLOWING MEMBERS PRESENT CONSTITUTING A QUORUM:

John Ellisor	Councilmember
Sally Branson	Councilmember
Trish Hanks	Councilmember
Randy Hale	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 8:01 A.M. All members were present with the exception of the absences of Councilmember Robert Griffon and Mayor Pro Tem Michael Ross, as well as Councilmember John Ellisor who later arrived at 8:16 A.M.

2. INVOCATION

The invocation was led by Assistant City Manager Katina Hampton.

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

Mayor Foreman led the Pledge of Allegiance of the United States and the Pledge to the State of Texas.

4. COUNCIL COMMENTS AND REPORTS

Mayor Foreman opened the item inviting the councilmembers to provide their comments. Councilmember Branson thanked Councilmember Hale for attending the Texas Municipal League (TML) Region 14 Summer Meeting. Councilmember Hale shared it was extremely informative and a great experience.

5. PUBLIC COMMENT

Mayor Foreman announced no citizens had signed up to provide a public comment.

The Mayor then took the agenda out of order to consider Ordinance Item 7.A. prior to Work Session Topic Item 6.A.

7. ORDINANCE

A. Consider on first reading an ordinance repealing Section 2.1 of Ordinance No. 2002-16 and renaming a portion of Baker Road southeast of Stonewall Pass Road as Hackney Road.

Community Development Department (CDD) Director Aubrey Harbin stated this item was a correction to fix a street naming issue since Friendswood has two streets named Baker Road. A map was displayed for Council that showed a portion of Baker Road that Ms. Harbin noted has sometimes been called Hackney Road, but an ordinance in 2002 named this portion of the road Baker. Thus, staff wanted to clean this up.

A motion was made by Councilmember Branson and seconded by Councilmember Hanks to approve the first reading of a Proposed Ordinance repealing Section 2.1 of Ordinance No. 2002-16 and renaming a portion of Baker Road southeast of Stonewall Pass Road as Hackney Road, as submitted and related to Item 7.A. The vote was the following:

Ayes: Mayor Foreman, Councilmember Branson, Councilmember Hanks, and Councilmember Hale

Nays: None

Absent: Councilmember Ellisor, Councilmember Griffon, and Mayor Pro Tem Ross

The item passed unanimously.

PROPOSED ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, REPEALING SECTION 2.1 OF ORDINANCE NO. 2002-16; RENAMING A PORTION OF BAKER ROAD TO HACKNEY ROAD; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

Mayor Foreman returned to the regular order of the agenda.

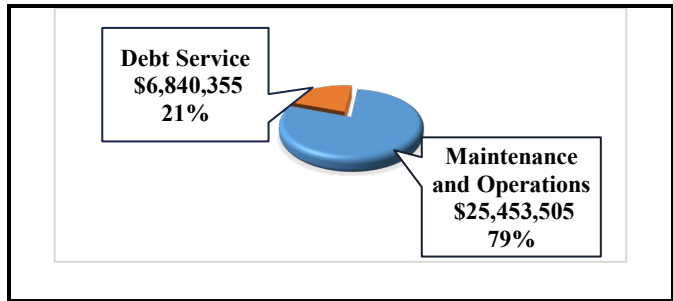
6. WORK SESSION TOPICS

A. Receive and discuss a presentation regarding the City of Friendswood Proposed FY2026-27 Municipal Budget.

Finance Director Rhonda Boskas presented to Council the City of Friendswood Proposed Fiscal Year 2026-27 Municipal Budget with the following highlights:

GENERAL FUND REVENUE ~ \$48.1M			FY2027 AD VALOREM TAX RATE	
Property Tax \$25.50M \$2.6M over FY Actual 53.0%	Sales Tax \$11.10M Up \$128K 23.0%	Franchise Tax \$2.15M Up \$33K 4.5%	Total Tax Rate: \$0.559723	
Fines \$923K Down \$14K	Interfund Transfers \$3.79M	Licenses & Permits \$739K	M&O Rate: \$0.441165	
			I&S Rate: \$0.118558	

1.9%	Up \$58K 7.9%	Down \$261K 1.5%
Intergovernmental \$857K Up \$34K 1.8%	Charges for Services \$1.91M Down \$10K 4.0%	Misc. Interest \$1.14M Up \$119K 2.4%
Use of Fund Balance \$0K Down \$500K 0.0%		



Ms. Blosskas then addressed Councilmember Hale’s question raised at the August 3rd Council Meeting regarding utilizing the emergency disaster tax rate in lieu of setting aside a Severe Weather Expenditures fund balance. It allows local governments in Texas to adopt a higher property tax rate without voter approval following a governor or presidential disaster declaration. However, Ms. Blosskas noted the timing issues if they adopted the emergency disaster tax rate. If they do have a natural disaster, they would have to wait a year to implement the emergency disaster tax rate and wait for those funds to come in. She believed the main thing, other than erosion of their tax base, is the hardship it would place on residents at a time when they have roofs off their homes and fences down. She expressed planning for a disaster is important and that is why staff added the \$500,000 as a force at work this year in the budget for that.

City Manager Morad Kabiri added that the federal and state governments would have to declare it as a disaster for the emergency disaster tax rate to be able to take effect. If a disaster does not qualify, the City would still be responsible for cleaning up the debris and would not be able to raise tax rates to offset the expenses. Councilmember Branson inquired about Certificates of Obligation, to which Mr. Kabiri confirmed if they have a disaster that impacted only Friendswood, the City can declare an emergency and say they need funds to respond. He also noted they have money in their 90-day reserve, but there is no mechanism by which to replenish that reserve. Whereas, in the past, the state or federal governments would reimburse the City for those expenditures, they have already put the City on notice that they would not.

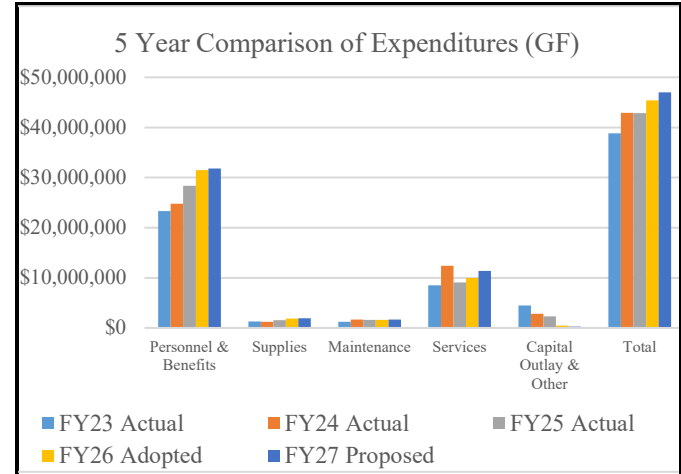
Mr. Kabiri noted the \$500,000 amount for the Severe Weather Expenditures fund balance was based upon the premium that they were quoted if the City were to go out and get insurance for this type of the coverage. However, if Council were to choose a lower amount to set aside, that would be perfectly okay as any amount that we start saving is a good thing and let's hope for the best, that we do not have a disaster in the meantime.

Ms. Blosskas proceeded to discuss the General Fund expenditures budget, which is up \$2.7 million, primarily as a result of the forces at work and the decision packages they are asking to be funded. Excluding the forces at work, there is only about a 1% increase in the operating expenditure budget. Almost 50% of the total expenditure budget is public safety, and that includes police and our emergency services. The next largest function is the General Government, which includes the Mayor and Council's budget, City Manager’s Office, City Secretary, City Attorney, Finance, Human Resources, IT, Communications, and Municipal Court. It is up about \$493,000 from the prior year budget, and that is primarily related to software support services in IT's budget, as well as a funded decision package for one FTE in the City Attorney's budget.

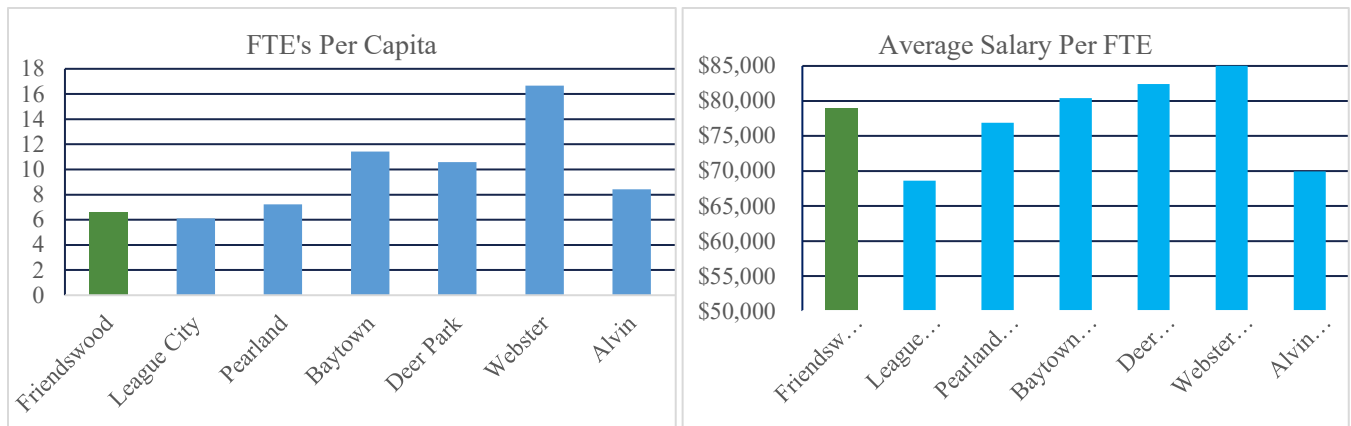
She presented the five-year comparison of expenditures chart, which shows the biggest part of the general expense budget is personnel, which is about 67% of the total Expenditure budget. In 2025, we onboarded the EMS, and then in 2026 we had the approval of the 16 FTEs. Mr. Kabiri noted that, as Rhonda

mentioned, the 2 uplifts in EMS in 2025, and the 16 FTEs, which were still predominantly public safety related. He added that on the next slide when they address the average employees per capita, even increasing our staffing by over 10%, we are still next to the lowest in the region, which speaks volumes to the doing less with more.

GENERAL FUND EXPENDITURES ~ \$48.1M		
General Government \$9.8M Up \$493K 20.4%	Community Development \$1.8M Up \$57K 3.7%	Parks & Rec Facilities Maintenance \$6.4M Up \$32K 13.3%
Public Safety \$23.6M Up 1.1M 49.2%	Library \$1.6M Up \$53K 3.3%	Engineering \$691K Up \$5K 1.4%
Public Works \$3.1M Down \$135K 6.4%	Capital Maintenance <i>Fire/EMS Vehicles</i> \$1.1M 2.3%	



Ms. Blosskas alluded to the staffing comparisons with the charts below and noted that as it relates to average salary per FTE, the City of Friendswood is not the lowest per average, but we are also not the highest:



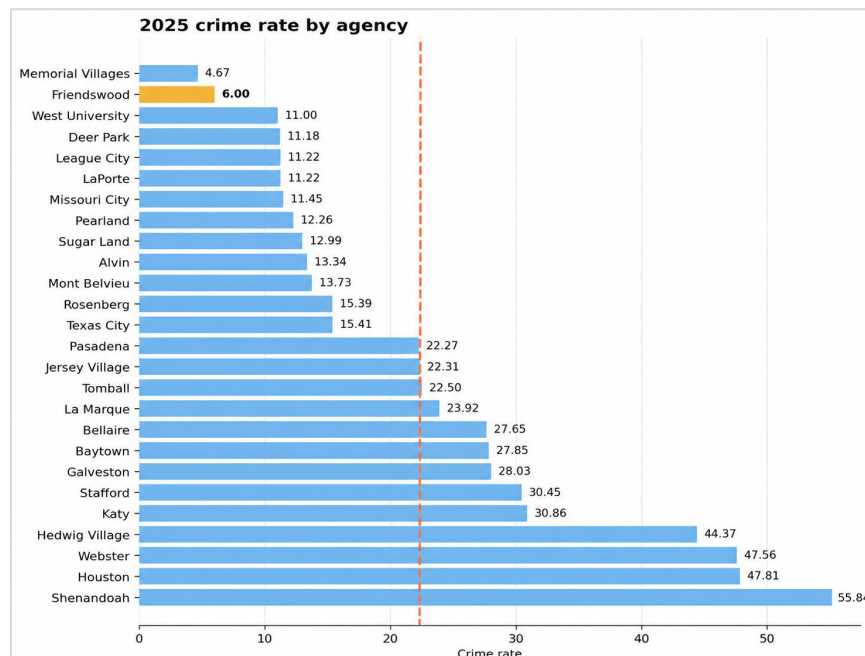
Police Chief Josh Rogers was then invited to discuss matters concerning staffing and pay in the Police Department (PD) using the following charts. Mr. Kabiri pointed out that as Chief Rogers goes through these slides, he would like for Council to keep in mind the average data point in accounts for all salaries, not necessarily per project or per employee classification. He believes the bigger concern as the Chief will point out, is that there is a number of areas in which the City of Friendswood is significantly well below average.

Chief Rogers stated his theme for his presentation is just what Mr. Kabiri alluded to earlier, which is about doing more with less. He noted the first slide indicates the starting salary as we compare ourselves to 26 agencies across the area. You can see on the right there, that is the top out salary for our sworn positions, which consists only of 67 and is not the entire 85 or close to 95 personnel inside the Police department, this is only the sworn staff. The chart indicates their starting salary and their top out salary. In the years'

past, we have tried to stay in the top 5 or 6, and you can see where we are at and how quickly we can fall down by not keeping up with the market there.

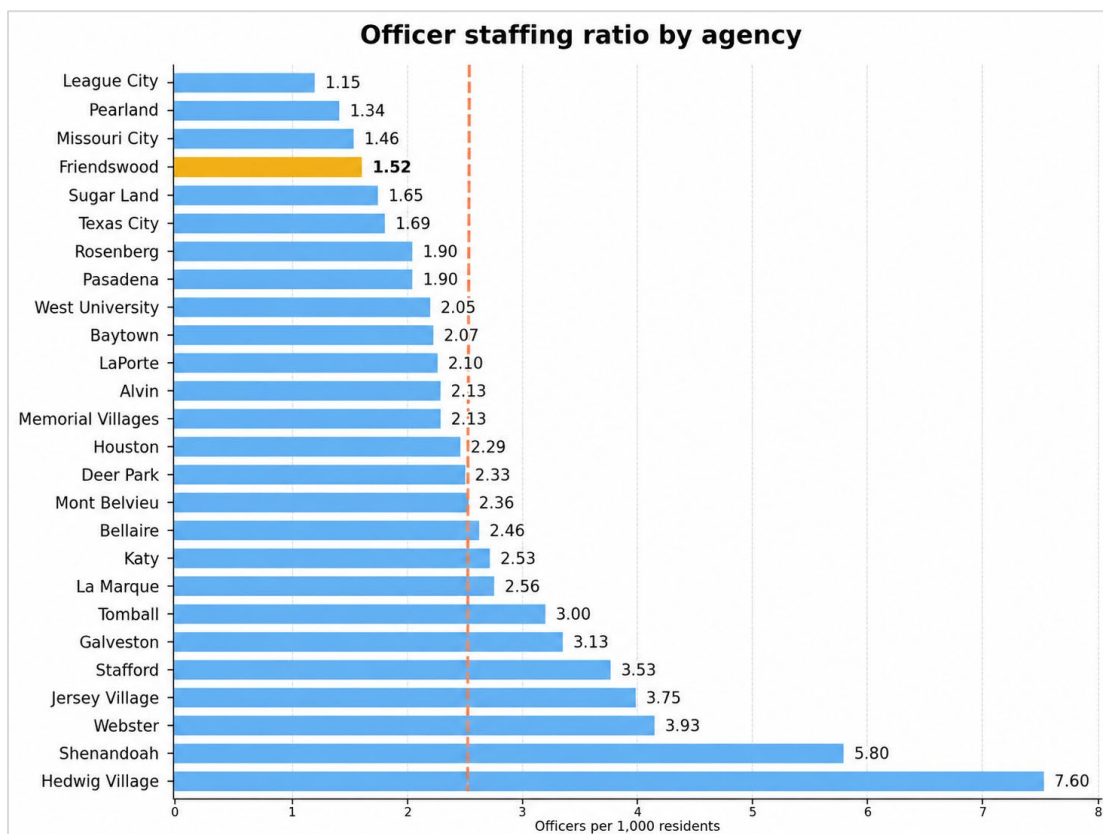
1	Police Pay Comparison							
2								
3	Agency	Sworn	Population	2025 Crime Rate	Officer Per 1000	Starting Salary Base	Top Out Base	Officer Range
4	Memorial Villages	32	15,000	4.67	2.13	\$90,636.00	\$136,281.00	\$45,645.00
5	Baytown	177	85,627	27.85	2.07	\$84,049.00	\$112,306.00	\$28,257.00
6	Katy	76	30,000	30.86	2.53	\$70,414.00	\$111,467.00	\$41,053.00
7	Pasadena	289	152,000	22.27	1.90	\$78,671.00	\$109,817.00	\$31,146.00
8	Houston	5496	2,397,315	47.81	2.29	\$81,000.00	\$109,290.00	\$28,290.00
9	Deer Park	80	34,282	11.18	2.33	\$73,070.40	\$107,286.40	\$34,216.00
10	Pearland	185	138,160	12.26	1.34	\$77,112.00	\$106,741.00	\$29,629.00
11	League City	149	130,000	11.22	1.15	\$79,885.00	\$106,467.00	\$26,582.00
12	Sugar Land	182	110,000	12.99	1.65	\$78,250.00	\$105,685.00	\$27,435.00
13	LaPorte	84	40,000	11.22	2.10	\$74,002.00	\$105,466.00	\$31,464.00
14	Mont Belvieu	33	14,000	13.73	2.36	\$74,180.69	\$105,341.00	\$31,160.31
15	Missouri City	113	77,327	11.45	1.46	\$75,515.00	\$104,086.00	\$28,571.00
16	Stafford	67	19,000	30.45	3.53	\$76,308.00	\$102,626.00	\$26,318.00
17	Hedwig Village	19	2500	44.37	7.60	\$75,836.00	\$101,210.00	\$25,374.00
18	Shenandoah	29	5000	55.84	5.80	\$75,000.00	\$101,184.00	\$26,184.00
19	West University	31	15,158	11.00	2.05	\$74,334.00	\$99,899.00	\$25,565.00
20	Texas City	101	59,733	15.41	1.69	\$64,662.00	\$99,164.00	\$34,502.00
21	Galveston	168	53,636	28.03	3.13	\$67,123.00	\$97,322.00	\$30,199.00
22	Tomball	48	16,000	22.50	3.00	\$68,099.00	\$97,302.00	\$29,203.00
23	Bellaire	43	17,500	27.65	2.46	\$72,068.57	\$97,292.57	\$25,224.00
24	Webster	55	14,000	47.56	3.93	\$75,836.00	\$97,079.00	\$21,243.00
25	Jersey Village	29	7,729	22.31	3.75	\$72,418.94	\$95,774.05	\$23,355.11
26	La Marque	52	20,324	23.92	2.56	\$62,631.00	\$94,934.00	\$32,303.00
27	Rosenberg	81	42,701	15.39	1.90	\$74,069.00	\$94,806.00	\$20,737.00
28	Friendswood	67	44,000	6.00	1.52	\$70,686.00	\$91,686.00	\$21,000.00
29	Alvin	64	30,115	13.34	2.13	\$72,966.00	\$90,459.00	\$17,493.00

Chief Rogers proceeded to discuss the next slide, which indicated the crime rate compared to the same 26 agencies, and noted that although the City is on the bottom for pay, we are on the top for our crime rate, which is an example of doing more with less. We are second on our crime rate, which is an extremely important performance measure; one of the most important performance measures in our performance as it is our report card. Year after year, we score an A++ on our report card.

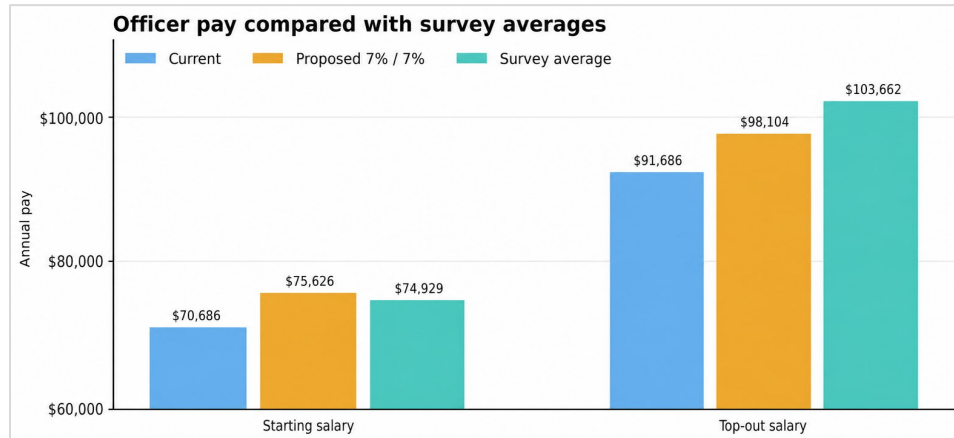


Mayor Foreman shared that these stats of the City are the ones he is the most proud of. He found it impressive that they keep the crime rate so low when they do not have as many officers per capita as other cities and are not paying them as well. Chief Rogers thanked the Mayor and stated they are riding the coattails of the success of the past. He also noted that just because today it looks good, that does not mean tomorrow it will. It can change very quickly, and there are a lot of moving parts to make this happen.

Chief Rogers noted another example of doing more with less is the Officer Staffing Ratio, since the City's per thousand staffing level is 1.52, which is lean. As shown on chart, we are up top on operating the most leanest compared to the other 26 agencies. He reiterated that this is an example of us working together as a team, as a group, year after year. They will work with Finance, in order to get that number fixed and not come before Council and request a couple pennies on the sales tax, or on the rate at all. They will attempt to fix this in-house to get us back up to where they should be, and that is what we do better than anyone else as well.



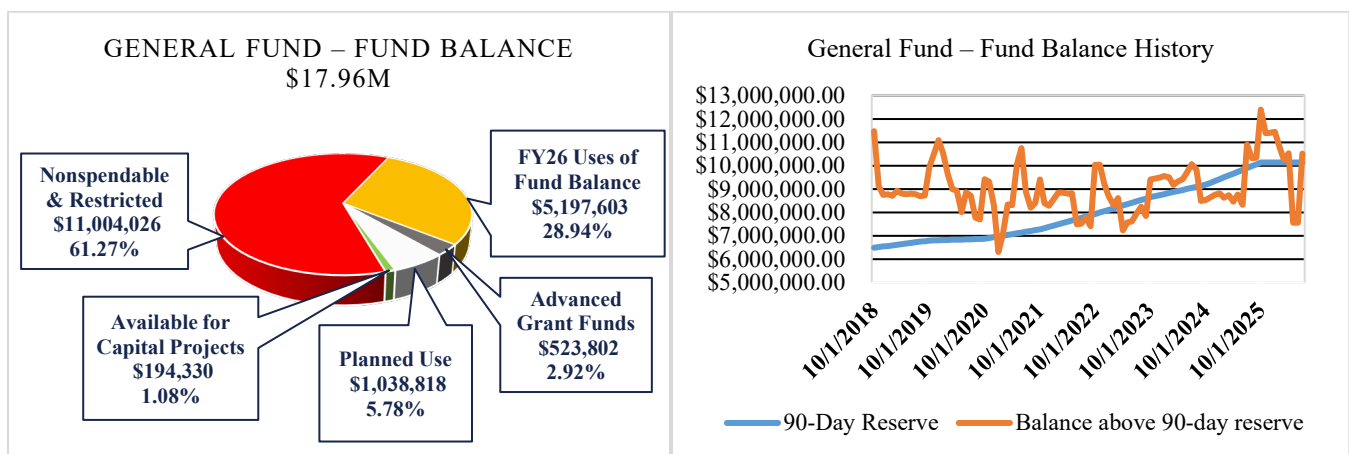
Regarding pay, he stated they used an external benchmark to come up with the proposed \$74,000, which is the average salary in the Houston area for a police officer position. Even though they are producing an A++ record, they just want to remain average, that is the best they can hope for at this point. The number is changing at a rate that is faster than what merit can keep up with and that is the challenge for all of us moving forward. Every 3 or 4 years, they will drop to the bottom with a 2.75% to 3% merit raise, it is not cutting it and the average will keep increasing in this market. Chief Rogers concluded his presentation and offered to answer any questions that City Council may have.



Councilmember Hanks expressed that she wants to plan for the future and leave this community as good as it is today or better. She noted Council talked a few years ago about police officers' salaries and they had made a jump that year. She wished to note that they did not think "Okay, that's it. We won't have to address that again." She stated that is just not the way it is. Thus, she emphasized they have to plan for that and it is going to mean that sometimes they have to pay more. Councilmember Branson expressed her appreciation for the great job the police do. She knows they are doing more with less and hoped that soon they will have the flexibility in the budget to remediate that gap. Mr. Kabiri noted that the proposed tax rate and budget does not address this issue, it is a constant struggle with communities that are not fast growing, but they do have a lot of resources in terms of assets that they want to protect.

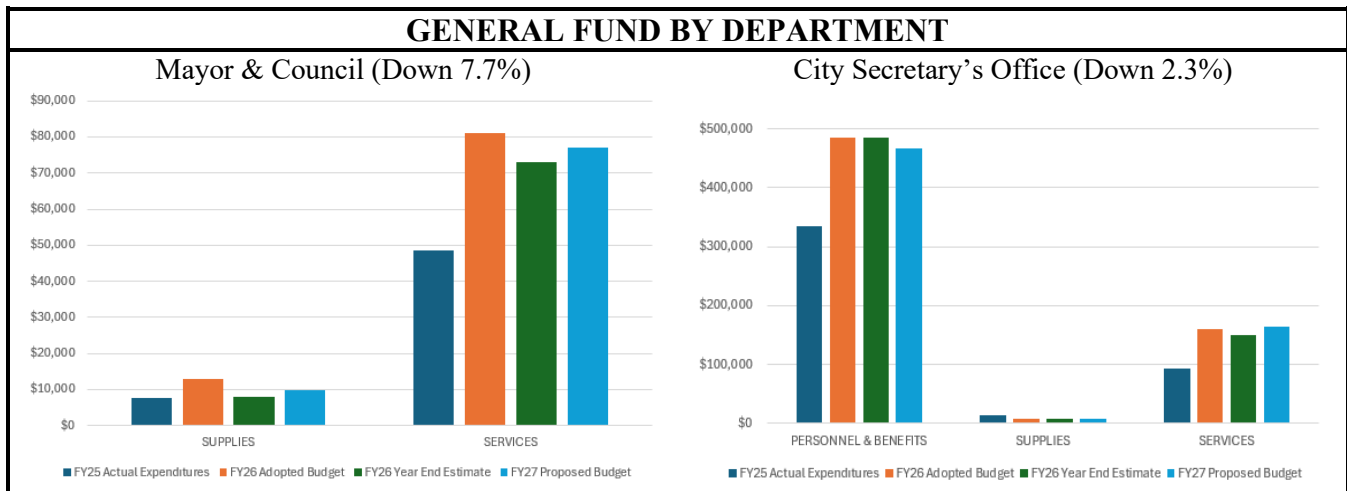
Mayor Foreman commented he was shocked that every year there is a 2.75% merit pool since he has been on Council. He believed they are eventually going to have to start talking about eking that number up because they have some shortfalls. Mr. Kabiri noted that number has been what staff anticipated this Council and their predecessors could stomach. The Mayor reiterated they need to start thinking about putting a little more money in that merit raise pool, so they can allocate it to the people they want to keep. Further discussion ensued regarding matters concerning merit.

Ms. Blossas proceeded to discuss the City of Friendswood Proposed FY2026-27 Municipal Budget's General Fund, as follows:

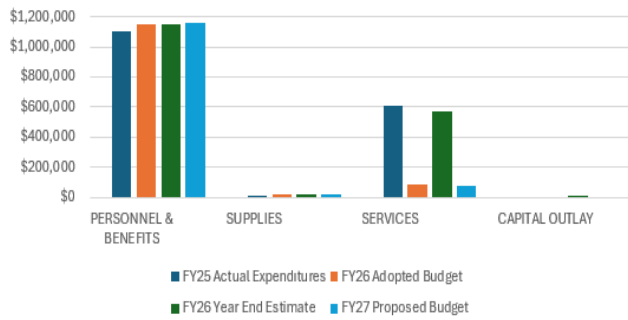


GENERAL FUND - FORCES AT WORK & DECISION PACKAGES									
Funded Forces at Work					Unfunded Decision Packages				
Dept	Description			Net Total	Dept	Description			Net Total
DES	Fire and EMS Equipment Replacement - Transfer to Vehicle Replacement Plan			\$600,000	DES_EMS	Three Full Time Paramedics (+3.0 FTE)			\$451,641
FIN	Deferred Maintenance Allocation			\$500,000	DES_EMS	Ambulance Remount (A47)			\$225,750
DES	Severe Weather Expenditures			\$500,000	DES_EMS	Cardiac Monitor and CPR Devices			\$185,000
HR	House Bill 4144 Retiree Insurance			\$5,000	LIB	Reference - Adult Services Librarian (+1.0 FTE)			\$107,643
IT	Police Department Microsoft Licenses (Year 1 of 3)			\$27,000	CSO/PR	Office Records Clerk (+1.0 FTE)			\$68,573
IT	Enterprise Resource Planning Software Cloud Conversion			\$55,000	P&R_Rec	Seasonal Summer Staff Wage Increase			\$18,095
PD_Admin	Police Policy Accreditation Project			\$25,000	DES_FVFD	Support Truck Remount			\$350,000
PD_Patrol	Motorola Equipment Service Contract			\$59,987	PW_Streets	Street Striping Machine			\$189,750
FVFD_Fire	FVFD Contract Increase			\$312,067	CDD_GIS	GIS Vehicle			\$28,710
Total Forces at Work				\$2,084,054	HR	Wellness Committee - Digital Wellness Platform			\$20,000
Funded Decision Packages					P&R_Rec	Marketing Manager (Mid-Year Position Reclassification)			\$22,832
Dept	Description	Total	Savings	Net Total	P&R_Rec	Recreation Manager (Mid-Year Position Reclassification)			\$12,435
City Wide	Merit 2.75%	\$751,210	\$441,084	\$310,126	ENG	Infrastructure Asset Inventory & Asset Mgmt Framework			\$160,000
CAO	Deputy City Attorney (+1.0 FTE)	\$244,348	\$94,348	\$150,000	Total Unfunded Decision Packages for General Fund				\$1,840,429
Total Decision Packages		\$995,558	\$535,432	\$460,126					

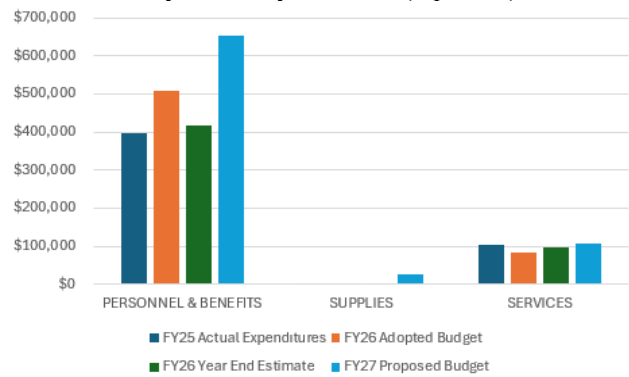
Next, Ms. Bloskas went through each department as it relates to the General Fund, as follows:



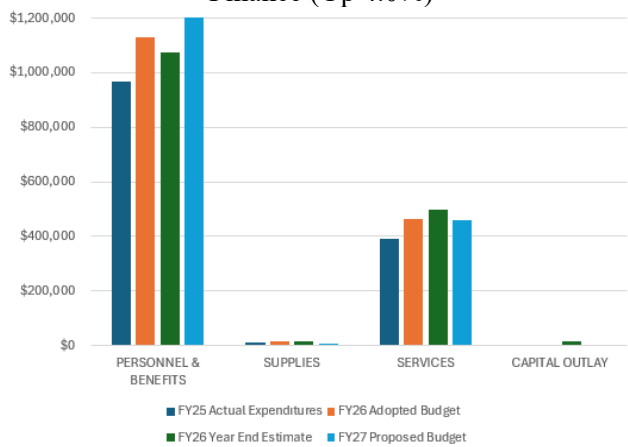
City Manager's Office (Up 0.5%)



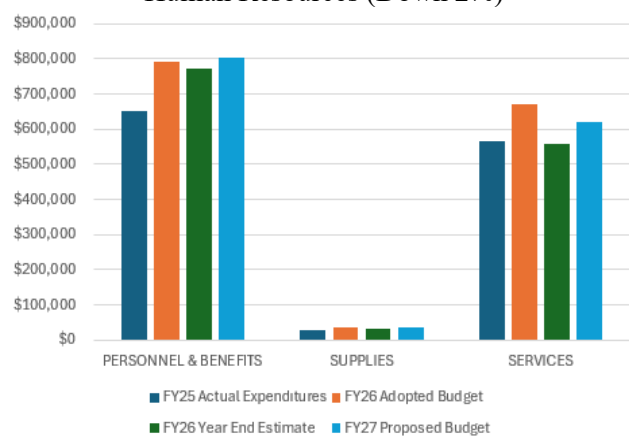
City Attorney's Office (Up 33%)



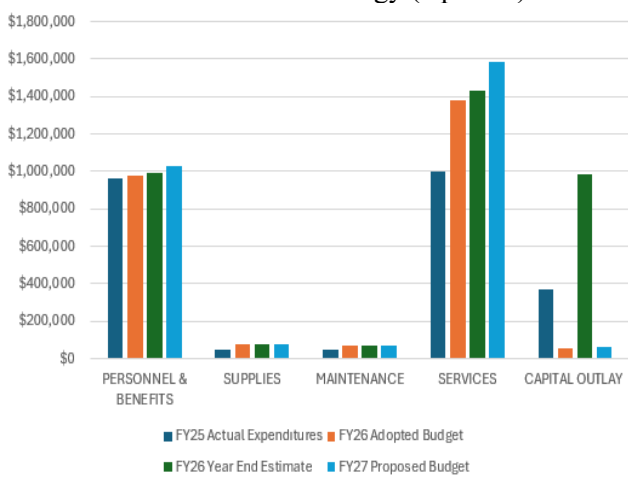
Finance (Up 4.0%)



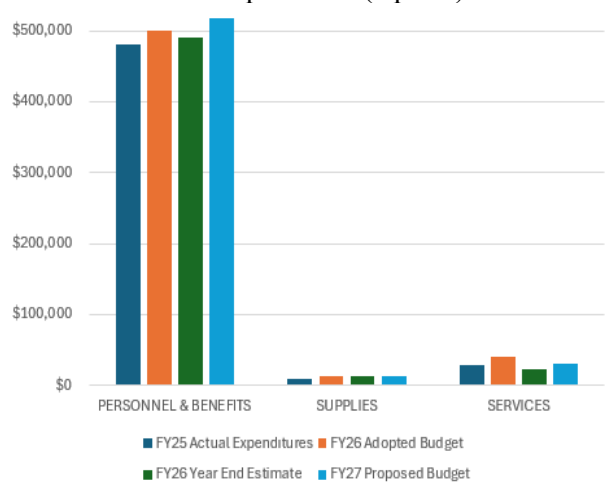
Human Resources (Down 2%)



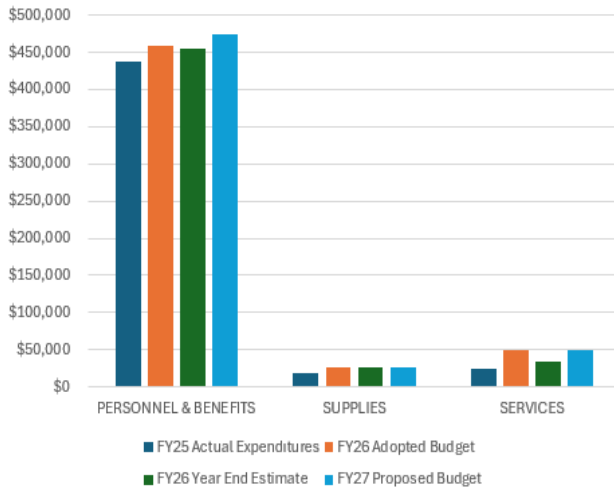
Information Technology (Up 10%)



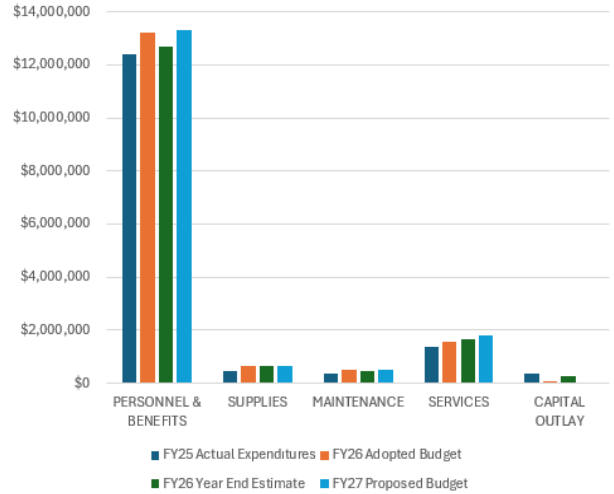
Municipal Court (Up 1%)



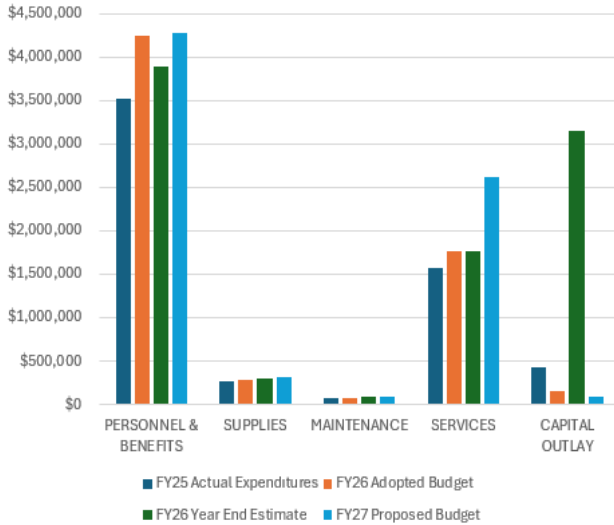
Communications (Up 3%)



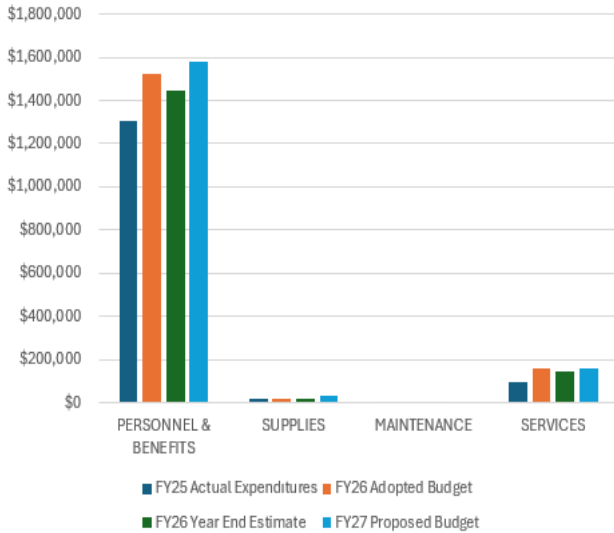
Police Department (Up 2%)



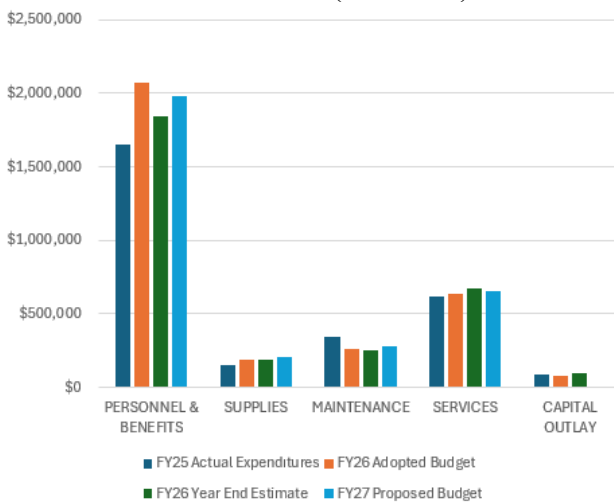
Emergency Services (Up 13%)



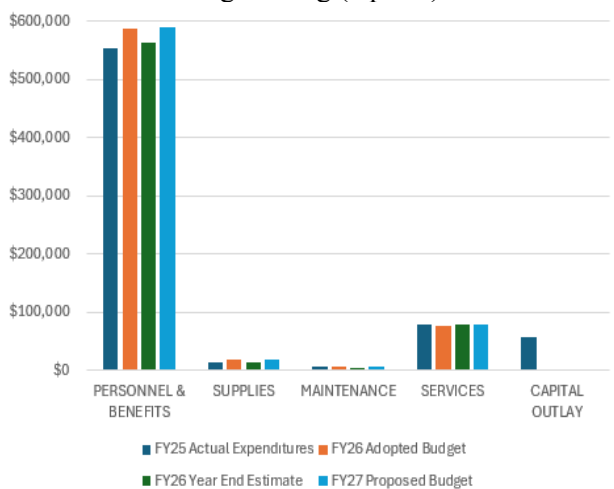
Community Development (Up 3%)

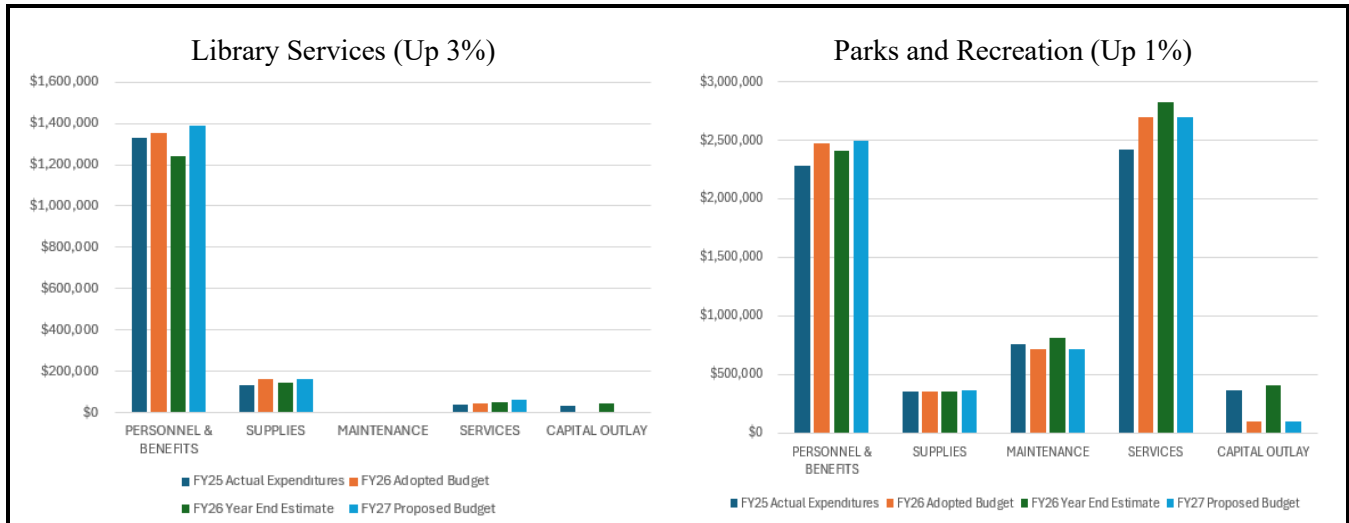


Public Works (Down 4%)



Engineering (Up 1%)

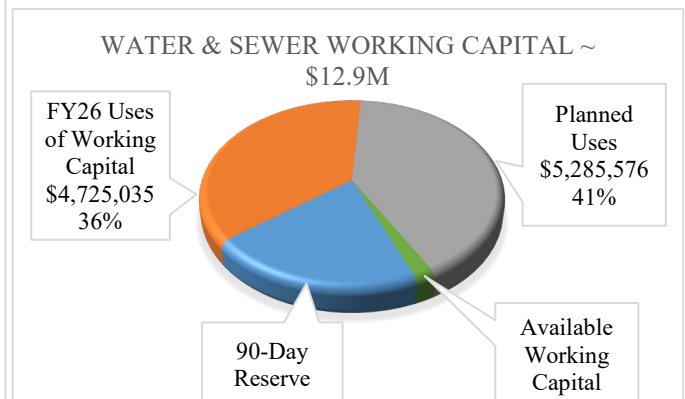
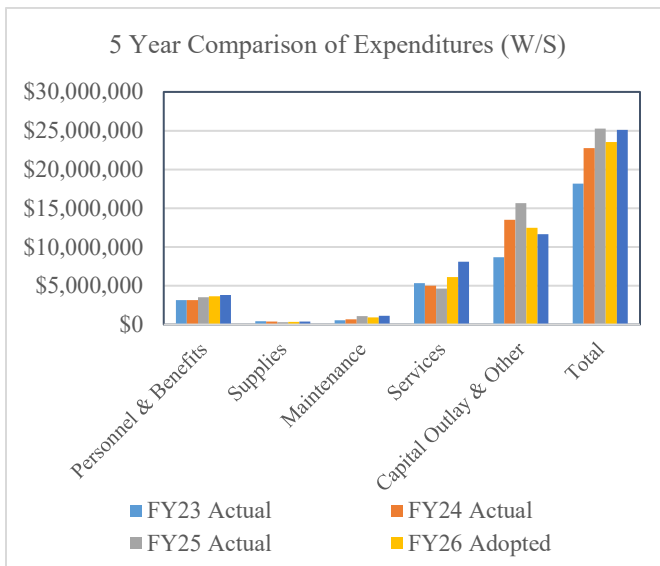




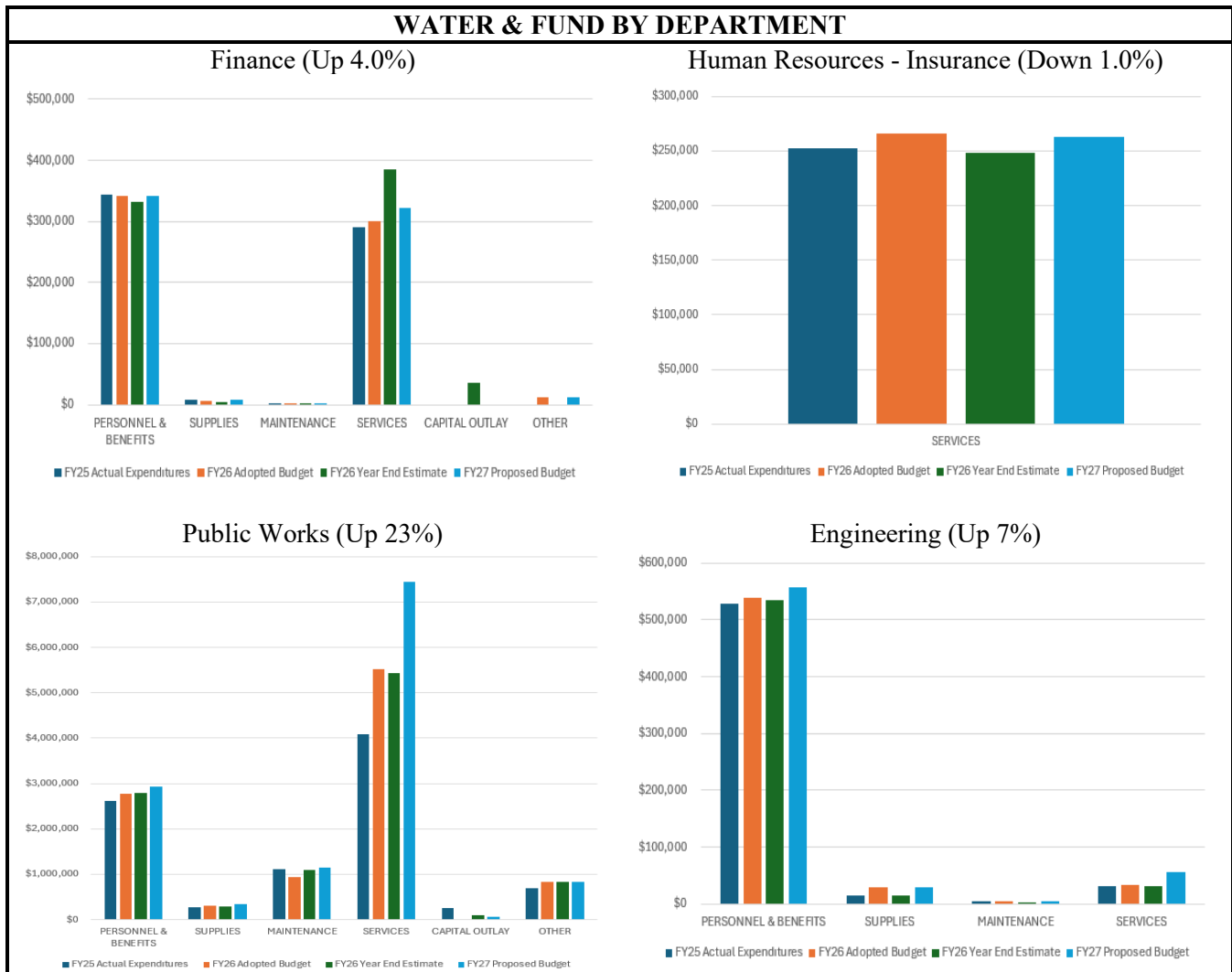
Onto the Water and Sewer Fund, Ms. Bloskas presented the following:

WATER & SEWER FUND REVENUE ~ \$25.1M		
Water \$11.74M Up \$539K Includes rate study recommended rates for FY27 47%	Sewer \$12.45M Up \$990K Winter months average for single family residential customers 50%	Administrative Fees \$559K Up \$44K Includes late payment penalties, disconnects/reconnection fees, same day service, etc. 2%
Water Meter Sales \$35K No change <1%	Misc. Interest \$308K Down \$56K <1%	

WATER & SEWER FUND EXPENDITURES ~ \$25.1M	
Water \$8.4M Up \$665K 33%	Sewer \$9.7M Up \$1.8M 39%
Capital Improvements \$800K Down \$1.5M 3%	Debt Payments \$6.2M Up \$557M 25%



WATER & SEWER FUND – FORCES AT WORK & DECISION PACKAGES											
Funded Forces at Work					Funded Decision Packages						
Dept	Description				Net Total	Dept	Description			Net Total	
PW_WO	City of Houston Raw Water Settlement Agreement (FY27-FY35)				\$207,291	City Wide	Merit 2.75%			\$80,491	
PW_WO	Southeast Water Purification Plant - CIP Program 2023-2027 (Year 5)				\$488,371	PW_WO	Customer Service Compliance Coordinator +Vehicle (+1.0 FTE)			\$160,655	
PW	Capital Sewer Line Maintenance				\$500,000	ENG	Wastewater Analysis Services			\$20,000	
PW_SO	Blackhawk	WWTP	Operational Increase		\$284,281	Total Decision Packages					\$261,146
PW_SO	Blackhawk	WWTP	Back-Up Generation		\$348,920	Total FAW & Decision Packages for Water & Sewer Fund					\$3,130,009
PW_SO	Blackhawk	WWTP	CIP Program (Year 1)		\$1,040,000	Unfunded Decision Packages					
Total Forces at Work					\$2,868,863	Dept	Description			Net Total	
						ENG	Water System Infrastructure Planning & Hydraulic Model Update			\$950,000	
						Total Unfunded Decision Packages for Water & Sewer Fund					\$950,000



Ms. Boskas closed the presentation with Council’s next steps as follows:

8/24/2026	Proposed Budget Public Hearing (Special Meeting) <i>Budget could be adopted at this meeting</i>
9/14/2026	Public Hearing on Tax Rate
9/14/2026	Budget & Tax Rate Adoption

Mayor Foreman expressed he was ready to adopt this budget and would vote for it. Councilmember Hale stated he would not, and had promised his voters that he would do his best to keep taxes down. He believed there is some room to work on that in this budget; for example, the \$500,000 disaster savings account. He was also counting on the \$150,000 by not having the bond election and did not think it would transfer to the unfunded FTE for the City Attorney's Office. He also mentioned the vehicle replacement fund, which Mr. Kabiri summarized would not be a cost savings measure. Councilmember Hale relayed his perception was that it is a savings account to buy vehicles for the future and deferring some of that savings, as long as it would not negatively impact the ability to replace the vehicles when they actually need to be replaced was what he was looking for. However, he relayed what he was hearing was that would not work. Mr. Kabiri confirmed that was correct. Councilmember Hale stated he would look elsewhere.

Mayor Foreman took a moment to note that he felt like part of the problem because over the last ten years he has served on Council, the Council always forced the lowest possible tax rate. Then, they realized a few years ago they need half a million dollars for Deferred Maintenance. They were hoping they could take care of Deferred Maintenance out of sales tax revenue or to just take it out of the fund balance, but that is not working anymore. On large vehicles, Mayor Foreman stated about a year ago when they bought a \$2.1 million fire truck, they realized they are going to have to replace these engines. Thus, they need to have that vehicle replacement fund. He also noted this year they found out FEMA is not going to pay for disasters such as Beryl, and now they need another half a million dollars to start saving to basically insure themselves against those kinds of problems.

The Mayor shared that, yes, he was sitting up here and rallying, even last year, for shaving off a penny. He believed they have to stop doing that. They have to realize this is how you fund a city that is doing as well as they are. He expressed you do not try to cut corners and go "yes, we need half a million for that... but let's just make it \$400,000 and hope." He stated hope is not a good strategy. They have to make the best possible decisions for their residents. They do not want to just rely on hope that the state will come through with some money or hope that a storm does not hit. He further noted that when he walks out this room, can he explain to Farmer Ted, for example, of why his tax rate is this? The Mayor stated he was comfortable explaining that to him because staff has laid it out so well and have done a magnificent job.

Councilmember Hanks added that she has been on Council for eight and a half years and does not remember anybody coming up here in open session complaining about their taxes. However, she did hear people complaining during the last storm event, that it took too long for the debris to get removed from their property. She mentioned a survey that was done many years ago in this community where about 70% of dads have a bachelor's degree or higher and 80% of the moms have a bachelor's degree or higher. She expressed they have an educated populace, and they understand what it takes to run things. But yet, she noted the percentage of people that come out and vote was less than 30%. She believed that most people are involved in their own lives and trying to make their own lives work. They are comfortable, they feel safe, and they want Council to do the job. Thus, she does not want to take away services that their people are used to and expect, and she does not want to roll the dice.

Councilmember Hanks expressed they have cut here and cut there to try to keep the tax rate the same—which she was not saying is not a noble thing to do or a responsible thing to do. But, at some point, they got to face the facts and say, "Do we want what we have, or do we want less than what we have?" She

stated she has not heard anybody telling her they want less than what they have. Thus, she has no problem with this budget. Mayor Foreman agreed, adding to the point that people will come out and vote if things start to go bad in the city. When the City does not pick up debris, the park does not get mowed, or a police officer does not show up for a call, he noted that is when people will make a political point out of something and will be gunning for Council because they will be fed up. But, as long as things are going well and people are happy, he observed they are a little bit apathetic about voting.

With that, the Mayor thanked staff and closed the discussion of this item.

8. ADJOURNMENT

With there being no further business to discuss, Mayor Foreman adjourned the August 11, 2026, City Council Special Meeting at 9:27 A.M.

Mike Foreman, Mayor

Attest:

Raquel Martinez, City Secretary

**FRIENDSWOOD CITY COUNCIL
AGENDA ITEM FORM**

Date requested for City Council consideration: September 14, 2026

Date submitted: 07/06/2026

Prepared by: Leticia Brysch, Assistant City Manager

Subject: Consider approving the minutes of the City Council Special Meeting held on August 24, 2026.

Originating Department: City Secretary

Degree of importance:

SUMMARY / ORIGINATING CAUSE

This item allows for the review and approval of the minutes of the City Council Special Meeting held on August 24, 2026.

A copy of the draft minutes is attached for your review.

IMMINENT CONSEQUENCES / BENEFIT TO COMMUNITY

RECOMMENDATIONS

Staff recommends approval.

ATTACHMENTS

1.	2026 08 24 CC Meeting Minutes, Special (DRAFT)
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**MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF FRIENDSWOOD
August 24, 2026**

THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD MET IN A SPECIAL MEETING ON MONDAY, AUGUST 24, 2026, AT 5:30 P.M. IN THE COUNCIL CHAMBERS, FRIENDSWOOD CITY HALL, LOCATED AT 910 S. FRIENDSWOOD DRIVE, FRIENDSWOOD, TEXAS, WITH THE FOLLOWING MEMBERS PRESENT CONSTITUTING A QUORUM:

John Ellisor	Councilmember
Sally Branson	Councilmember
Trish Hanks	Councilmember
Robert J. Griffon	Councilmember
Randy Hale	Councilmember
Michael P. Ross	Mayor Pro Tem
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 at 5:30 P.M. All members were present.

2. INVOCATION

The invocation was led by Senior Pastor David Lorenz of First Baptist 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 COMMENTS AND REPORTS

Mayor Foreman opened the item inviting the councilmembers to provide their comments and reports. Councilmember Branson noted they will be having an Ice Cream Social on Labor Day and invited everybody to come for some free Blue Bell ice cream at the Perry House. Councilmember Hanks announced the Friends of the Library will be having their fundraiser gala on September 26th. Councilmember Griffon apologized for not being able to attend the special Council meeting a couple of weeks ago on August 11th. He was able to watch the meeting recording and looked forward to the budget discussion. Councilmember Ross also apologized for missing the special meeting. He watched the recording and appreciated the opportunity to continue the discussion.

5. PUBLIC COMMENT

Mayor Foreman announced no citizens had signed up to provide a public comment.

6. MUNICIPAL BUDGET FOR FISCAL YEAR 2026-2027

A. Conduct a public hearing regarding the Proposed Fiscal Year 2026-2027 Municipal Budget for the City of Friendswood.

At 5:36 P.M., Mayor Foreman opened the public hearing and asked staff to summarize the subject matter.

Finance Director Rhonda Boskas relayed Texas Local Government Code mandates that a public hearing be held on the proposed budget to allow comments from the public. She then provided a high-level overview of the past presentations given at prior council meetings, as follows:

KEY BUDGET DRIVERS			PROPOSED BUDGET CHANGES		
- Debt Service Obligations - Personnel Costs - Deferred Maintenance - FVFD Contract - Severe Weather Expenditures - Emergency Response Vehicles - Other Forces at Work			Since August 3 th Council Meeting		
			GENERAL FUND EXPENDITURES – \$48.1M (no change)		
			- Deletion – Special Election Services - \$150K - Addition – 1 FTE Deputy City Attorney - \$150K		

TOTAL PROPOSED REVENUE (ALL FUNDS) ~ \$129.4M		
Property Tax 25% \$32.5M	Permits & Licenses <1% \$0.7M	Grants & Interlocal 7% \$9.2M
Utility Services 19% \$24.6M	Other Tax 13% \$16.9M	Fines <1% \$1.0M
Community Services 2% \$2.0M	Other 33% \$42.4M	

PROPOSED BUDGET TAX RATE \$0.559723		
4.56 cents above current rate (51.41¢)		
- NNRR – 51.48¢ - VATR w/Unused Increment Rate – 58.698¢		
Net Estimated Taxable Value \$5.77B		
Projected New Construction Value – \$78.1M		
Property Values Under Protest (7/28/26) – \$338M		
Tax Debt Service Obligation – \$6.8M		

FY 2027 AD VALOREM TAX RATE				
Total Tax Rate: \$0.559723				
M&O Rate: \$0.441165				
I&S Rate: \$0.118558				
<table><tr><td>Debt Service \$6,840,355 21%</td><td>Maintenance and Operations \$25,453,505 79%</td></tr></table>			Debt Service \$6,840,355 21%	Maintenance and Operations \$25,453,505 79%
Debt Service \$6,840,355 21%	Maintenance and Operations \$25,453,505 79%			

TOTAL PROPOSED EXPENDITURES (ALL FUNDS) ~ \$129.4M		
General Government 8% \$10.9M	Parks & Recreation 5% \$6.4M	Community Development & Public Works 15% \$17.9M
Public Safety 18% \$23.8M	Debt Services 10% \$13.3M	Engineering 1% \$1.3M
Library 1% \$1.6M	Fleet Replacement 1% \$1.0M	Capital Improvements 41% \$53.2M

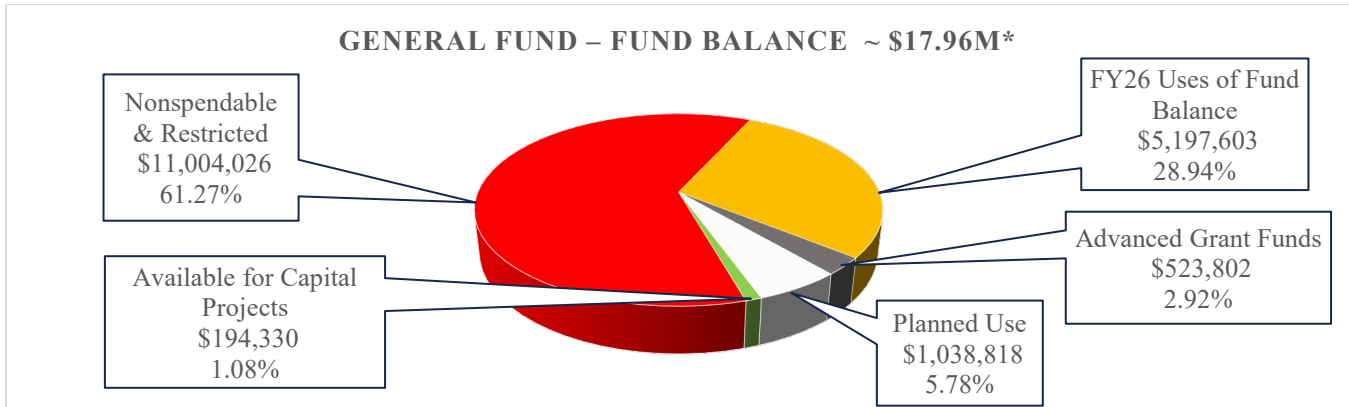
Onto the General Fund, Ms. Boskas presented the following:

GENERAL FUND REVENUE ~ \$48.1M		
Property Tax \$25.50M \$2.6M over PY Actual 53.0%	Sales Tax \$11.10M Up \$128K 23.0%	Franchise Tax <i>Includes mixed drink</i> \$2.15M Up \$33K 4.5%
Fines \$923K Down \$14K 1.9%	Interfund Transfers \$3.79M Up \$58K 7.9%	Licenses & Permits \$739K Down \$261K 1.5%
Intergovernmental \$857K Up \$34K 1.8%	Charges for Services \$1.91M Down \$10K 4.0%	Miscellaneous Interest <i>Cell Tower Agreements</i> \$1.14M Up \$119K 2.4%
Use of Fund Balance \$0K Down \$500K 0.0%		

GENERAL FUND EXPENDITURES ~ \$48.1M		
General Government \$9.8M Up \$493K 20.4%	Community Development \$1.8M Up \$57K 3.7%	Parks & Recreation <i>Facilities Maintenance</i> \$6.4M Up \$32K 13.3%
Public Safety \$23.6M Up 1.1M 49.2%	Library \$1.6M Up \$53K 3.3%	Engineering \$691K Up \$5K 1.4%
Public Works \$3.1M Down \$135K 6.4%	Capital Maintenance <i>Fire/EMS Vehicles</i> \$1.1M 2.3%	

GENERAL FUND - FORCES AT WORK & DECISION PACKAGES				
Funded Forces at Work				
Dept	Description	Net Total		
DES	Fire and EMS Equipment Replacement - Transfer to Vehicle Replacement Plan	\$600,000		
FIN	Deferred Maintenance Allocation	\$500,000		
DES	Severe Weather Expenditures	\$500,000		
HR	House Bill 4144 Retiree Insurance	\$5,000		
IT	Police Department Microsoft Licenses (Year 1 of 3)	\$27,000		
IT	Enterprise Resource Planning Software Cloud Conversion	\$55,000		
PD_Admin	Police Policy Accreditation Project	\$25,000		
PD_Patrol	Motorola Equipment Service Contract	\$59,987		
FVFD_Fire	FVFD Contract Increase	\$312,067		
Total Forces at Work		\$2,084,054		
Funded Decision Packages				
Dept	Description	Total	Savings	Net Total
City Wide	Merit 2.75%	\$751,210	\$441,084	\$310,126
CAO	Deputy City Attorney (+1.0 FTE)	\$244,348	\$94,348	\$150,000
Total Decision Packages		\$995,558	\$535,432	\$460,126

GENERAL FUND - UNFUNDED DECISION PACKAGES		
Unfunded Decision Packages		
Dept	Description	Net Total
DES_EMS	Three Full Time Paramedics (+3.0 FTE)	\$451,641
DES_EMS	Ambulance Remount (A47)	\$225,750
DES_EMS	Cardiac Monitor and CPR Devices	\$185,000
LIB	Reference - Adult Services Librarian (+1.0 FTE)	\$107,643
CSO/PR	Office Records Clerk (+1.0 FTE)	\$68,573
P&R_Rec	Seasonal Summer Staff Wage Increase	\$18,095
DES_FVFD	Support Truck Remount	\$350,000
PW Streets	Street Striping Machine	\$189,750
CDD GIS	GIS Vehicle	\$28,710
HR	Wellness Committee - Digital Wellness Platform	\$20,000
P&R_Rec	Marketing Manager (Mid-Year Position Reclassification)	\$22,832
P&R_Rec	Recreation Manager (Mid-Year Position Reclassification)	\$12,435
ENG	Infrastructure Asset Inventory & Asset Mgmt Framework	\$160,000
Total Unfunded Decision Packages for General Fund		\$1,840,429



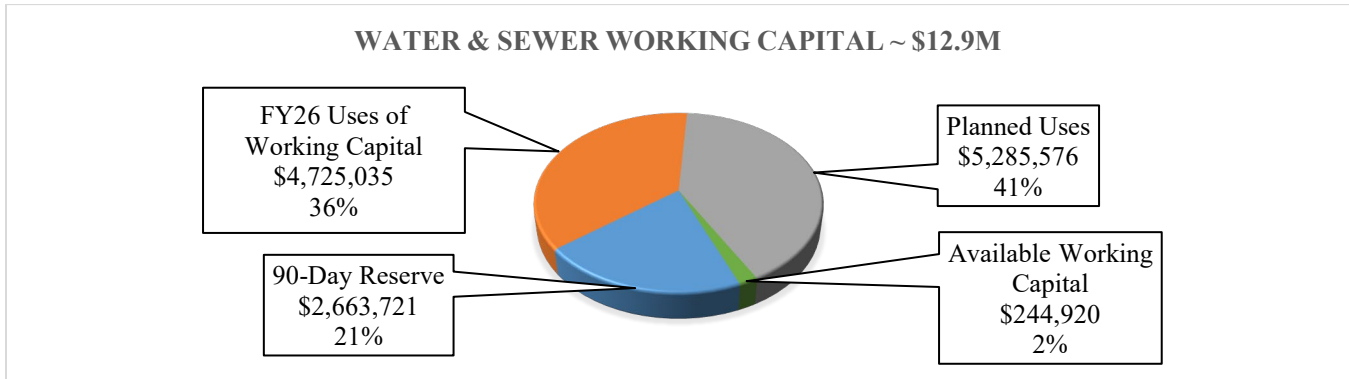
Onto the Water and Sewer Fund, Ms. Blosskas presented the following:

WATER & SEWER REVENUE ~ \$25.1M		
Water \$11.74M Up \$639K Includes rate study recommended rates for FY27 47%	Sewer \$12.45M Up \$990K Winter months average for single family residential customers 50%	Administrative Fees \$559K Up \$44K Includes late payment penalties, disconnects/reconnection fees, same day service, etc. 2%
Water Meter Sales \$35K No change <1%	Miscellaneous Interest \$308K Down \$56K <1%	

WATER & SEWER EXPENDITURES ~ \$25.1M	
Water \$8.4M Up \$665K 33%	Sewer \$9.7M Up \$1.8M 39%
Capital Improvements \$800K Down \$1.5M 3%	Debt Payments \$6.2M Up \$557M 25%

WATER & SEWER FUND – FORCES AT WORK			
Funded			
Dept	Description		Net Total
PW_WO	City of Houston Raw Water Settlement Agreement (FY27-FY35)		\$207,291
PW_WO	Southeast Water Purification Plant - CIP Program 2023-2027 (Year 5)		\$488,371
PW	Capital Sewer Line Maintenance		\$500,000
PW_SO	Blackhawk WWTP Operational Increase		\$284,281
PW_SO	Blackhawk WWTP Back-Up Generation		\$348,920
PW_SO	Blackhawk WWTP CIP Program (Year 1)		\$1,040,000
Total Forces at Work			\$2,868,863

WATER & SEWER FUND – DECISION PACKAGES		
Funded		
Dept	Description	Net Total
City Wide	Merit 2.75%	\$80,491
PW_WO	Customer Service Compliance Coordinator +Vehicle (+1.0 FTE)	\$160,655
ENG	Wastewater Analysis Services	\$20,000
Total Decision Packages		\$261,146
Total FAW & Decision Packages for Water & Sewer Fund		\$3,130,009
Unfunded		
Dept	Description	Net Total
ENG	Water System Infrastructure Planning & Hydraulic Model Update	\$950,000
Total Unfunded Decision Packages for Water & Sewer Fund		\$950,000



Ms. Boskas closed the presentation with Council's next steps as follows:

8/24/2026	Proposed Budget Public Hearing (Special Meeting) <i>Budget could be adopted at this meeting</i>
9/14/2026	Public Hearing on Tax Rate
9/14/2026	Budget & Tax Rate Adoption

At 5:50 P.M., with there being no citizen desiring to speak, Mayor Foreman closed the public hearing.

B. Discuss and take action concerning the City of Friendswood's Proposed Fiscal Year 2026-2027 Municipal Budget.

City Manager Morad Kabiri summarized that Council and staff have been discussing this for well over two months and he believes this is their fifth City Council Meeting regarding the FY27 budget. He noted that Council does not have to take action on the budget tonight and can be postponed until the September 14th Council meeting. However, staff needs direction from Council. Mr. Kabiri noted this budget is the culmination of not just a year's worth of work and evaluation analysis, but also multiple years' worth of valuation adjustments throughout the community and multiple years of changes in the economic outlook for this area.

Mr. Kabiri relayed that one of the things talked about in prior years is, "We'll just cut this year, and then next year hopefully we'll see growth... Hopefully, we'll see something that will delay the inevitable tax increase." Unfortunately, the decision was made for Friendswood a long time ago when they decided they did not want 50-foot lots, apartments, nor did they want significant commercial growth. They made the decision that they were not going to have a lot of new construction, and that any new construction we get added to this community's rolls was going to be very intentional and metered, a very slow-growth city. Thus, Mr. Kabiri explained even if Council were to say tonight, "I want you to cut expenditures by 30%," next year they are going to have to raise taxes not to get back the 30%, but on that remaining 70% just to be able to provide the services they are providing today. Friendswood does not get enough in new construction to offset the growth in inflation. With that, he turned the table over to Council.

Mayor Foreman noted that Council had a couple options: they could approve this budget as is tonight or they could defer the vote until September 14th. He preferred for Council to discuss it further in order to understand every councilmember's stance on the budget and what they propose. Councilmember Ellisor stated he was satisfied with what he has heard and is prepared to move forward to approve the budget tonight as is. Councilmember Branson stated she was inclined to do the same. She feels they have worked this over really hard and appreciated the good work that has been done. She shared that she has seen in

years past where they have cut themselves short. When they kick the can down the road, it is very painful to play catch-up as Friendswood does not have a lot of economic growth to offset future expenses. She believes this is a very conservative, sound budget and stated she is inclined to approve it tonight.

Councilmember Hanks expressed she feels the same way. She believed everybody has done their due diligence and there is nothing that is fluff or that they do not need. Thus, they are stuck with a choice: either they fund it or cut. She noted ten years ago their tax rate was higher than what is being proposed today. It has gone down in those ten years until the last couple of years when they have had to raise it. She noted what has not stayed the same, even though their tax rate has over the past ten years, is the cost of living and salaries. She listed off items that have gone up while the City's new growth has not—yet, the City has had to endure to provide the same level of services. She also touched on the devastating flood they had during those ten years, and that the community had wanted a bond. It was overwhelmingly passed and she noted that one item is equal to today's tax rate of four and a half pennies.

Councilmember Hanks further emphasized the City is not a for-profit company. They do not cut their profits. They are a service industry, and it costs to provide those services. Eventually, they cannot keep up unless their values keep growing astronomically faster than the rate of inflation. And this year, that just did not happen. Thus, they either raise taxes, decrease services, or not plan for things in the future. She noted people like living here because it is safe and the quality of living—which they cannot get for free. Their taxes are not sent to Washington, DC or Austin, every penny stays in Friendswood for their city and citizens. For ten years, staff have been trying to figure out how to continue the level of services despite the four and a half pennies they raised or did not raise. She commended them and would have loved it if staff came and said, "Hey, we can do this for the same amount this year," but they cannot. Therefore, she is going to support this budget.

Mayor Foreman then shared his experience with working on the budget back in 2016 and 2017, noting they were at a rate higher than the rate they are talking about tonight. In 2019, before they went out for that bond, they told voters, "This is what we need to fix drainage in Friendswood, but we're going to have to add up to five pennies to the tax rate to pay for it." However, he noted they did not because city staff did magic with the numbers and come to Council every year with a proposal and somehow, they do more with less. He acknowledged that, yes, there is a price to be paid for that and there is a limit to how long they can do that, but they are at that limit. On severe weather expenditures, he noted they have to save up for now because the feds have told them they are not going to pay the City back if they have to clean up for a storm like Beryl.

Mayor Foreman also noted they have taken possession of a \$2.4 million fire truck. When they are going to need another fire engine, they are going to be hurting because they do not have a cash account to pay for those things. He noted they will also need another ambulance pretty soon. They need a fund now so they can have the money in reserve when they need to buy a new ambulance. On Deferred Maintenance, the Mayor recalled they have just taken it out of their fund balance when they can. However, now they are at the point where they have zero fund balance remaining to do any kind of deferred maintenance so, they need to start a fund where they are budgeting money every year. He also stated they want to keep the Friendswood Volunteer Fire Department (FVFD) and they have costs. This budget includes those things which is why he is going to support this.

Councilmember Griffon commented this would be the largest tax increase since he has been on the dais and was not willing to raise taxes on his family, nor residents, to the extent staff is asking. He stated that he has voted for the no new revenue rate (NNRR) and was pleased with the results of that vote. He then

took a moment to respond to what was discussed at the meeting he was absent. Councilmember Griffon shared that he had made a promise to Former Police Chief Bob Wieners, and he made the exact same promise to Chief Rogers, that he will make sure the Police Chief has the resources and equipment he needs to safeguard his personnel so they can perform at the world-class, superior level services they provide to residents year in and year out. On police salaries, he noted the gap between the City's starting officers' pay and other agencies compared is \$4,243. He believed if they gave all 67 licensed and certified officers a \$4,243 raise added to their current salary levels, it would only cost the City \$284,287 in this budget. Furthermore, their budget for merit pay this year is \$310,000 city-wide, and not all of that is earmarked for public safety, but most of it is. Thus, if they want to make this a priority for the next budget year or now, he was willing and able to provide a way to make allowances for the \$284,287 needed to make that happen.

On Fire and Emergency Medical Services (EMS) equipment replacement, Councilmember Griffon proposed they remove the \$600,000 from the decision package and use \$600,000 from the interfund to transfer to the vehicle replacement fund. On the deferred maintenance allocation of \$500,000, he agreed that is an important item to fund. He noted streets and roads have a line item for \$500,000 and believed they can now fund their streets and roads through a special tax dedicated just for streets and roads. Thus, he proposed they remove this line item and transfer these funds to a new deferred maintenance budget line item for now, or until the voters elect to no longer fund the special tax and then it can be put back in. On the Deputy City Attorney's decision package of \$150,000, he stated that is an easy decision as the City Attorney, Karen Horner, needs the support to do her job effectively. He noted they have an opening for a building inspector and instead of filling that position in the Community Development Department (CDD), he proposed they use the \$150,000 to fund the Deputy City Attorney.

Regarding the unfunded disaster and severe weather funds, Councilmember Griffon stated the \$500,000 proposed is woefully inadequate. If there are any overages in the property taxes and sales tax fund in the 2026-2027 budgets, he proposed at least half of all those funds be used for this line item. He acknowledged there may not be any funds available in 2026 and 2027 budget year to fund this line item, but he was confident there will be. He concluded that is a total of \$1,750,000 removed from the forces at work for this year's budget, which would reduce their proposed tax rate by \$1,750,000 divided by \$577,000, or \$0.030329. The proposal he was making is to adopt a tax rate of \$0.529349394—which is a tax increase of \$0.015222 above last year's tax rate and \$0.0144 above the NNRR tax rate. He stated that is a tax rate he could support. He additionally gave the suggestion to take \$284,000 out of the Parks and Recreation budget and put it into the Police Department for raises for police officers.

Mr. Kabiri then took the time to address Councilmember Griffon's comments. He noted the \$500,000 for streets does not exist. For a number of years, that was taken out of the fund balance, it was not taken out of the revenue from the taxes so, there is no \$500,000 for streets to shift. With respect to the police raises, the total drive-out cost for those adjustments is around \$485,000. Mr. Kabiri stated that is not a simple linear equation of \$4,000 per officer. Furthermore, he noted they cannot take interfund transfers from water and sewer to subsidize general fund operations as it is illegal. With respect to Beryl, Mr. Kabiri clarified the City has been reimbursed for Beryl. However, the state has notified them that they will not reimburse the City for a Beryl-type event in the future. He also noted that Councilmember Griffon is correct that \$500,000 is not nearly enough to fund another Beryl. Councilmember Griffon clarified he was just giving suggestions and proposals. Where it comes from and how it goes is Mr. Kabiri's job. Mr. Kabiri agreed and established that he just wants to make sure they are talking from the same sheet of music.

Onto the next councilmember, Councilmember Hale asked about the budget impacts of the FVFD since they will become city employees. Mr. Kabiri replied it is not going to change anything fundamentally from a budget standpoint. If they were going to roll into FY27 under the same terms of their current contract, it would have been \$1.4 million. Thus, their contract is being reduced by \$300,000 for the City to assume the day crew. Additional discussion ensued regarding how many personnel are coming onboard, how that affects response time, and pay. It was noted that the matters of the contract could be further discussed when Council considers the contract at next month's council meeting.

Councilmember Hale commented it is really not the tax rate that is a problem—it is the expenses versus the revenues. He explained he would not support the proposed budget as presented because throughout this process, he has raised questions and offered specific suggestions aimed at reducing enough spending to reduce the proposed tax rate increase as much as possible. For example, he had suggested eliminating the proposed \$500,000 emergency reserve, recognizing that Texas law provides a disaster property tax mechanism that can be used if the City faced extraordinary disaster recovery costs that are not reimbursed by FEMA, the state, or the county. He also asked whether they could reduce the vehicle replacement fund lease payments charged to the general fund. The answer from staff as he understood it was that they could, but they are already delaying some vehicle deliveries and doing so would create more replacement delays in the future. He additionally looked at reducing the merit raise fund and questioned taking the \$150,000 that became available when they decided not to hold a bond election to fund a position in the City Attorney's Office. Prior to this change, he noted they were okay and could do without funding that position.

Councilmember Hale expressed those proposals and questions he made have generally been met with explanations that the expenditures are necessary, best for the city, or that taxpayers will understand the increase. He disagreed. He believes the reductions he suggested could be well over \$1 million and may not eliminate the tax increase but would reduce it. He reiterated his goal is to minimize spending without sacrificing service levels. He further recognized that some decisions made in previous years are contributing to the financial pressures they face in the upcoming days; for example, committing substantial future tax revenue to two Tax Increment Reinvestment Zones (TIRZ). He critiqued Downtown District dedicated sales tax being spent decorating a roughly one-mile section of FM 518. He suggested they have the downtown committee take their wants and needs to Council for funding like all the others have to do. Or, perhaps a special Public Improvement District (PID) could be created so the property owners within the Downtown District pay the cost of the improvements via assessments. With that, he stated it is difficult for him to tell taxpayers they need substantially more property tax revenue for essential city services, while at the same time dedicating more than \$1 million a year in sales tax revenue to decorating downtown.

Councilmember Hale reiterated he would vote no on this budget and the proposed tax rate of nearly \$0.56. He believed city staff are some of the best at what they do and have proven that they can do more with less. He believed they could get by with a bit less. Mayor Foreman asked Councilmember Hale if he had a number for a tax rate that he would be agreeable to. Councilmember Hale stated, no, he does not have a hard number. He just thinks there are a lot of ways to reduce this budget.

Mayor Pro Tem Ross commented on his belief that as a governmental entity, we do not get to decide how much more we want to raise taxes because it is convenient for us to balance a budget. It is just not the way it should be done. He understands that we have staff that are incredibly talented, smart, and dedicated to the task. Staff has asked Council to give them some direction and believes they have heard from one side of the dais that everything's great, we're on par. However, from the other side of the dais they have heard that we need to stop spending so much. Council Member Griffon said two meetings ago, "We don't have a revenue problem, we got a spending problem," because everybody knows our revenue is basically

capped. It is a little over-glorified term for what it is, very simplistic, but our revenue is not increasing at the rate of our spending.

He proceeded to provide additional numbers and noted that in 2022-2023, their fiscal year adopted budget for general fund operations was \$34 million. In 2025-2026, it was \$45 million, an \$11 million increase over a three-year period which is 11% a year. He understood there is inflation and that the only way to combat inflation is to stop feeding it. They have to look at what services they are providing and decide which of them they are willing to cut. He stated he is a “no new revenue rate guy” because if they do not draw the line somewhere, it is going to continue to creep. They have to stop the spending eventually, and that means there is going to be some cuts to some services. He stated they have to rely on staff to tell Council which ones those are and challenged staff to find those dollars.

At 6:15 P.M., Councilmember Ellisor left the meeting.

He also suggested that the fund balance be used to pay for salary increases. Mr. Kabiri noted that is not a reoccurring revenue. The fund balance is a savings account. If they paid raises out of a savings account, it would violate the financial policy, and they would have to raise taxes to offset it. Mayor Pro Tem Ross stated there is always an answer to a proposal and reiterated his challenge to staff to save \$2.4 million on the budget and critiqued hearing “no” instead of, “Oh, it's not a bad idea, let's find a way to do this some other way.” He emphasized that he manages billion-dollar budgets and when he sets his budget, it is not a penny more, things get cut. Assistant City Manager Katina Hampton noted he could do that in the private industry but not in public government and if they do it here, residents will be calling to complain. However, Mayor Pro Tem Ross held firm that they could do it in the public.

On the vehicle replacement fund, Mayor Pro Tem Ross stated they needed to stretch those dollars. Mr. Kabiri noted that historically, they have stolen from Operations and Maintenance to pay for debt service, and then ultimately those costs have then squeezed out the City’s abilities to provide the services. If Council would like to extend the vehicle replacement fund for the non-emergency vehicles, they can definitely do that. However, it is still going to cost us a tax increase next year when those vehicles go from 10 years replacement to a 11 or 12-year replacement cycle because of the extended maintenance cost.

Mayor Pro Tem Ross indicated that last year they added 16 positions, the majority of them public safety, but why did they add 16 positions when they have had a less than 2% growth factor or is it because they were not funding them as they went along. Mr. Kabiri reiterated that they had been doing things with less and it was catching up to them, and as indicated to them at the August 11th special Council meeting, that was being done in the Police Department as well. Friendswood is an incredible place to work but it won’t be if the City starts taking away merit raises and starts asking them to continually do things more and more with less.

On the reserve fund for disasters, Mayor Pro Tem Ross compared the contract and service level they got from Harvey to Beryl. He noted the amount of money they paid to remove tree limbs was exorbitant. He suggested a way to solve that by not hauling it straight to the dump, taking it to an auxiliary site where it can be processed further through a shredder, and then take that to the dump. Staff noted the debris would be transported twice, and they do not have a proposed location that it could be moved to. Mayor Pro Tem Ross critiqued staff for having an answer for everything, but they have not done all the math. Mr. Kabiri noted he could present staff with their alternatives, and they would gladly do that. Nevertheless, Mayor Pro Tem Ross expressed he did not think there is any validity in discounting some of the suggestions they

have made as often as they have been discounted. Ms. Hampton apologized if he felt that it was discounted. She explained staff is trying to give Council as much information as possible to be able to make decisions.

Mayor Pro Tem Ross's closing comment is that the budgetary process starts the day after it is passed. He suggested Council should have, at a minimum, quarterly meetings to go over, "here's what we're projecting, here's what's going to happen if we don't, this is what the tax rate's going to be based on our projections." Mayor Foreman recommended Councilmembers Ross, Griffon, and Hale have sit-downs with staff. Staff need to have a chance to look at and come up with a way to do the things the councilmembers are suggesting they do. Councilmember Griffon agreed he was willing to work with staff but not willing to go up to \$0.046 on the tax rate. He was willing to go to \$0.52, almost \$0.53.

Councilmember Hanks offered if they do not put \$500,000 in an emergency fund this year, there is a penny they save on the tax rate. If they do not have a line item for Deferred Maintenance, there is another penny. If they do not have the Deputy City Attorney, there is a quarter of a penny. If they have a disaster, she suggested they could take it out of the 90-day reserve and fill it back up somehow with a different plan. She noted she had argued for a line item on Deferred Maintenance since she got elected because they did not have one. So, they would just go back to not having one and take whatever surplus because they usually underestimate their revenue and overestimate expenditures. She noted that drops the tax rate down \$0.025 and asked the councilmembers if there is any hope of something like that to move forward. Mayor Foreman reiterated the recommendation to the councilmembers that they share their suggestions with staff and let staff vet them.

To close this item, Mayor Foreman proceeded with a motion to postpone the adoption of the proposed fiscal year 2026-2027 budget until the next regularly scheduled meeting on September 14, 2026.

A motion was made by Mayor Foreman and seconded by Councilmember Branson to postpone the adoption of the Proposed Fiscal Year 2026-2027 Budget until the next regularly scheduled City Council Meeting on September 14, 2026. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon, Councilmember Randy Hale, and Mayor Pro Tem Michael P. Ross

Nays: None

Other: Councilmember John Ellisor (Absent)

The item passed unanimously.

C. Consider ratifying the property tax increase reflected in the City of Friendswood's Budget for Fiscal Year 2026-2027.

As the adoption of the City of Friendswood's Budget for Fiscal Year 2026-2027 was postponed, Mayor Foreman proceeded past Item 6.C.

7. BUSINESS ITEMS

A. Consider authorizing a License and Indemnity Agreement with Sterling Estates, LLC, for the non-exclusive use of the right-of-way along Briarmeadow Ave. for subdivision signs for the Sterling Estates Subdivision.

Community Development Department (CDD) Director Aubrey Harbin elaborated that the request before Council is to put four subdivision signs in the right-of-way so that they are not on the corners of the lots. They will meet the sign ordinance requirements as far as size. They have done this before, and the information is in Council's backup material.

A motion was made by Councilmember Branson and seconded by Councilmember Hanks to authorize a License and Indemnity Agreement with Sterling Estates, LLC, for the non-exclusive use of the right-of-way along Briarmeadow Ave. for subdivision signs for the Sterling Estates Subdivision. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon, Councilmember Randy Hale, and Mayor Pro Tem Michael P. Ross

Nays: None

Other: Councilmember John Ellisor (Absent)

The item passed unanimously.

B. Consider awarding the Public Works and Engineering Building Roof Replacement Project to Texas Liqua Tech Services, Inc., through Choice Partners Contract No. 26/009LL-14.

City Manager Morad Kabiri opened the item explaining that the roof at the Public Works facility, the Blackhawk facility, is in need of replacement. Staff knew this when they purchased the building following Harvey, but they had a greater need of finding housing for Public Works, Parks, and the Engineering departments. Staff had hoped they were going to have a bond election to fund it with the bond proceeds. However, since they are not having a bond election, they are using the fund balance both on the water/sewer side, since it is operational on the water/sewer side, as well as general fund to pay for it. Mayor Foreman suggested they ask their friends at Harris County Precinct 2 to put this in their next budget. Mr. Kabiri replied they can try, but they are making budget cuts themselves. As the City is going to try to do the Bay Area partnership with them, he noted this probably would not be funded.

Looking at the budget and ways to cut it, Councilmember Hale asked if this is a deferrable item to a point that they could spend 10% of that, keep it in repair, and maybe next year they can relook at some bond proposals that could cover this cost. Basically, finance it rather than paying cash. Mr. Kabiri replied at the rate of inflation, likely not. If they continue to see escalators in the construction side of things, waiting another year to do a bond package for this project probably would be a wash at best. He emphasized that when the City took ownership of the building, it was already 35-plus years old. The City had no other facility to house that operation because it was completely underwater. So, they were coming into a facility that was already on the tail end of its useful life. Councilmember Hale asked about the cost and Mr. Kabiri replied that \$1.2 million and roughly half of it comes from the general fund.

A motion was made by Councilmember Griffon and seconded by Councilmember Hanks awarding the Public Works and Engineering Building Roof Replacement Project to Texas Liqua Tech Services, Inc. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Sally Branson, Councilmember Trish Hanks, and Councilmember Robert J. Griffon

Nays: Councilmember Randy Hale and Mayor Pro Tem Michael P. Ross

Other: Councilmember John Ellisor (Absent)

The item passed.

8. CONSENT AGENDA

A motion was made by Councilmember Hanks and seconded by Councilmember Branson to approve Consent Agenda Items 8.A. through 8.B. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Sally Branson, Councilmember Trish Hanks, Councilmember Robert J. Griffon, Councilmember Joe Matrangola, and Mayor Pro Tem Michael P. Ross

Nays: None

Other: Councilmember John Ellisor (Absent)

The Consent Agenda passed.

- A. Consider a resolution verifying the percentage of completion of cybersecurity and artificial intelligence (AI) training programs and authorizing the City Manager or his designee to submit all documentation required by Section 2054.5191 of the Texas Government Code.**
- B. Consider a resolution ratifying an Agreement for Temporary Road Closure of state right-of-way with the State of Texas, through the Texas Department of Transportation, for the Friendswood High School Homecoming Parade on FM 518.**
- C. Consider authorizing the Second Amendment to the Professional Services Agreement for the City of Friendswood Comprehensive Master Drainage Plan Project with Halff Associates, Inc.**
- D. Consider approving the minutes of the City Council Special Meeting held on July 8, 2026.**
- E. Consider approving the minutes of the City Council and Friendswood Employee Benefits Trust Joint Meeting held on August 3, 2026.**

9. ADJOURNMENT

With there being no further business to discuss, Mayor Foreman adjourned the August 24, 2026, City Council Special Meeting at 7:08 P.M.

Mike Foreman, Mayor

Attest:

Raquel Martinez, City Secretary