CITY OF LA MARQUE
CITY COUNCIL
REGULAR AGENDA
of
August 25, 2025

Notice is hereby given that the City Council of the City of La Marque, Texas will conduct a **Regular Meeting** on **August 25, 2025**, beginning at **6:00 PM** in the **Council Chambers** at **1109-B Bayou Road La Marque, Texas as well as via video-conference hosted through Zoom (councilzoom.cityoflamarque.org)**. In accordance with Section 551.127(b) of the Texas Government Code the presiding officer and a quorum of the La Marque City Council intend to be and will be physically present at 1109-B Bayou Road, La Marque, Texas. This location will be open to the public and the meeting will be broadcast at this location, on Channel 16, and via YouTube (https://www.youtube.com/watch?v=L6G8ypjyEDo).

The Council will meet for the purpose of considering the following agenda:

1. CALL MEETING TO ORDER

2. ROLL CALL

3. INVOCATION AND PLEDGE OF ALLEGIANCE

4. CITIZENS PARTICIPATION
   LIMITED TO THREE MINUTES PER PERSON

   Comments from the public will be heard at this time. Any person with city-related business who has signed up may speak to Council (limited to three (3) minutes). If wishing to speak give the Mayor or presiding officer your full legal name and the item you wish to speak about. In compliance with Texas Open Meeting Act, the City may not deliberate on comments. Personal attacks will not be allowed, and personnel matters should be addressed to the City Manager during normal business hours. *Press *6 to mute or unmute if you are participating by telephone, press the unmute button if attending via zoom on a smartphone, tablet or computer, or stand if* attending in person, and the mayor will call on you in turn.

5. MINUTES

   5.I. City Council Regular Meeting Minutes 01.27.2025

   5.II. City Council Regular Meeting Minutes 10.28.2024

   5.III. City Council Regular Meeting Minutes 10.14.2024

   5.IV. City Council Regular Meeting Minutes 09.23.2024

5.V. City Council Special Meeting Minutes 09.23.2024

5.VI. City Council Regular Meeting Minutes 08.26.2024

6. PUBLIC HEARINGS
Conduct Public Hearing to hear public input on:

6.I. Ordinance No. O-2025-0016
Amending the zoning classifications for a tract of land out of the S. F. Austin League No. 4, Abstract No. 2, 0.756 acres of land, being a portion of Lot 55, of Mainland Homesteads, a subdivision in Galveston County, Texas according to the map or plat thereof recorded in Plat Record 2, Map No. 30 of the Galveston County Map Records and also being known as Lots 31 and 32 of the Gilbert and Nelson Unrecorded Subdivision. Galveston County Property ID # 132658 and 132659, located approximately at the northwest corner of Fleming St. and Partridge St., La Marque, TX from R-1 Single Family Residential to I-2 Industrial - *Development Services*

6.II. Ordinance No. O-2025-0017
Amending the zoning classifications for a tract of land out of the S.F. Austin League No. 4, Abstract No. 2, 1.889 acres of land, being a portion of Lot 56, of Mainland Homesteads, a subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Plat Record 2, Map No. 30 of the Galveston County map records also being known as Lots 49, 50, 53, 54 and 55 of the Gilbert and Nelson Unrecorded Subdivision Galveston County Property ID #132673, from (C-1) General Commercial to (I-2) Industrial 2 - *Development Services*

7. OLD BUSINESS
Items presented to the Council for discussion and possible action:

7.I. Ordinance No. O-2025-0016
Amending the zoning classifications for a tract of land out of the S. F. Austin League No. 4, Abstract No. 2, 0.756 acres of land, being a portion of Lot 55, of Mainland Homesteads, a subdivision in Galveston County, Texas according to the map or plat thereof recorded in Plat Record 2, Map No. 30 of the Galveston County Map Records and also being known as Lots 31 and 32 of the Gilbert and Nelson Unrecorded Subdivision. Galveston County Property ID # 132658 and 132659, located approximately at the northwest corner of Fleming St. and Partridge St., La Marque, TX from R-1 Single Family Residential to I-2 Industrial - *Development Services*
THIS IS THE SECOND AND FINAL READING

7.II. Ordinance No. O-2025-0017
Amending the zoning classifications for a tract of land out of the S.F. Austin League No. 4, Abstract No. 2, 1.889 acres of land, being a portion of Lot 56, of Mainland Homesteads, a subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Plat Record 2, Map No. 30 of the Galveston County map records also being known as Lots 49, 50, 53, 54 and 55 of the Gilbert and Nelson Unrecorded Subdivision Galveston County Property ID #132673, from (C-1)

General Commercial to (I-2) Industrial 2 - *Development Services*
THIS IS THE SECOND AND FINAL READING

8. NEW BUSINESS
Items presented to the Council for discussion and possible action:

8.I. Ordinance No. 2025-0018
Making appropriations for the support of the City of La Marque for the Fiscal Year beginning October 1, 2025, and ending September 30, 2026; appropriating money to a sinking fund to pay interest and principal due on the city's indebtedness; and adopting the annual budget for the City of La Marque for the 2025-2026 Fiscal Year - *Administration*

8.II. Ordinance No. 2025-0019
Levying ad valorem taxes for use and operation of the municipal government of the City of La Marque, Texas for the 2025-2026 tax year; Providing for appropriating each levy for specific purposes; and, providing when taxes shall become due and when same shall become delinquent if not paid - *Administration*

8.III. Resolution No. R-2025-0035
Authorizing certain officers of the City to sign and endorse checks and drafts of the City of La Marque bank accounts - *Administration*

8.IV. Resolution No. R-2025-0036
Authorizing certain officers of the City to sign and endorse checks and drafts of the City of La Marque bank accounts - *Administration*

8.V. Resolution No. R-2025-0037
Authorizing certain officers of the City as authorized representatives to administer and manage the City’s investment accounts - *Administration*

8.VI. 2024 Single Audit
Approving the draft audit for Fiscal Year 2023 - 2024 - *Finance / Administration*

8.VII. Awarding Wastewater Treatment Plant Rehabilitation: Headworks and Chemical Storage Rehab Contract
Awarding a contract to Sustanite Support Services, LLC for the Wastewater Treatment Plant (WWTP) Rehabilitation – Headworks and Chemical Storage Improvements project in the amount of $1,892,000.00, and authorizing the City Manager to execute the contract and related documents - *Public Works*

8.VIII. Citizen's Participation
Considering the parameters and establishing guidelines for Citizen's Participation at City meetings - *Council*

8.IX. Ordinance Review Committee - Mission Clarification
Requesting clarification of mission statement and priorities - *Ordinance Review Committee*

9. CITY MANAGER REPORT
a submitted report to update Council and Community on the standard operations of the City, report can be acknowledged as whole or discussed at the pleasure of Council.

9.I. July 2025 Municipal Court Stats

9.II. July 4, 2025 Fire Department Statistics

9.III. Items for the Good of the Order

10. EXECUTIVE SESSION
The City Council for the City of La Marque, Texas reserves the right to adjourn into executive session at any time during this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code Section 551.071 (Consultation with Attorney), 551.072(Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.087 (Economic Development)

11. ACTIONS TAKEN FROM EXECUTIVE SESSION

12. REQUESTS AND ANNOUNCEMENTS
Requests by Mayor and Council Members of items to be placed on future City Council agendas and announcements on city events/community interests TEX. GOV'T CODE §551.415. (b), "items of community interest" include: (1) expressions of thanks, congratulations, or condolence; (2) information regarding holiday schedules; (3) an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition for purposes of this subdivision; (4) a reminder about an upcoming event organized or sponsored by the governing body (5) information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality or county; and (6) announcements involving an imminent threat to the public health and safety of people in the municipality or county that has arisen after the posting of the agenda

13. ADJOURNMENT

CERTIFICATION:

I hereby certify that the above notice of meeting was posted at 1109-B Bayou Road, La Marque, Texas on or before August 22, 2025 at 2:00 p.m.

____

Kierra K. Nance, TRMC
City Clerk

CITY OF LA MARQUE
CITY COUNCIL
REGULAR MINUTES
of
January 27, 2025

1. CALL MEETING TO ORDER
   Mayor Bell called the meeting to order at 6:05 p.m.

2. ROLL CALL

PRESENT:	
Keith Bell	Mayor
Joe Compian	Mayor Pro Tem/ District B
Kimberley Yancy	District A
James Ross	District D
ABSENT:	
Joseph Lowry	District C

3. INVOCATION AND PLEDGE OF ALLEGIANCE
   Mayor Pro Tem Compian gave the invocation and Councilmember Ross led the pledge.

4. PRESENTATIONS

   4.I. Award: President's Lifetime Achievement Award - Joe Compian
   Mr. Robert Young, a Board member of the Texas Coastal Plains Chapter of the American Red Cross, presented Mayor Pro Tem Joe Compian with the President's Lifetime Achievement Award.

   4.II. Award: Certificate of Appreciation - Oscar Del Bosque Alas
   Interim Public Works Director Shannon Breaux shared that Mr. Oscar Del Bosque Alas provided aid to an injured gentleman while working on a pipeline. His heroic actions prevented loss of life. He was presented with an Award of Recognition, thanking him for his actions.

   4.III. Introduction: Jason Ellison, Development Services Director
   Acting City Manager Joshua Pritchett introduced Development Services Director Jason Ellison.

   4.IV. Introduction: Monica Veliz, Budget Coordinator
   Acting City Manager Pritchett and Finance Director Christine Turner introduced Budget Coordinator Monica Veliz to the community.

4.V. Presentation: 30 Years of Dedicated Service - Tyrone Griffin

Acting City Manager Pritchett and Mayor Bell honored Mr. Tyrone Griffin for over 30 years of service to the community.

4.VI. Presentation: Stifel

Brad Angst of Stifel gave a thorough overview of the current state of the city's bonds and financial status. He shared that the city has nearly doubled in growth over the last 5-6 years. He also spoke to a substantial decrease in the interest and sinking rate. He feels that stabilizing or being cautious in the amount the council decreases the tax rate each year could provide some opportunity for the city. There are currently 9 outstanding debt obligations with approximately $25,500,000.00 remaining. In 5 years, the city will pay off the 2014 and 2017 General Obligation bonds. The city currently has an AA- bond rating, which is very favorable.

Approximately 1 year ago, the city applied for funding from the Texas Water Development Board, which was approved in December 2024 in the amount of $9,985,000.00. This saves the city approximately $1.9 million as opposed to applying to other funding abilities. This would be paid for through the city's utility fund.

Mayor Bell asked for clarity for the public as to where the city currently is in this process. Mr. Angst shared that the council approved an application, and the Texas Water Development Board approved the funding, however the Council has not at this time entered into a contract.

Jonathan Frels, Bracewell, the city's Bond Counsel, shared the process for obtaining this funding. He spoke to his recommendation to issue a Certificate of Obligation to the Texas Water Development Board to evidence the funding. He reiterated that this would be paid through the water and sewer revenue fund. He shared that this mechanism, while not the only one, it is the lowest impact to the rate payers.

Mr. Angst continued that the payment would be $620,000 annually over a 20-year payment period. Currently, there is an estimated $1.5 million in available revenue per the Texas Water Development Board. He shared that large scale projects are most often paid for through a "pay as you use" model, which is why bonds, and Certificates of Obligation are utilized to spread out the cost of these large projects.

He shared figures that showed if the council keeps the current tax rate moving forward, the capacity for bond issuance will grow. In the event that the council raises the rate, the capacity for bond issuance will grow at a faster rate.

He shared that at the 5-cent increase would impact a $150,000 home at a rate of $6.25 per month and a $350,000 home at a rate of $14.58 per month.

Mr. Angst also identified that if the council would choose to utilize a General Election Bond, this would likely not get before the voters until November.

Councilmember Ross feels that a General Election Bond would be better received in 2026 or 2027 as he does not feel that it is a good time. He asked how utilizing the Certificates of Obligation would affect current utility bills.

Mr. Angst believes that there is room within the current rate to prevent the need for a rate increase.

Mayor Bell questioned if that means the city is realizing some revenue in the

utility fund.
Mr. Angst shared that the answer would be dependent of the year in question however, currently that is the case.
Mayor Pro Tem Compian shared that historically the city had supplemented the utility fund through general revenues. Through proper financial planning, resolving water loss, setting realistic water rates, the city has now realized this new debt capacity.
Councilmember Yancy requested a workshop to help the community better understand the situation.
Mayor Bell questioned Standard & Poors as shown on Page 17 of the report. It was determined that they are one of the 4 major rating agencies. Historically, Moody and Standard & Poors are the top 2 rating firms in the country, and they have rated the City of La Marque at an AA- rating, which is one step below the top rating of AA. Mayor Bell emphasized that the city is in good financial health and the report shows that the city has a weak debt profile.
Mayor Bell questioned if Certificates of Obligation are tied to property tax. Mr. Frels shared that on the Texas Water Development Board loan there is a tax pledge, that will not be used, the city would utilize the revenue pledge. The tax pledge is in place to secure better terms on the loan.
Mayor Bell shared that, historically, the city has elected to purchase additional water as opposed to infrastructure repairs as it was more cost-effective and the community tends to disapprove raising taxes. He has personally vowed not to incur debt without a vote of the people. However, if it is the will of the council, he will support the decision made.
Mayor Pro Tem Compian shared some history, that this fund was created through a constitutional amendment at the state level. He questioned the timeline of this item. Mr. Angst shared that this would need to be accepted by December 31, 2025. The financial team brought this forward to be ahead of the budget cycle.
***Councilman Ross exited the room at 7:16 p.m.*
Mayor Pro Tem Compian supported the idea of a workshop on this item. He is proud of the city for being considered.
***Councilmember Ross returned at 7:19 p.m.*

5. CITIZENS PARTICIPATION

- Richard Holcolmb (2708 Magnolia) shared a complaint about the last council meeting. He doesn't believe in insulting anyone, and at the last council meeting a speaker insulted a council member and their wife. He didn't mean to offend with his "Make La Marque Great Again" hat, he just wants the city to be great.
- Sylvia Joiner Crawford (1110 Deats Rd, Dickinson, TX) shared that she does not have a lot of money. She has been paying $1000 a month for the taxes on her childhood home as her sister was paying for them before she passed. She would like to hold on to the land because she wants to build a house there.
- Re'Chard Loftis (309 Johnson) started by saying professionalism and civility are needed here. He is tired of coming to council meetings and the council is arguing about things that have nothing to do with the city. If they are not here to do the people's business, "get out of public service". Personal vendettas should be

handled outside of this building, not on taxpayers time. If they keep it up, he will personally pull the paperwork to recall the members.

- Carolyn Small (1121 Prune) shared the same sentiments as Mr. Loftis. She shared her concerns regarding statements such as "political rivalry", "political opponent", and "political adversary". She shared the dictionary definition of a member. Individuals can say whatever they want in their personal time. However, in this room each member should be a "functional" member of the body.
- Sheila Lanesey (2515 Boss St) stated that there are a lot of new properties in her neighborhood, and the property is going down. She spoke to the deterioration of sidewalks and culverts, asked for the light to be fixed at Cedar Road, high grass, and asked for the city to pay attention to detail.
- Joshua Pritchett (2801 Gulf Fwy) spoke as a private citizen. He promoted his annual Night To Shine event. He encouraged everyone to go to resonatetexas.org to see a quick video in relation to the event. This event is held the weekend before Valentine's Day at the College of the Mainland Conference Center. This event is a prom for individuals with physical or mental disabilities. He asked for volunteers to come in to assist and be cheerleaders, while the parents and caregivers get to take a break.
- Kimberley Kriegel Edwards (161 Lower Borondo) requested that the city allow her to remove the tree behind her home.
- Hayley Winkelmann (1413 Bowie St) spoke to say that racism will no longer be tolerated in La Marque. This is not a Democratic or Republican issue in La Marque, it's a problem with peoples' hearts. Racism needs to go back to the place that it should never have left, the intrusive thought that you should not have had in the first place. She encourages everyone to take a breath before communicating with their neighbor, stating "we are all better than this".

6. OLD BUSINESS

6.I. Wastewater Treatment Plant Project Update

Rick Garcia (Ardurra) stated that the plans for the Waste Water System were scheduled to be completed by the end of February. Following completion, Ardurra anticipates a workshop with the council to be held in March and, if everything goes well, bids and advertisements in April with awards in June. After this process, it will leave about a year and a half for construction, which he hopes will meet the deadline of December 2027 for completion.

Mayor Bell stated that since there are three (3) designs he requested that all three (3) designs be put to bid. He will not support changes that were made midstream, even if it was done to save money. The people of La Marque decide what is right for the community.

Mr. Garcia clarified that he will bring all of the information forward in March.

NO ACTION TAKEN.

7. NEW BUSINESS

7.I. Ordinance No. O-2025-0002

Councilmember Ross questioned if this is intended to transition all codes from the 2018 codes to the 2024 editions.

Chief David Merryman said he believes everything except for the Electrical Code, which is the 2023 edition and the most current, are from 2024. He also mentioned that a few local amendments were made in relation to the fire code.

Development Services Director Ellison spoke to the Building Code Effective Grading Assessment that was just completed. If the codes are not updated, the city's Insurance Service Office (ISO) Rating, which is currently at 2, would be dropped significantly.

Director Ellison shared that a letter was received by the city from Veras, the grading agency, approximately six (6) months ago, so the city is behind in this task.

Mayor Pro Tem Compian requested that in the recitals the ISO rating and Building Code Grading be added for historical value.

Both Mayor Pro Tem Compian and Councilmember Ross asked questions for clarity regarding specific elements of the code in relation to different classifications of spaces.

***Councilmember Yancy exited the room at 8:00 p.m.*

Discussions regarding "Knox box" and fire hydrant requirements in the city ensued.

Councilmember Ross questioned labeling requirements and obtaining data are shown in the ordinance.

***Councilmember Yancy returned at 8:10 p.m.*

Mayor Pro Tem Compian made a motion to approve Ordinance No. O-2025-0002 amended to include the ISO and Building Code Grading as requested. Councilmember Ross seconded. **<u>MOTION CARRIED UNAIMOUSLY.</u>**

7.II. Resolution No. R-2025-0004

Councilmember Yancy made a motion to adopt Resolution No. R-2025-0004. Councilmember Ross seconded.

Councilmember Ross requested that the city hire an individual that can handle the city's mosquito truck.

Acting City Manager Pritchett shared that there is an employee that is currently certified to operate that equipment.

Mayor Bell shared that the current item is in relation to the county spraying and the city's equipment is meant to supplement the efforts of the health district.

<u>MOTION CARRIED UNANIMOUSLY.</u>

7.III. Resolution No. R-2025-0005

Mayor Pro Tem Compian made a motion to adopt Resolution No. R-2025-0005. Councilmember Ross seconded. **<u>MOTION CARRIED UNANIMOUSLY.</u>**

7.IV. Resolution No. R-2025-0006

Councilmember Yancy made a motion to adopt Resolution No. R-2025-0006. Councilmember Ross seconded. **<u>MOTION CARRIED UNANIMOUSLY.</u>**

7.V. Resolution No. R-2025-0007
Councilmember Yancy made a motion to adopt Resolution No. R-2025-0007. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

7.VI. Resolution No. R-2025-0008
Councilmember Yancy made a motion to adopt Resolution No. R-2025-0008. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

7.VII. Resolution No. R-2025-0009
Councilmember Yancy made a motion to adopt Resolution No. R-2025-0009. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

7.VIII. Resolution No. R-2025-0010
Councilmember Yancy made a motion to adopt Resolution No. R-2025-0010. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

7.IX. Resolution No. R-2025-0011
Councilmember Yancy made a motion to adopt Resolution No. R-2025-0011. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

7.X. Resolution No. R-2025-0012
Councilmember Yancy made a motion to adopt Resolution No. R-2025-0012. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

7.XI. Resolution No. R-2025-0013
Councilmember Yancy made a motion to adopt Resolution No. R-2025-0013. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

7.XII. Contract with OpenGov
***Mayor Bell exited the meeting at 8:22 p.m.*
Ray Kirkpatrick and Christian Cornelius of OpenGov gave a brief presentation on the OpenGov software. The City currently uses the STW software, which is the predecessor of the OpenGov suite. The updated software includes modules for finance, reporting, code compliance, permitting, utility billing, payments, asset management, procurement, and more.
***Mayor Bell returned at 8:25 p.m.*
Councilmember Ross asked clarifying questions about the utility billing system, such as how small of an increment the city can bill for water, and leak detection and notification services. He also questioned the cost and how the city will fund the implementation. This is an American Rescue Plan Act (ARPA) expense, as well as migration of all applicable processes out of their current software into this one.
Councilmember Ross questioned how much data the city could lose in this process. Mr. Kirkpatrick shared that OpenGov will retain access to the current server until after implementation.
Mayor Pro Tem Compian asked if there is a service that tracks surplus assets. It was determined that this is tracked in multiple ways in the new software.
Councilmember Yancy asked that training be a priority and clarified that this software can create a budget.

It was determined that after the initial implementation fees, the system would cost approximately $251,000 per year to maintain.
Mayor Bell is just asking for accurate, timely, and transparent information.
Mayor Bell questioned when the implementation will be fully completed. Mr. Kirkpatrick believes that this process would take approximately nine (9) months.
Councilmember Ross made a motion to authorize the City Manager upon final approval of the City Attorney to sign a contract with OpenGov, Inc., in the amount of $721,180.83. Mayor Pro Tem Compian seconded. **MOTION CARRIED UNANIMOUSLY.**

7.XIII. Purchase: City Park Awnings
Councilmember Yancy made a motion to approve the purchase and installation of two awnings at Westlawn Park in the amount of $5,770, utilizing the Parks User Fees. **MOTION CARRIED UNANIMOUSLY.**

7.XIV. Request for Rezoning Property
Development Services Director Ellison stated that on his second day he met with property owner Jack Mazzola regarding three properties that he intended to build houses on that were zoned commercial, unbeknownst to the property owner.
Mr. Mazzola gave a brief summary of the area, stating that there is light industrial and some commercial nearby, but there is also residential property "all the way back as far as you can see". He believed this zoning was done unintentionally.
Mayor Pro Tem Compian declared a conflict due to a familial relationship with one of the property owners.
City Attorney Knebel clarified that the item before the council is to begin the amendment process, as a zoning amendment can be done by either the owner or by the council. This is a request from the council to begin the process.
Mayor Pro Tem Compian questioned if the owners of all the represented addresses were aware of the request.
City Attorney Knebel shared that the properties currently have residential homes on them and it was the idea of staff to address all at the same time in lieu of waiting for each individual to come before the council.
Mayor Pro Tem Compian shared his discontent with this strategy, as some of those property owners may prefer the commercial designation for future purposes and he does not believe the council is in a position to speak for the other owners.
City Attorney Knebel reminded Mayor Pro Tem Compian that he initially declared a conflict, and identified that this is just the beginning of the process. Notices would be sent to the property owners within 200 feet of the proposed rezone area.
After a brief discussion regarding the process, which will begin with the Planning and Zoning Commission, Councilmember Yancy made a motion to direct the Acting City Manager to begin the rezoning process. Councilmember Ross seconded. **MOTION CARRIED WITH 3 AYES AND 1 NAY (COMPIAN).**

8. CITY MANAGER REPORT

***8.I, 8.II, 8.III, 8.VI, 8.IX, and 8.XI were pulled for discussion.*

8.I. Monthly Reports

Councilmember Ross shared that the city is having a much better sales tax season than some projected.

Acting City Manager Pritchett also pointed out that the finance team has worked diligently to ensure that the city is collecting sales tax from all of the appropriate entities.

***Mayor Pro Tem Compian exited at 9:19 p.m.*

Councilmember Ross asked for Finance Director Turner to share the difference between the detailed vs actual report. This is a report that the Finance Director created in order to maintain accountability at the department level and provide information to council and the community regarding overages in the expenditures.

***Mayor Pro Tem Compian returned at 9:23 p.m.*

8.II. 2024 Quarterly Investment Reports

This item stood as submitted.

8.III. Crime Statistics for Calendar Year 2024

Mayor Bell just wanted to take the time to celebrate the constant and continuing reduction in crime. He shared that there was a reduction in violent crime of 11%, property crime of 15%, and an overall decrease in crime of 14%. He thanked the Chief and all of the officers for their hard work and dedication.

8.IV. Bay Area Houston Economic Partnership (BAHEP) Annual Report

This item stood as submitted.

8.V. Grant Application: Turkey Smoke Grant Program

This item stood as submitted.

8.VI. Invitation for Bid: 12-Inch Water Distribution Line from Newman Road to Stonewall Project

Interim Public Works Director Breaux clarified that this project is an Impact Fee project to assist approximately 33 connections between Newman Road to Stonewall, including approximately 25 fire hydrants.

8.VII. General Land Office (GLO) Public Infrastructure Grant Projects Update

This item stood as submitted.

8.VIII. Light up La Marque Project Update - Texas Avenue Grant through TXDOT

This item stood as submitted.

8.IX. All America Draft Marketing Plan

Acting City Manager Pritchett shared that this shows both what has already been done and what is planned in the future to celebrate the 2024 All America win. He shared the partnership with the Texas City La Marque Chamber of Commerce and the Bay Area Houston Economic Partnership, to put the City of La Marque in the "rooms" to attract businesses to the city.

8.X. Doorstep Democracy

This item stood as submitted.

8.XI. Summer Camp 2025

Library Director Amy Miller shared that initial conversations have begun with staff regarding the intended direction of the Summer Camp.
Mayor Bell believes that the camp should be longer, he requested an 8-week program, not just 2 weeks.
Library Director Miller shared that summer is the "Super Bowl" of library activities.
Mayor Bell shared his support for a seasonal summer camp director. He would love 8 weeks, but would be willing to compromise at 4 weeks.
Councilmember Ross supported a 4-week summer camp and questioned if there could be a fundraising element added.

8.XII. Items for the Good of the Order

Acting City Manager Pritchett spoke regarding Winter Storm Enzo, commending all departments for their unified approach to handling the needs of the community. He thanked select residents who reached out during that time to further gain information to help inform the public. He is pleased that there was not a mass power loss in the city.

9. EXECUTIVE SESSION

There was no executive session.

10. ACTIONS TAKEN FROM EXECUTIVE SESSION

No action was taken.

11. REQUESTS AND ANNOUNCMENTS

Councilmember Ross gave kudos for the communications during Winter Storm Enzo. He requested more information on Night to Shine and thanked everyone who had reached out to his family in the previous week.
Both Councilmember Yancy and Mayor Pro Tem Compian declined to speak.
Mayor Bell gave a brief recap of the events of the meeting, including celebrating the newly acquired financial software and reduction in crime. He spoke to the allegations made earlier in the meeting regarding free speech, and he shared that, due to certain potential liabilities, he was advised by legal counsel to allow for the free speech. He believes that as community leaders the council should set the example, as if they are going to speak recklessly, they cannot expect others to not speak recklessly. He remembers what it felt like to be a young Councilmember and having the gavel banged on him, and he has tried to be a champion for free speech since taking on his role as Mayor. He acknowledged the legal language that used to be under requests and announcements, and requested that, at the advice of the City Clerk and City Attorney, it be reinstated. He is learning to lead by example, and stated that is was an honor and privilege to be with everyone tonight as a lot of great work was done.

12. ADJOURNMENT

Councilmember Yancy made a motion to adjourn. Councilmember Ross seconded.

MOTION CARRIED UNANIMOUSLY.
***Meeting was adjourned at 10:16 p.m.*

CITY OF LA MARQUE
CITY COUNCIL
REGULAR MINUTES
of
October 28, 2024

1. CALL MEETING TO ORDER
   Mayor Bell called the meeting to order at 6:01 p.m.

2. ROLL CALL
   PRESENT:

Keith Bell	Mayor
Joe Compian	Mayor Pro Tem/ District B
Kimberley Yancy	District A
Joseph Lowry	District C
James Ross	District D

3. INVOCATION AND PLEDGE OF ALLEGIANCE
   City Manager Cesar Garcia gave the invocation and members of the Richard A Kirsten VFW Post 8248 led the pledge.

4. PRESENTATIONS

   4.I. Proclamation: National First Responder Day
   Mayor Bell presented representatives from the La Marque Public Safety team, including the Fire, Police, and Public Works Departments with a proclamation honoring National First Responder Day.

   4.II. Proclamation: Women in Service
   Councilmember Ross presented members of the La Marque VFW with a proclamation honoring National Women in Service Week.

   4.III. Presentation: Davion Watts, Operator of the Year
   City Manager Garcia and Utilities Director Rick Sailler recognized Lead Wastewater Treatment Plant Operator Davion Watts for being named the Texas Water Utility Operator Association's Operator of the Year.

   4.IV. Presentation: Shannon Breaux, Double A Licensed Operator
   Water Utilities Supervisor Shannon Breaux was recognized for achieving a license as a Double A Licensed Operator, a task that only approximately 1% of operators have achieved.

5. CITIZENS PARTICIPATION
   ***Councilmember Lowry exited at 6:28 p.m.*

- Bruce ***declined to give a last name*** (Galveston Island) began stating that he would not be willing to share his information as a Councilmember had allegedly previously doxxed him online. He shared that the same Councilmember had allegedly committed a crime by impersonating a police officer, as they had stated they could be found at the Police Department at any time and claiming their badge number as "187". Earlier in the meeting, the city honored first responders, and the Councilmember was not recognized at that time.
- Robert Harvey(***declined to give his address*) shared his thoughts that a certain Councilmember was a bully, and has been posting individuals' names, vehicles, and loved ones information online to intimidate others. He feels that the city is aware of these antics and should do something about it. He also shared additional alleged screenshots of conversations from said councilmember.

***Councilmember Lowry returned at 6:34 p.m.*

- Robert Michetich (24 N Curlew) shared an ethics complaint he filed against a Councilmember regarding an incident that happened at a La Marque Citizens Police Academy Alumni Association meeting earlier in the year. He requested that a public apology be issued.

6. MINUTES

6.I. Regular City Council Minutes 06.24.2024
Councilmember Ross made a motion to approve the minutes as submitted. Councilmember Yancy seconded. **MOTION CARRIED UNANIMOUSLY.**

7. NEW BUSINESS

7.I. Resolution No. R-2024-0049
THIS ITEM WAS TABLED.

7.II. Resolution No. R-2024-0050
Mayor Pro Tem Compian asked for clarity regarding the application.
Mayor Bell asked if the grant is limited to catalytic converter programming as implied by the name.
City Manager Garcia clarified that it was not. When asked what the requested program would entail, he shared that the application would include five (5) police cars, an ATV, and up to $20,000 in overtime budget.
City Manager Garcia clarified that the Galveston County Auto Crimes Task Force would assist with the Catalytic Converter etching program previously started by the city.
Mayor Pro Tem Compian made a motion to adopt Resolution No. R-2024-0050. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

7.III. Resolution No. R-2024-0051
Mayor Pro Tem Compian made a motion to adopt Resolution No. R-2024-0051. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

7.IV. Resolution No. R-2024-0052

City Manager Garcia shared that there was a 50% match. However, there is an application to either utilize already purchased vests as a match or to utilize American Rescue Plan Act (ARPA) funds. If both requests are denied, the city would be responsible for approximately $13,000.

Councilmember Ross made a motion to adopt Resolution No. R-2024-0052. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

7.V. Resolution No. R-2024-0053

City Manager Garcia announced that the city has received two (2) additional officers at 100% funding for the first three (3) years.

It was clarified that prior to this year the city had 45 sworn officer positions. During budgeting, the council increased that number by four (4) additional positions. These two positions would be in addition to that.

Councilmember Ross made a motion to adopt Resolution No. R-2024-0053. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

7.VI. Awarding RFP 24-05 Disaster Consulting and Grant Administrative Services

Mayor Pro Tem Compian questioned awarding two companies.

Emergency Management Coordinator Kyle Hunter shared that there is a primary and secondary awardee. In the event that the primary is not available or cannot fulfill their duties, the city has another option.

Mayor Pro Tem Compian asked for a list of cities the second company has worked for.

Councilmember Yancy asked for a list of historically underutilized business vendors that the city utilizes.

Mayor Pro Tem Compian made a motion to award disaster consulting and grant administrative services contracts to Grantworks and DCMC Partners. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

7.VII. CWSRF Area of Impact

City Manager Garcia stated that at a previous meeting the council requested that staff bring back the areas of impact for the Clean Water State Revolving Fund (CWSRF) Loan. This funding, if awarded, would cover a combination of engineering, pipeline rehabilitation of approximately five (5) miles on the west side sewer system and about three (3) miles of pipeline rehabilitation on the east. This would also include the continuance of manhole restoration of approximately an additional 200 manholes.

Mayor Pro Tem Compian asked for understanding regarding the complexities of the Manhole Replacement Project.

Utilities Director Sailler shared that this project is to reduce the amount of inflow and infiltration on the sanitary sewer system. Simply put, reducing the amount of rainwater that gets into the system to stop overloading the sewer system.

A lengthy discussion regarding the consequences of an elevated inflow and infiltration rate ensued.

NO ACTION TAKEN.

7.VIII. Wastewater Treatment Plant Expansion Project

Utilities Director Sailler gave a lengthy overview of the history of the project, wastewater treatment plant operations, and proposed modifications due to lack of funding. He recommended utilizing a different type of treatment system that will still perform at a high level but is more economically feasible, and is also partially automated.

Mayor Bell questioned if this item was time-sensitive.

It was determined that while it was not immediate, there is a timeline expectation from the General Land Office, as this project has been in design for quite a while.

Mayor Bell feels that this item is a missed opportunity as these items should have been workshopped. He also noted that there seems to be an influx of time-sensitive items that are coming from the Public Works Department, and the council needs time to do their due diligence.

Councilmember Yancy asked where the cost savings would be in the new design.

Rick Garcia (Ardurra) shared that the new design would have a smaller footprint which would save an estimated 2 million dollars in concrete costs, and an additional 2 million dollars in equipment as the new design does not have a clarifier. He also shared that since the initial design the General Land Office has added new rules, such as the requirement to elevate 3 feet above the 100-year flood plain, in addition to rising construction costs after the COVID pandemic.

Councilmember Ross questioned the Bar Screen at the wastewater treatment plant and asked that this project be moved forward as the residents have been told time and time again that improvements are being made at the treatment plant.

Mayor Pro Tem Compian reiterated that the wastewater treatment plant has to be corrected as there are orders from the Texas Commission on Environmental Quality (TCEQ).

Discussions regarding the project timeline ensued.

City Manager Garcia added that, with the smaller system, there are lower maintenance and operation costs also to be considered.

Mayor Bell asked clarifying questions regarding the initial cost estimate, and if there were more than two possible design processes.

Mr. Garcia identified that there are other designs available. He estimated about 5-7. However, the two presented are the most commonly used in the area.

***Councilmember Yancy exited the room at 8:01 p.m.*

Mayor Pro Tem Compian questioned what prevents the city from proceeding with a bid for both project designs. It was determined that there was nothing stopping the city from issuing two bids.

Mayor Pro Tem Compian made a motion to issue a revised plan as requested and authorized the release of a bid for a project that fits within the allotted budget. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

8. CITY MANAGER REPORT

***Councilmembers Lowry and Ross pulled item 8.1 for discussion*

***Councilmember Yancy pulled item 8.III for discussion*

8.I. Monthly Statistics for September 2024

Councilmember Lowry thanked Public Works for the drainage works they have been performing.

At the request of Councilmember Ross, City Manager Garcia clarified that although the sales tax numbers for the month are lower than the previous year, the overall sales tax collection has increased over the previous year.

Mayor Bell questioned if there had been any study done on the impacts of the I45 expansion on the city's sales tax.

Councilmember Ross shared that in a previous city he lived in, during the I45 expansion, the businesses were significantly impacted during the expansion, even during the holidays. He shared that the Texas Department of Transportation did provide some reimbursement relief for those businesses.

***Councilmember Yancy returned to the meeting at 8:11 p.m.*

8.II. Cohort Member of the Road to Zero Coalition (RTZ)

Stood as submitted.

8.III. Clarity regarding Coffee with a Cop Event

City Manager Garcia gave a brief update regarding the reports he had received regarding this event.

8.IV. Items for the Good of the Order

City Manager Garcia shared an update regarding the projects and timelines provided by the Texas Department of Transportation.

City Manager Garcia thanked Utility Director Sailler for his service to the city as he will be leaving before the next council meeting.

The council thanked him for his service to the community and wished him well on his next endeavor.

9. EXECUTIVE SESSION

***Mayor Bell recessed the Regular Meeting and entered into Executive Session at 8:19 p.m.*

9.I. Section 551.071 (Consultation with Attorney)

9.II. Section 551.074 (Personnel Matter)

9.III. Section 551.074 (Personnel Matter)

10. ACTIONS TAKEN FROM EXECUTIVE SESSION

***Mayor Bell closed the Executive Session and reconvened the regular meeting at 9:13 p.m.*

10.I. Section 551.071 (Consultation with Attorney)

NO ACTION WAS TAKEN.

10.II. Section 551.074 (Personnel Matter)

Councilmember Lowry made a motion "based on the evidence and information presented and in accordance with the charter provisions of the City of La

Marque", that Keith Bell be removed from the Office of Mayor for his failure to meet and/or maintain the voter-approved residency requirements.
City Attorney Knebel clarified that the meeting was not noticed for that.
***Motion dies due to lack of second.*
Councilmember Ross clarified that per the Galveston County Appraisal District, the Mayor still has a homestead in the City of La Marque. Therefore, by charter and state law, he is a resident of the City of La Marque.
Councilmember Lowry stated that he could prove the residency of Keith Bell is not in the City of La Marque.
Councilmember Ross made a motion that until Mayor Keith Bell no longer has a homestead exemption or could produce a lease in the City of La Marque, this item not be brought to council again. Councilmember Yancy seconded.
Mayor Bell stated that this has been a talking point for approximately two years and shared a list of requirements that he has met regarding meeting the legal residency requirement. He identified that Councilmember Lowry cannot tell him when to enjoy his properties, however many properties he may have.
*** Councilmember Lowry began to interrupt Mayor Bell and was asked repeatedly to refrain. Due to the disturbance, the meeting was recessed at 9:23 p.m. and reconvened at 9:42 p.m. Mayor Pro Tem Compian did not return from the recess.*
Mayor Bell stated that if this was a serious issue it would have been addressed previously; this issue serves as a divisive tactic. He has been on the council for 20 years and has been able to work with everyone on the dias. He has a proven track record. He identified that Councilmember Yancy has been able to work with everyone for the past three (3) years. The only person who has not done so is Councilmember Lowry. He gave a list of things the council could have been working on instead of "bringing false accusations about residency", focusing specifically on District C issues such as interest in the property owned by Texas City Terminal Railroad, drainage concerns, dredging in Omega Bay canals, street repairs, and other areas of interest. He shared that the dias should be a place that "we work together to solve problems that the residents of this great city have with the city services that they are being provided. Nothing more, nothing less".
MOTION CARRIED UNANIMOUSLY.

10.III. Section 551.074 (Personnel Matter)
Councilmember Ross made a motion to take no action until the next meeting, when the council could sit down with the Citizen's Police Academy (Alumni Association) and the Chief of Police. Councilmember Yancy seconded.
Councilmember Lowry requested a censure and a public apology to the officers and members of the La Marque Citizens Police Academy Alumni Association.
MOTION CARRIED WITH 3 AYES AND 1 NO VOTE (LOWRY).

11. REQUESTS & ANNOUNCEMENTS
Councilmember Lowry requested a residency discussion for the next meeting, to include audio and documents from a public investigator.
Councilmember Ross requested adjusted times for the traffic light at Cedar and Highway 3. He announced Trunk or Treat at the VFW on Halloween Night and the

Veterans Day Breakfast on November 10th.
Councilmember Yancy requested a traffic study at Delaney Road as the previous study was done by former City Manager Jackson. She asked for a ribbon-cutting for Amazon, as well as replacement of stop signs in District A and in District C. She feels that a road should be renamed in honor of Kay Bailey Hutchinson, and the library after Geraldine Sam. She asked for a meeting between herself, City Manager Garcia, Attorney Knebel, and the District Attorney regarding disorderly conduct in the Council Chamber. She also asked the community for prayer and forgiveness.
Mayor Bell hoped to continue to move the city forward as he has for the past 20 years. He reminded everyone that the city council is in office to unite the community and provide services, not to cause division. He, again, celebrated the award-winning individuals in the Wastewater Treatment Plant. He honored the Veterans in anticipation of Veterans Day. He recalled the wonderful events over the past few weeks. He spoke about the Doorstep Democracy event on November 16th. He congratulated the community on the upcoming Mahan Boat Ramp modifications, the data storage groundbreaking, and the success of Trunk or Treat the previous week. He stated that instead of a traditional town hall, he intends to do a block walk with council and staff members to see what the people of the community think about the jobs that are being done and areas that can be improved. This will be followed by a traditional town hall. This event will be titled Doorstep Democracy.

12. ADJOURNMENT
Councilmember Yancy made a motion to adjourn. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**
***Meeting was adjourned at 10:03 p.m.*

CITY OF LA MARQUE
CITY COUNCIL
REGULAR MINUTES
of
October 14, 2024

1. CALL MEETING TO ORDER
   Mayor Bell called the meeting to order at 6:02 p.m.

2. ROLL CALL
   Present:

Keith Bell	Mayor
Joe Compian	Mayor Pro Tem/ District B
Kimberley Yancy	District A
Joseph Lowry	District C
James Ross	District D

3. INVOCATION AND PLEDGE OF ALLEGIANCE
   Mayor Bell gave the invocation and Councilmember Ross led the pledge.

4. PRESENTATIONS

   4.I. Proclamation - Domestic Violence Awareness Month
   Mayor Bell read into the records a proclamation regarding Domestic Violence Awareness Month.

   4.II. Proclamation - Code Enforcement Appreciation Month
   Mayor Bell presented the La Marque Code Compliance Division with a proclamation honoring the Code Enforcement Appreciation Month.

   4.III. Introduction: Accelerant Detection K9 Kai
   Mayor Bell and Fire Chief David Merryman introduced Accelerant Detection K9 Officer Kai to the public. Chief Merryman proudly announced that the City of La Marque is the first municipality in the history of Galveston County to have an Accelerant Detection K9.

5. CITIZENS PARTICIPATION

   - Carolyn Small (1121 Prune) requested that City Events not be sponsored by council members as it could take away from the intent of the event. She also shared her concerns regarding an ethics complaint she filed regarding her child, that she feels was swept under the rug.
   - Kathy Bernard (3230 Main) spoke regarding 1535 Newman Road stating that after paying impact fees, and having plans reviewed, they are now being told there is no capacity for sewer, which is causing undue hardship. She is currently waiting

on a response from the Public Works Director and has also filed a complaint with City Administration.

- Michael Selzer -*did not respond to calls to speak*.
- Robert Michetich (24 N Curlew) shared his support for the Citizen's Police Academy, stating that the state previously advised that the Memorandum of Understanding not be signed. He advised everyone to consider a document he sent earlier in the day.
- Harvey Freebird (declined to give address) shared his discontent with the city's policy on public criticism. He reiterated several expletives that he alleges were made by a Councilmember online as well as shared a multitude of posts made regarding his personal information. He also admonished the Councilmember referenced for exiting the room during his comments.
- Nicholas Roake (1535 Newman Rd) also shared concerns regarding the sewer capacity issue at his property.
- Tamera Smith (Benson) spoke to correct a statement made at the last meeting. There was a misstatement regarding the Parks Department but mistakenly identified the Parks Board.
- Carl Beard (5511 Evelyn) spoke regarding slanderous information being made regarding him from a news site that utilizes the city's address, Lowry News Network. He is asking for a meeting with the City Manager and Attorney to discuss a financial compensation package due to the harm it has caused his business.

6. PUBLIC HEARINGS
***Mayor Bell recessed the Regular Council meeting at 6:40 p.m.*

6.I. Ordinance No. O-2024-0019
There was no citizen's participation.

6.II. 2023 Impact Fee Study
There was no citizen's participation.

7. OLD BUSINESS
***Mayor Bell closed the Public Hearings and reconvened the Regular Meeting at 6:42 p.m.*

7.I. Ordinance No. O-2024-0019
Mayor Pro Tem Compian made a motion to approve Ordinance No. O-2024-0019. Councilmember Ross seconded. **MOTION CARRIED WITH 4 AYES AND 1 NAY (LOWRY).**

7.II. 2023 Impact Fee Study
Mayor Pro Tem Compian made a motion to approve the 2023 Impact Fee Study. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

8. NEW BUSINESS

8.I. Ordinance No. O-2024-0021

Mayor Pro Tem Compian made a motion to approve Ordinance No. O-2024-0021. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

8.II. Intent to Apply for Loan through the TWDB under the CWSRF Program

City Manager Garcia gave a brief explanation of the timeline and intent of loan application.

Mayor Bell asked a series of follow up questions regarding the project and fiscal impact of this loan.

Utilities Director Sailler shared that it is an application for an $11,000,000.00 loan, The overall cost would be $700,000 per year, with payment of 25 cents per day per residence covering 7,500 taps. These payments will not begin until 2027.

Mayor Pro Tem Compian shared his support for this item, reminding the community that the city has fallen short on the number of manholes that can be rehabilitated through a different funding source, with eligibility for rehabilitation of approximately 200 manholes out of 685. This funding would be able to assist in meeting the total rehabilitation goal.

Mayor Bell asked for clarity of a statement made regarding an application for $10,000,000 through the same program last year.

Utilities Director Sailler clarified that in the previous year the same intent to apply was authorized, however, no loan agreement had been signed as that application is still in technical review.

Mayor Bell identified that in the beginning of the conversation he asked for a plan, but Director Sailler shared a concept.

Director Sailler shared that the project would be comprised of sewer system work that has already been engineered, but has not had the funding to complete.

Mayor Bell feels that this item should have been brought to council earlier in the process with a presentation.

Mayor Pro Tem Compian made a motion to move forward with the intent to apply for a loan through the TWDB under the CWSRF Program. Councilmember Yancy seconded. **MOTION CARRIED 4 AYES AND 1 NAY (BELL).**

Councilmember Yancy asked if Erikson in District C would be an area of interest for this funding.

Director Sailler shared that Erikson is among approximately 15 areas that are considered.

Councilmember Yancy requested an area of impact be added to the next agenda to show where these dollars would be spent if received.

8.III. Grant Application & RFP for a Grant Administrator

**Councilmember Ross exited the room at 7:03 p.m. and returned at 7:05 p.m.

Discussion ensued between council and City Manager Garcia regarding the need for an RFP for a Grant Administrator.

City Manager Garcia explained that the maximum grant award would not exceed $750,000 and the scope of work would be based on one of three projects, including drainage at Wisteria, drainage at Westward, or Camp Circle. He noted that depending on the amount received for the grant, the city would be

responsible for a minimum of $75,000 or up to a maximum of $115,000.
Councilmember Lowry questioned why a new grant administrator needs to be considered when the current administrator has a high success rate.
It was clarified that federal funding requires an RFP.
Mayor Pro Tem made a motion to approve the Grant Application and RFP for a Grant Administrator. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

8.IV. Houston-Galveston Area Council FY 2025 Nominations
Councilmember Ross made a motion to appoint Mayor Pro Tem Compian as the city's representative to the Houston-Galveston Area Council. Councilmember Yancy seconded. **MOTION CARRIED UNANIMOUSLY.**
Mayor Pro Tem Compian made a motion to appoint Councilmember Yancy as the city's alternate. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

8.V. Memorandum of Understanding
City Manager Garcia shared the process of the Memorandum of Understanding (MOU) process and the city's project from the direction of council for social service delivery with community serving organizations. He shared that the Citizen's Police Association was one of the organziations that the city first approached but did not originally move forward with the MOU.
Councilmember Yancy requested to see the Citizen's Police Academy Charter, as she shared that her membership renewal was denied, by her recollection, due to the fact that she participated in a protest. She wants to ensure that the city was adhering to the National Organization rules.
Mayor Pro Tem Compian questioned if, in most Memorandum of Understandings, the city council becomes honorary members.
City Attorney Knebel shared that, by his recollection, that has never been formally included in any Memorandum of Understanding.
Councilmember Lowry shared that he believes the incidents did not happen in the fashion that Councilmember Yancy has stated.
Councilmember Yancy adamantly denies the allegations made by Councilmember Lowry.
Police Chief Randal Aragon was asked to clarify statements that were made by residents that Citizen's Police Academy Alumni Associations do not sign Memorandum of Understandings. He cannot confirm that to be true.
Mayor Bell questioned what benefits would the Alumni Association receive by partnering with the City.
City Manager Garcia identified community partnership, event partnership, and potential grant funding.
Mayor Bell shared that he would support Councilmember Yancy's request for a charter if the city requires this provision for all Memorandum of Understandings the city has.
Councilmember Yancy reiterated her support for the organization but asked that the organization remain "honorable" and not stain it with unprofessionalism.
Councilmember Lowry then inquired why dues went unpaid for some time if Councilmember Yancy was so supportive.
NO ACTION WAS TAKEN.

8.VI. Purchasing

***Councilmember Yancy exited the room at 7:26 p.m.*

Councilmember Ross made a motion to authorize the purchase of Thermal Imagers from Metro Fire Apparatus Specialists, Inc. in the amount of $29,532.00. Mayor Pro Tem Compian seconded. **MOTION CARRIED UNANIMOUSLY.**

8.VII. Purchasing

Mayor Pro Tem Compian made a motion to authorize the purchase of a LIFEPAK defibrillator system from Stryker in the amount of $66,367.22. Councilmember Ross seconded. **MOTION CARRIED WITH 4 AYES AND 1 ABSENT (YANCY).**

8.VIII. Purchasing

***Councilmember Yancy returned at 7:27 p.m.*

Councilmember Ross made a motion to authorize the purchase of PowerLoad Power Cots from Stryker in the amount of $130,644.95. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

8.IX. Cancellation of Meeting

Councilmember Ross made a motion to approve canceling the Regular City Council Meeting on November 11, 2024. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

8.X. Cancellation of Meeting

Councilmember Ross made a motion to approve canceling the Regular City Council Meeting on November 25, 2024. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

8.XI. Schedule Special Meeting

Councilmember Ross made a motion to approve scheduling a Special City Council Meeting on November 18, 2024. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

8.XII. 2025 Holiday Calendar

Mayor Pro Tem Compian made a motion to approve the 2025 Observed Holiday Calendar for the City of La Marque. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

9. CITY MANAGER REPORT

9.I. Library Accreditation 2025

Mayor Pro Tem Compian announced that the Library received a Municipal Library Excellence Award at the Texas Municipal League.

9.II. Library Statistics August 2024

Item stood as submitted.

9.III. Monthly Crime Statistics August 2024

Item stood as submitted.

9.IV. Bid Opportunities
Item stood as submitted.

9.V. Items for the Good of the Order
City Manager Garcia reminded everyone of BayouFest in the upcoming weekend, a two day event including the commemoration of the All America City Award. He also announced the Trunk or Treat event on October 24th.

10. EXECUTIVE SESSION
***Mayor Bell recessed the Regular Meeting at 7:32 p.m.*

10.I. Section 551.074 (Personnel Matter)

10.II. Section 551.074 (Personnel Matter)

11. ACTIONS TAKEN FROM EXECUTIVE SESSION
***Mayor Bell closed the Executive Session and reconvened the meeting at 8:44 p.m.*

11.I. Section 551.074 (Personnel Matter)
The complaint was withdrawn.

11.II. Section 551.074 (Personnel Matter)
Mayor Bell indicated that there were two (2) complaints for council to address. Mayor Pro Tem Compian made a motion to take no action on the first complaint. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

The second complaint was addressed by Councilmember Yancy, who read Section 2.04 of the City Charter into the record. She requested that the city obtain official records of Councilmember Lowry's criminal background so that the community can put this to rest.
Councilmember Lowry reiterated that he is not a convicted felon.
City Attorney Knebel asked that the council place this topic on the agenda for future discussion as the meeting is not noticed.
Councilmember Yancy made a motion to table this complaint until further direction is given at a future discussion. Councilmember Ross seconded. **MOTION CARRIED 4 AYES AND 1 NAY (LOWRY).**

12. REQUESTS & ANNOUNCEMENTS
Councilmember Lowry recognized Officer Welch for how he handled a situation he was apart of. He appreciated being treated as any other citizen would have been.
Councilmember Ross gave his thoughts regarding some statements made following the previous City Council meeting. He also shared his stipulations regarding supporting a forensic audit. He also spoke to his support of the VFW. He also read excerpts from a letter he received from the Economic Development Corporation regarding a franchise opportunity he missed out on due to the city's political turmoil.
Councilmember Yancy thanked the residents and community vendors for attending the District A Town Hall meeting. She also recognized the city for the Small Cities Public Safety Award received the previous week from the Texas Municipal League, as well as the City's Birthday and BayouFest.

Mayor Pro Tem Compian also recognized the Police Department for the Public Safety Award, the Library for their Library Excellence Award and the Public Works Department for being a finalist. He also encouraged everyone to attend BayouFest, and remember that there is a parking fee this year.
Councilmember Lowry shared he received a boo basket over the past week. One small act of kindness turned into around 150 other baskets appearing throughout the city.
Mayor Bell also announced BayouFest for the upcoming weekend as well as Trunk or Treat on October 24th. He shared that he was asked to see the drainage on Newman Road, and asked for information regarding the clearing of that area. He also celebrated the police department's achievement. He feels that recognition does not mean perfection, but that the city is aware of the challenges and is taking action to solve them. He also celebrated the Safe City Initiative's recognition at the Internation City Manager's Association conference earlier in the month, as well as by the National Civic League leading the city to an All America City title. The city should be proud to be recognized on a state, federal, and international level. He announced that early voting begins soon and encouraged everyone to exercise their right.
City Manager Garcia shared that the city is been on a great run, and he will continue to do everything he can to keep the ship moving forward.

13. ADJOURNMENT
Councilmember Yancy made a motion to adjourn. Councilmember Ross seconded.
MOTION CARRIED UNANIMOUSLY.
*****Meeting was adjourned at 9:17 p.m.***

CITY OF LA MARQUE
CITY COUNCIL
REGULAR MINUTES
of
September 23, 2024

1. CALL MEETING TO ORDER
   Mayor Bell called the meeting to order at 6:04 p.m.

2. ROLL CALL

Keith Bell	Mayor
Joe Compian	Mayor Pro Tem/ District B
Kimberley Yancy	District A
Joseph Lowry	District C
James Ross	District D

3. INVOCATION AND PLEDGE OF ALLEGIANCE
   Mayor Pro Tem Compian gave the invocation and Councilmember Yancy led the pledge.

4. PRESENTATIONS

   4.I. Proclamation - Higher Up Texas
   Mayor Bell presented Hillary Gramm, Chief Executive Officer, staff members, and Higher Up participants with a proclamation honoring the work and service of Higher Up Texas.

   4.II. Proclamation - Brittany Richard
   Mayor Bell and Finance Director Turner shared words of encouragement and support to the family and friends of Brittany Richard. Mayor Bell then presented the family with a proclamation in her honor.

5. CITIZENS PARTICIPATION

   - Richard Holcolmb (2708 Magnolia Dr) thanked the council for getting the grass cut over at Jaycee Park.
   - Clara Holcolmb (208 Magnolia) asked for set dates for utility bills. She reminded the community that residents 65 and over can have their late fees and disconnect fees waived if they register for the Senior Citizen Discount. She thanked the Mayor for his words last meeting and reminded the council that there is no I in team.
   - Tami Steambarge (5109 Casa Grande St, Dickinson, TX) spoke as a resident of Dickinson, stating that the City of Dickinson is in the situation that they are in, due to the city council and Mayor. She also addressed allegations of her having a

firearm at a community event, which she cannot have due to being a felon. She asked the city to review the ethics policy of Dickinson for guidance.

- David Pennington (924 Cypress) asked the council to reconsider participation in the Galveston County Auto Crimes Task Force. The city has participated for years but would like the city to consider opting out, as tax dollars are being spent across the county and not within the city.
- Carl Beard (5511 Evelyn St) shared grievances against a Councilmember, requesting a formal inquiry into the Councilmember for threats and allegations made by the Councilmember.

***Councilmember Lowry exited the meeting at 6:41 p.m.*

- Roger Salazar (2525 St Christopher Ave, League City, TX) spoke regarding the use of City Hall's address for Lowry News Network.
- Re'Chard Loftis (309 Johnson) shared his sentiments that he is tired of hearing about the forensic audit, if the council wants to do it, then get it done. He asked for the council to look back to a previous Mayor for utilizing a city vehicle against charter, and a former City Manager as well. He asked to start before the current administration. He also shared his discontentment with the equipment purchases on the agenda, stating that the items proposed were subpar.

6. PUBLIC HEARINGS

***Mayor Pro Tem Compian exited the room at 6:44 p.m.*
***Mayor Bell recessed the regular meeting and entered into Public Hearings at 6:47 p.m.*

6.I. Ordinance No. O-2024-0016
There was no public comment.

6.II. Ordinance No. O-2024-0017
There was no public comment.

6.III. Ordinance No. O-2024-0018
There was no public comment.

6.IV. Ordinance No. O-2024-0019
There was no public comment.

6.V. Ordinance No. O-2024-0020
There was no public comment.

7. OLD BUSINESS

***Mayor Bell closed Public Hearings and reconvened the Regular Meeting at 6:48 p.m.*

7.I. Ordinance No. O-2024-0016
Councilmember Yancy made a motion to adopt Ordinance No. O-2024-0016.

Councilmember Ross seconded. **MOTION CARRIED WITH 3 AYES AND 2 ABSENT (COMPIAN/LOWRY)**

7.II. Ordinance No. O-2024-0017
***Mayor Pro Tem Compian and Councilmember Lowry returned to the dias at 6:51 p.m.*
Councilmember Yancy made a motion to adopt Ordinance No. O-2024-0017.
Councilmember Ross seconded.
MOTION PASSED WITH 4 AYES KEITH BELL, JOE COMPIAN, KIMBERLEY YANCY, JAMES ROSS AND 1 ABSTENTION JOSEPH LOWRY

7.III. Ordinance No. O-2024-0018
Mayor Pro Tem Compian made a motion to adopt Ordinance No. O-2024-0018.
Councilmember Yancy seconded.
MOTION PASSED WITH 5 AYES KEITH BELL, JOE COMPIAN, KIMBERLEY YANCY, JOSEPH LOWRY, JAMES ROSS.

7.IV. Ordinance No. O-2024-0019
Debbie Vasik, of Cahoon Consulting, answered the question proposed by Mayor Pro Tem Compian at a previous meeting, would this ordinance change require additional cost for current homeowners.
Ms. Vasik shared that it would only require additional cost after substantial improvement, defined as 50% +1 of the current value of the home.
Mayor Pro Tem Compian made a motion to adopt Ordinance No. O-2024-0019.
Councilmember Yancy seconded. **MOTION CARRIED WITH 4 AYES AND 1 NAY (LOWRY).**

7.V. Ordinance No. O-2024-0020
Mayor Pro Tem Compian made a motion to adopt Ordinance No. O-2024-0020.
Councilmember Yancy seconded. **MOTION CARRIED UNANIMOUSLY.**

7.VI. TML Board of Trustees Election
Mayor Pro Tem made a motion to nominate Robert Davis for Place 11, Rudy Zapata for Place 12, Harlan Jefferson for Place 13, and James Quin for Place 14.
Councilmember Yancy seconded. **MOTION CARRIED UNANIMOUSLY.**

7.VII. TML Region 14 Board Director Ballot
Councilmember Yancy made a motion to nominate Joe Zimmerman for TML Region 14 Board of Directors. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

7.VIII. Forensic Audit
Councilmember Lowry believed that the forensic audit is a necessity for the city, the citizens want it.
***Councilmember Ross exited the room at 7:04 p.m.*
Councilmember Lowry made a motion to have a forensic audit.
MOTION DIES DUE TO LACK OF SECOND.
Mayor Bell gave a brief recap of the special meeting held earlier in the day, sharing the discovery that there is no information that is available to the

auditors that is not available to the council. He believes that the council needs to dig deeper, and provide a scope for a forensic audit. If there are issues, they surely can be found, and submitted to the appropriate entities to be investigated and/or prosecuted.
Councilmember Lowry reiterated and belabored his point that the city needs a forensic audit. He closed stating "I'm for it, you're against it and we'll leave it at that".
***Councilmember Ross returned at 7:11 p.m.*
Mayor Bell refuted the premise of the statements made by Councilmember Lowry, again, sharing that a scope of work is needed.
Councilmember Lowry repeated that there is no trust in the city government. He does not trust the information being given to him.
Mayor Bell stated that Councilmember Lowry is the spirit of disinformation. He noted that the councilmember had personally stated that he has spent over $200,000 in legal fees but had nothing to find.
Councilmember Lowry retorted that "if we have a weak district attorney that won't pick up charges, doesn't mean the crimes weren't committed".
City Attorney Knebel advised the council to restrict their conversation to the item noticed on the agenda, which is in relation to the city's finances.
Mayor Bell reiterated that both the Finance Director Turner and the City Auditor have both shared that there is no basis for a forensic audit.
Finance Director Turner explained the purchasing policy. She clarified that there are 27 purchasing cards in the possession of staff members. She is very strict on purchasing cards, as she is aware that a city could get in trouble because of purchasing cards.
Councilmember Ross asked for clarifications regarding purchasing.
Finance Director Turner shared that when she arrived she noticed an issue with the purchasing process and that has been corrected. She denied any knowledge of impropriety.
Mayor Bell suggested that the council be open to the scope of work. If any impropriety is found, it should be reviewed.
NO ACTION WAS TAKEN ON THIS ITEM.

8. NEW BUSINESS

8.I. Resolution No. R-2024-0047
Chief Aragon shared that the city is only responsible for the fringe benefits and auxiliary costs, netting a savings of approximately $30,000
Aaron Skaggs, the City's Auto Crimes Task Force Officer, spoke of the benefits the city receives by participating in the task force.
Councilmember Lowry thanked the Gulf Coast Auto Crimes Task Force for the work that they do. He feels that this is a necessary expense.
Mayor Pro Tem Compian asked for clarity regarding the numbers presented.
Officer Skaggs explained that the numbers could be better. However, he believes there will be an uptick in 2024.
Mayor Pro Tem asked what would happen if the city were to do away with this particular grant, specifically for the officer that is currently involved.
Officer Skaggs indicated that he was originally on the La Marque Patrol Unit and his

position was already filled within the department. If this grant is not renewed, he would return to the La Marque Police Department under the Patrol Unit and another officer would be let go due to over staffing. He also discussed the difficulties of pulling away from the grant as other cities have done so and cannot immediately secure funding should they reapply.
Councilmember Lowry asked for clarification on the types of vehicles that this task force is responsible for. Officer Skaggs replied that the Task Force is for anything titled, from side-by-sides, vehicles, airplanes, etc.
Councilmember Yancy made a motion to adopt Resolution No. R-2024-0047. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

8.II. Resolution No. R-2024-0048
Mayor Pro Tem Compian made a motion to adopt Resolution No. R-2024-0048. Councilmember Yancy seconded. **MOTION CARRIED UNANIMOUSLY.**

8.III. Construction Bid Award
Councilmember Lowry asked the council to rebid this item, stating that there was only one bid, the bidder provided one LLC and the DBA is under another name. He also noted that the quote is lower than the bid estimate provided by the city engineer.
Utilities Director Sailler shared that the city has done its due diligence, meeting with the contractor on various occasions.
Mayor Pro Tem Compian asked clarifying questions assessing the urgency of the project, and the verification process.
Councilmember Lowry reiterated his question regarding the LLC and DBA.
Deputy City Manager Pritchett shared that a DBA is just for marketing purposes.
Mayor Pro Tem Compian made a motion to approve the construction bid award to JBD Construction for the Westwood Storm Water Improvement Project Phase 2. Councilmember Yancy seconded. **MOTION CARRIED 4 AYES and 1 NAY (LOWRY).**

8.IV. Grant Award
Councilmember Yancy made a motion to accept the grant award from the National Recreational and Parks Association in the amount of $20,000. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

8.V. Interlocal Agency Agreement
Chief Merryman shared that this is a standard contract. However, this edition is a one-year contract with 3 automatic term renewals.
***Mayor Pro Tem Compian exited the meeting at 7:48 p.m.*
Councilmember Ross made a motion to approve the La Marque Fire Department's participation in the Gulf Coast Fire Fighters Contract from 2025-2028. Councilmember Lowry seconded. **MOTION CARRIED WITH 4 AYES AND 1 ABSENT (COMPIAN).**

8.VI. Purchasing : Tasers
Councilmember Yancy made a motion to approve utilizing SB224 Catalytic Converter Grant funds to purchase 50 Axon Taser 7 devices for equipping police

officers. Councilmember Ross seconded. **MOTION CARRIED WITH 4 AYES AND 1 ABSENT (COMPIAN).**

8.VII. Purchasing : Flock Cameras

Councilmember Yancy made a motion to approve utilizing the SB 224 Catalytic Converter Grant funds to purchase Flock cameras. Councilmember Ross seconded. **MOTION CARRIED 4 AYES 1 ABSENT (COMPIAN).**

8.VIII. Purchasing : Zero Turn Mowers

***Mayor Pro Tem Compian returned to the dials at 7:51 p.m.*

Councilmember Lowry agreed with the resident regarding the purchase and requested that the City Manager look into the recommendations made.

Councilmember Ross questioned if the Bobcat dealer in La Marque could provide the necessary materials.

It was clarified that Bobcat does not sell this product.

City Manager Garcia discussed the process upon which the John Deere mower was chosen and the Parks Board's approval for recommendation at their last meeting.

Mayor Pro Tem Compian made a motion to approve the purchase of the John Deere Zero Turn Mower. Councilmember Ross seconded.

Councilmember Yancy requested that the city monitor the usage.

MOTION CARRIED UNANIMOUSLY.

8.IX. Purchasing : Dome Climber

Mayor Pro Tem Compian made a motion to approve the purchase of a Game Time Dome Climber from Cunningham Recreation to be installed at Westlawn Park in the amount of $2,277.56 from Parks User Fees. Councilmember Yancy seconded. **MOTION CARRIED UNANIMOUSLY.**

8.X. Purchasing : Pickleball Court Windscreens

Mayor Pro Tem Compian made a motion to approve the purchase of windscreens for the pickle ball courts at Mac McGaffey Highland Bayou Park in the amount of $4,600. Councilmember Yancy seconded.

Mayor Pro Tem commented that the City's Pickleball court has found great use.

Mayor Bell used point of clarification to state that the Parks User Fee Fund was utilized three (3) times on this agenda and requested a ratification in form of a budget amendment.

Mayor Pro Tem noted that these purchases would go towards Fiscal Year 2024-2025.

City Manager Garcia shared that the funds requested are a revolving fund from the two dollar ($2) Parks fee that is collected on the utility bills.

Mayor Bell, again, asked for the budget amendment and City Manager stated he would satisfy this request.

MOTION CARRIED UNANIMOUSLY.

8.XI. Galveston County Appraisal District (GCAD) Board of Directors Nominations

NO ACTION WAS TAKEN.

8.XII. Notice of Tyco and BASF PFAS Settlement Opt Out Deadlines
City Attorney Knebel gave a brief overview.
***MOTION TAKEN AFTER ACTIONS FROM EXECUTIVE SESSION*
Councilmember Ross made a motion that the city opt out in accordance with the reccomendation by the City Attorney until later or further clarification from the EPA has been solidified on the settlement. Councilmember Yancy seconded. **MOTION CARRIED UNANIMOUSLY.**

9. CITY MANAGER REPORT

9.I. Development Services Director Position Posting
This item stood as submitted.

9.II. August 2024 Court Stats
This item stood as submitted.

9.III. August 2024 Public Works Statistics
This item stood as submitted.

9.IV. Authorization to Use Grant Funds : District D Water Lines
This item stood as submitted.

9.V. Items for the Good of the Order
Deputy City Mananger Pritchett announced the Jimmy Hayley Golf Tournament, National Night Out Oct. 1, BayouFest Oct 18-19, and the PINK OUT for City Council meetings in October.

10. EXECUTIVE SESSION
***Mayor Bell recessed the Regular Meeting and entered into Executive Session at 8:06 p.m.*
***Mayor Pro Tem Compian exited the meeting at 9:38 p.m.*

10.I. Section 551.074 (Personnel Matter)

10.II. Section 551.074 (Personnel Matter)

10.III. Section 551.074 (Personnel Matter)

10.IV. Section 551.074 (Personnel Matter)

10.V. Notice of Tyco and BASF PFAS Settlement Opt Out Deadlines

11. ACTIONS TAKEN FROM EXECUTIVE SESSION
***Mayor Bell closed the executive session and reconvened the regular meeting at 10:24 p.m.*

11.I. Section 551.074 (Personnel Matter)
NO ACTION TAKEN ON THIS ITEM.

11.II. Section 551.074 (Personnel Matter)
NO ACTION TAKEN ON THIS ITEM.

11.III. Section 551.074 (Personnel Matter)
Councilmember Yancy requested that Councilmember Lowry produce documents to prove that he is not a convicted felon.
Councilmember Lowry rebutted that this is a smear campaign and has no documents to produce as he is not a convicted felon.
Councilmember Yancy stated that she is tired of hearing residents and outside sources stating this and wants to have documentation to put this to rest.
Councilmember Lowry shared his frustrations and adamantly denied the claims being made against him as a convicted criminal.
Mayor Bell stated that neither City Attorney Knebel nor City Clerk Nance have received any documents and therefore until documented proof of a conviction is given, this needs to be put to rest.
NO ACTION TAKEN ON THIS ITEM.

11.IV. Section 551.074 (Personnel Matter)
NO ACTION TAKEN ON THIS ITEM.

12. REQUESTS & ANNOUNCEMENTS
Councilmember Yancy promoted National Night Out at Mac McGaffey Highland Bayou Park, Bayou Fest on October 18th - 19th, and a District A Town Hall on October 7th. She also gave an update on new businesses in District A which included a new gas station and the reopening of Church's Chicken. She stated that the city was recently awarded the All-America City honors and the city should be acting accordingly. She expressed her thanks for the support and love from the council and residents and requested that the residents pray for the representative to be a voice and represent the people to make a difference and change.
Mayor Bell promoted the Reverse Town Hall, where council and staff would be going door-to-door to better understand the citizens' concerns. He noted that after the door-to-door opportunity, a traditional town hall would be held and the date for this is upcoming. He also promoted National Night Out and shared that it would be a great opportunity for citizens to speak with elected and appointed officials. He expressed his view on governing, stating "when a government is taken out of the role of governing, chaos ensues". He noted that the time spent covering these things instead of important topics like drainage or street repairs is not the business of the people and that time could have been spent better.

13. ADJOURNMENT
Councilmember Ross made a motion to adjourn. Councilmember Yancy seconded.
***MEETING WAS ADJOURNED AT 10:47 P.M.*

CITY OF LA MARQUE
CITY COUNCIL
SPECIAL MINUTES
of
September 23, 2024

1. CALL MEETING TO ORDER
   Mayor Bell called the meeting to order at 4:04 p.m.

2. ROLL CALL

Keith Bell	Mayor
Joe Compian	Mayor Pro Tem/ District B
Kimberley Yancy	District A (arrived at 4:17 p.m.)
Joseph Lowry	District C
James Ross	District D

3. NEW BUSINESS

   3.I. Forensic Audit
   Mike Brooks of BrooksWatson & Co PLLC, the city's auditor, gave a brief overview of the differences between a forensic audit and an annual audit; primarily being the scope of work. The annual audit is an overview of all accounts whereas a forensic audit has a much more narrow scope of work.
   Councilmember Lowry shared his thoughts that the forensic audit should be a citywide forensic audit, without limitations. He asked for it to include credit card purchases, Economic Development purchases, utilities purchases, inventory, and travel among other areas. He questioned why new businesses are allowed to contract with the City. He stated that when he was "starting out", he asked for an audit to review hiring practices.
   Councilmember Yancy asked for clarity regarding what could be considered a forensic audit, speaking directly to the allegations regarding hiring practices.
   Mr. Brooks shared that while that could be included, it is not required to be completed by a CPA. Some of the items requested by Councilmember Lowry could be done by other means, such as a fraud investigation by an attorney, internal committee, or police department.
   Councilmember Yancy asked clarifying questions of Finance Director Turner regarding purchasing card practices.
   Mayor Pro Tem Compian shared his thoughts regarding previous purchasing policies and the changes that he has noticed during his time on council, taking care to point out the improvements under Finance Director Turner. He shared that travel and purchases made from the purchasing cards are required to have supporting documentation including receipts.
   Finance Director Turner clarified what the purchasing policy is.
   Mayor Pro Tem Compian felt as though the concerns of Councilmember Lowry are

primarily concerns about processes, which he agrees may need to be cleaned up. However, unless the auditors and finance team feel otherwise, he does not believe that there is a need for this particular form of audit.
Councilmember Lowry asked Finance Director Turner what her start date was. It was determined that she began with the City on September 11, 2023. He asked Mr. Brooks if a tip line has ever been established for staff to report to the auditors without the fear of retaliation.
Mr. Brooks said, no, that is not something his firm typically would do.
Councilmember Lowry reiterated his position that the city needs a forensic audit, citing his belief that Fund 12 has not followed state and federal purchasing guidelines. His thought is that "if everything is all clean and perfect then the cost will be minimal".
Mayor Bell disagreed with the statements made by Councilmember Lowry, sharing that his position "does not make sense" as there would be a cost associated with a forensic audit, regardless of findings, due to having a CPA check each line item, a task that would certainly not be free. He followed by questioning Mr. Brooks on the process regarding his firm's annual audit and questioned if there is any information that the auditors could access that the council is not privy to.
Mr. Brooks shared that the only thing he would be allowed access to that the council could not is private personal information.
City Attorney Knebel clarified that the restricted information would typically only be information such as social security numbers.
Mayor Pro Tem Compian exited at 4:54 p.m. and returned at 4:56 p.m.
Mayor Bell addressed concerns regarding apparel purchases from department stores stating that elected officials and staff members are allocated money to purchase shirts and things to wear.
City Clerk Nance was questioned regarding how apparel purchases were made. Before she could answer, Councilmember Lowry stated that the shirts could be purchased from Walmart, or some other vendor.
City Clerk Nance stated that apparel purchases are typically made one of two ways. Historically, there is an annual order made through Administrator Hunter's office organization wide, but there is also a uniform budget that each Councilmember or department is allocated to utilize throughout the year. Each Councilmember has purchased from various locations in order to satisfy their own personal needs, which has been allowed as long as the city has received the receipts as is expected when using the city purchasing cards.
Mayor Bell asked Finance Director Turner if she, as the staff member responsible for the purchasing policy, had found any instances in which the policy had been violated. She responded "not since I have been here".
Councilmember Lowry began to interject; However, City Attorney Knebel asked for everyone to speak one at a time for the purpose of decorum and efficiency.
Mayor Bell asked City Clerk Nance about travel to Louisiana, and how that happened.
City Clerk Nance identified that there are conferences that happen in Louisiana, most notably, a National Hurricane Conference that the Emergency Management team goes to each year.
Mayor Bell asked if the typical mode of transportation is to fly, which was

confirmed. He then asked what would be the method to travel from the airport to the hotel, which City Clerk Nance identified that the city has a corporate Uber account that is most often utilized for this transportation.
Mayor Bell chose not to belabor the point, but states that a lot of disinformation is being shared.
Mayor Bell stated that there is a Finance Director, Auditing Firm, and Council who are willing to review any area of concern as long as there is a scope. The government cannot be used as a tool of retaliation.
Councilmember Lowry stated "that was a good spin that you put on it". He said that there is no trust in the city government, and the taxpayers don't care how much it costs. He states that even though the Mayor has stated that the council has access to all records, he disagrees, "we don't have access to all records, we have access to some". This is a volunteer position and "we shouldn't have to self perform an audit". He spoke to the Mayor's recommendation to call the District Attorney, Jack Roady, if there was a concern. Councilmember Lowry replied with, "Well, Jack Roady seems to not care about corrupted politicians even when you can hand him the evidence", which he stated was a common thing right now in city government, "not good prosecutors or District Attorneys to follow up on criminal activity with elected officials". He stated that the choice to use department stores for apparel was a waste of taxpayers money, and he was not referring to Uber, it was Lyft. He felt that the Emergency Management division going to Louisiana was a waste of taxpayer dollars when it's "an hour to the boarder". He stated that there is "nefarious stuff" going on such as "every single building record for the Omega Bay subdivision is missing or destroyed".
Mayor Bell asked if he can say with certainty that this is all true. Councilmember Lowry confirmed.
Mayor Bell stated that if Councilmember Lowry "has it all figured out" then there is no need for a forensic audit, he should take that information to the District Attorney or "the feds".
Mayor Bell stated that the time has come to "push back" on the "disinformation" that has been put out in the city for three plus years. He stated that if Councilmember Lowry has all the evidence, he should give it to the District Attorney, the federal government, or "whomever you want to give it to". He continued, "but the problem is it's not really evidence" and it's time to move on.
Mayor Bell stated in repetition as Councilmember Lowry repeatedly interjected that there needed to be a scope of work to proceed with a forensic audit.
Mayor Bell asked if there was anything else to discuss regarding this topic - his request was met with silence.
*** Councilmember Lowry exited at 5:12 p.m.***
Clarification was required regarding whether action is allowed.
Councilmember Yancy stated that this is a teachable moment regarding what a forensic audit is, and the goal is to represent the residents. The Council has to be fiscally responsible. The budget is tight this year and if this were to happen, it would be paid for out of the city's reserve fund, which is supposed to be at 90 days but currently sits at 72.
Mayor Bell stated that as a council the city has to be fiscally responsible, and that includes determining a scope of work for a forensic audit. There needs to be

bounds, and it needs to be taken to the financial experts.
***Councilmember Lowry returned at 5:15 p.m.*
Mayor Bell shared his concern for Fund 12.
City Attorney Knebel has received questions regarding a payment of a crime analyst from Fund 12, and a lot of the scope of a crime analyst is crime prevention, which is an allowable expense under state and federal guidelines.
Councilmember Lowry argued that to hire an expert in the police department or any law agency, the person must have the expertise in that field with credentials to back up their expertise.
Councilmember Ross exited the room at 5:19 p.m.
Councilmember Lowry rebutted that there has to be an expert, it cannot just be anyone.
Chief Aragon clarified that there are licensed crime analysts, but it is not required.
Mayor Pro Tem Compian read a pdf document from the Texas State Auditor's Office with the credentials required for a crime analyst.
Mayor Bell returned the focus to the forensic audit and stated that the city needs to be good fiscal stewards and that nothing nefarious was noted. He stated that all questions that arise can be directed to Finance Director Turner, Mr. Brooks, District Attorney Roady, or Mr. Meritt Garland instead of conducting a forensic audit unless real evidence is produced.
NO ACTION WAS TAKEN.

4. EXECUTIVE SESSION
There was no executive session.

5. ACTIONS TAKEN FROM EXECUTIVE SESSION
No actions were taken.

6. ADJOURNMENT
Mayor Pro Tem Compian made a motion to adjourn. Councilmember Ross seconded.
MOTION CARRIED UNANIMOUSLY.
***Meeting was adjourned at 5:28 P.M.*

CITY OF LA MARQUE
CITY COUNCIL
REGULAR MINUTES
of
August 26, 2024

1. CALL MEETING TO ORDER
   Mayor Bell called the meeting to order at 6:07 p.m.

2. ROLL CALL
   Present:

Keith Bell	Mayor
Joe Compian	Mayor Pro Tem/ District B
Kimberley Yancy	District A
Joseph Lowry	District C
James Ross	District D

3. INVOCATION AND PLEDGE OF ALLEGIANCE
   Mayor Bell gave the invocation and City Manager Cesar Garcia led the pledge.

4. PRESENTATIONS

   4.I. Gulf Coast Transit District
   Tim Sykes, Gulf Coast Transit District Public Affairs Specialist, and Ted Ross, Gulf Coast Transit Executive Director, gave a brief presentation introducing the Microtransit Spare Platform, a rideshare program offered by the Gulf Coast Transit District.
   Mayor Pro Tem Compian asked for clarifications regarding transit services to various medical centers and hospitals. He also asked what constitutes a partnership in the presentation. It was clarified by Mr. Sykes that these are a list of businesses and organizations that frequently use their services for their citizens, customers and clients.
   Mr. Ross shared that the transition was made from a traditional bus system because the former process placed a series of barriers and limitations on the riders. This on-demand service allows for more access.
   Mayor Bell asked if there was any way for the representatives to visit a senior facility within the city, as the deviation from the traditional route has caused heartburn in this particular community. Mr. Sykes shared that he would be happy to meet with them, and give them a less technologically advanced solution to reserve their rides.

5. CITIZENS PARTICIPATION

- Michael Carlson (Oregon) spoke regarding a Councilmember he feels is very unprofessional. He also shared that a forensic auditor is approximately $350 an hour and takes approximately 50-100 hours. That is money better spent, in his opinion, on infrastructure.
- Ginger Mannett (809 Grassy Knoll Trail) shared that she does not care how much a forensic audit costs, it needs to be done.
- Freida Hardeman (2607 Cedar Dr) has lived in La Marque for decades, and has concerns regarding what is going on. She shared that councils have always produced, and there needs to be transparency.
- Leonard Payne (1728 3rd Ave) shared that he remembers when the city was a sweet little town and "has gone to hell in a hurry". He voiced his frustrations with public works and infrastructure needs. He wants to know where the old equipment has gone, and wants a forensic audit.
- Sharon Boult (1905 Howell Ave) shared that her home is 64 years old, and she does want a forensic audit. This is not the first time money has gone missing, nor the first time it is needed. If nothing has been done wrong, then it should not be an issue. She shared frustration with her street not being reconstructed, and the amount of taxes that she has to pay. She has been watching the council on Youtube and is disappointed.
- Jennifer Hymel (2319 Scott St) feels that there should be an audit due to the money that is unaccounted for. The audit should not be seen as a negative thing. She requested monthly financial updates. She does not agree with any additional taxes, and shares her concerns about drainage at her home.
- Cyrena Hileman (1900 Palm) is new to La Marque and has been watching, She believes there should be a forensic audit. If there is nothing to find then "Thank the Lord, and lets move on". She is against a tax increase, and she lives on a newer road and "be careful what you wish for" because it has become a "racetrack".
- Ted Hill (2602 13th Ave N Texas City, TX) read a statement regarding budgeting and auditing.
- Judy Sturgeon (3101 Melody Dr) stated "in the real world" audits are normal. There should be regular inter, intra, and external audits. A forensic audit may be expensive, but one serious, fair, and impartial audit is less expensive than one really good crook.
- Laura Divine (1406 Merry Ln) is a long-term resident, but is concerned about the city. She shared her concerns regarding how money is spent after the budget is passed, and the financial policy. She shared her support for a forensic audit. There are areas of the budget that need a closer look, and the trail of money. Let's get rid of this dark cloud, and move forward together.
- Clara Holcomb (2708 Magnolia Dr) asked for a forensic audit. The council works for the citizens, and they deserve to know where the money is going. She also thanked 3 city employees for removing the damaged trees in Jaycee Park.
- Richard Holcomb (2708 Magnolia Dr) shared his support for a forensic audit. If there is a crook among council or employees, they need to be brought to justice. If La Marque got voted an All America City, he'd "hate to see the runner-ups".

- Jayson Wohleb (700 Studio Dr) says that he has never personally had any problems with the city, but driving around the city he can see that money has not been allocated properly.
- Carolyn Small (1121 Prune St) shared that her son was a youth intern, but a Councilmember disparaged her son's selection for the program. If the council cannot protect youth from slander, then none of the city's youth programs will work.
- Re'Chard Loftis (309 Johnson) feels that the council meetings last too long and need to be shortened. In order to get good service, it costs money. If the money is not being allocated properly, that is a different story. He is tired of hearing about the forensic audit. Just do it and get it over with. He doesn't believe that anyone on council has done anything wrong, but if they have, there is a place for them. The citizens can't just offer viable problems, but solutions. If the residents are willing to pay for it, then let's get these things done.
- Robert Michetich (24 N Curlew) said that this budget is the worst he has ever seen. The budget was built on a 41 cent tax rate, when the No New Revenue rate is 39 cents. He supports a forensic audit, and as there are enough ethics concerns to go around. He will make them if needed, and they will not be in an Executive Session but very public.
- Tykeisha Murphy (2604 Cedar) shared her concerns regarding the tax rate. She wants the old La Marque back. The forensic audit is a great way to start at ground zero. The residents are willing to pay for that. La Marque has treated her very well, and she wants it to stay that way.

6. MINUTES
***Mayor Pro Tem Compian exited the room at 7:15 p.m.*
Councilmember Ross made a motion to approve all minutes as presented. Councilmember Yancy seconded. **MOTION CARRIED WITH 4 AYES AND 1 ABSENT.**

6.I. Special City Council Minutes 08.06.2024

6.II. Special City Council Minutes 08.05.2024

6.III. Special City Council Minutes 08.01.2024

6.IV. Special City Council Minutes 07.19.2024

6.V. Regular City Council Minutes 03.11.2024

6.VI. Special City Council Minutes 03.11.2024

7. PUBLIC HEARINGS
***Mayor Bell recessed the regular meeting and enter into public hearings at 7:16 p.m.*

7.I. 2023 Impact Fee Study
This item was pulled from consideration.

7.II. FY 2024 - 2025 Budget

- Robert Michetich (24 N Curlew) requested information regarding what professional services include. There are too many holes missing. Without trust in the city's finances there are 2 strikes against the Public Safety Building Committee and the bond. Finances are not the only thing that can be audited, be recommended bringing in the public to review operations.
- Re'Chard Loftis (309 Johnson) agrees with many of the things heard tonight. The city has to be responsible for the money. The people want to trust their government. He isn't accusing anyone of anything, but there should be improvements in accountability. He is asking the council to be professional and do what they were elected to do.
- Ted Hill (2602 13th Ave N Texas City, TX) shared that the purpose of the budget is to get leverage with the funding that they have. Without proper budgeting and planning the city is at a disadvantage.
- Sharon Boult (1905 Howell Ave) the budget should not only give a lump sum total under each line, but an itemized accounting. She has also had trouble reading the budget through the city app. She appreciates all that Council does, but the people want fairness and equity in the finances.

7.III. FY 2024 - 2025 Tax Rate

- Re'Chard Loftis (309 Johnson) asked for clarification on the difference between raising the tax rate to 41 cent versus 39 cent. City Manager Garcia shared that the difference was approximately $386,000. He may be amicable to the 41 cent if the city can get additional services.
- Robert Michetich (24 N Curlew) still supports the No New Revenue rate. There are a lot of people that are hurting, follow the law.
- Ginger Mannett (809 Grassy Knoll) does not want the taxes raised, she is tired of paying higher taxes for nothing.
- Fredia Hartman (2607 Cedar Dr) shared that she was very impressed by the Mayor not supporting a tax rate. If it was necessary, the city's leader would not have personally spoke against it.
- Cyrena Hileman (1900 Palm) feels that the city should go through the audit first, and if everything goes well, she may vote for it next time.
- Audriana Garcia (2209 Carriage Lane) shared that she does not mind paying for things, but she would like to see where the money is going. She does not believe that there should be any increase until that is finished.
- Laura Divine (1406 Merry Ln) does not agree with raising taxes; "let's get our house in order first". The people don't trust the administration. The city needs a new police station, but if a bond is put out, then it will pass.
- Jennifer Hymel (2319 Scott) sees that a lot of community members are older and young families, but the city needs to determine what type of city we want to be. The community is affordable, and raising taxes will price out a lot of people. The City has a reputation of crime and not being ran well. She appreciates the small town feel of La Marque. She is not against paying for additional things in the future.

8. OLD BUSINESS
***Mayor Bell closed the public hearings and reconvened the regular meeting at 7:47 p.m.*

8.I. 2023 Impact Fee Study
***This item was pulled from consideration.*

8.II. FY 2024 - 2025 Budget
Councilmember Ross feels that the council has beat the budget like a dead horse. He understands the concerns of the public and hopefully it will be done at the final budget workshop onto the following day.
***Councilmember Lowry exited the meeting at 7:52 p.m.*
Councilmember Yancy shared that the council proposed a rate at 41 cents knowing that the rate could be reduced, but not raised. She gave a brief overview of what the SB2 law actually entails.
***Mayor Bell exited the room at 7:53 p.m.*
***Councilmember Lowry and Mayor Bell returned at 7:54 p.m.*
Councilmember Yancy shared that there are streets to be fixed and water towers that need to be replaced. When is the city going to fix some of the infrastructure? She shared that dropping to 39 cents, there would need to be an infrastructure bond, to address those issues. The residents want the streets to be fixed, but need to be educated on the costs of these projects. City Manager Garcia shared that a single street, Jefferson, is projected to cost upwards of 1 million dollars.
Councilmember Yancy asked City Manager Garcia directly if the increase in the tax rate would help without needing an infrastructure bond. City Manager Garcia explained that the 40-cent tax rate would only increase the revenue by $386,000 and not be sufficient in completing repairs. He stated that the best course of action would be an infrastructure bond to address the street repairs and water problems in the city.
Councilmember Lowry stated that the city does not have a tax problem, but has a spending problem.
Mayor Bell shared his disappointment in the budget and process that has been used this year. The budget book had a lot of errors and omissions in it that caused concern among members of both the council and community. He attributes a lot of these issues to a young city manager and a new finance director who are working together for the first time, but also acknowledges that this is inconsequential to the people of La Marque. He shared his thoughts that while he does not believe that there is not anything criminal or nefarious going on in the government, he cannot support the current proposed tax rate and again proposed a 39-cent rate.
Mayor Pro Tem Compian clarified the previous statements of the City Manager regarding the $386,000. This is a representation of the difference in income from the 41-cent rate in the current fiscal year and next fiscal year at the same 41-cent rate. He indicated that the funds would be a use of additional income to help with the maintenance and operations within the city as well as to address the interest or sinking fund.
Mayor Pro Tem Compian also discussed the lists provided by the Fire Department and the Police Department about their needs versus wants. He identified significant salary increases in the police and fire collective bargaining agreement

and increases in their supplies that will require additional personnel. He shared his concern about the challenges as a community to identify the split between needs and wants. He feels that the city does a terrible job of "telling our story". There should be two (2) police officers per one thousand (1,000) residents, and four (4) firefighters per apparatus. The city needs to make the investments now because the costs will continue to go up. He feels that the city should hold the budget and create a plan that will get the police, firefighters, and equipment that the city needs. He requested that the city gradually increase the homestead exemption to $40,000, but right now the city needs stability. He also believes that personnel should receive their cost of living increase because all personnel deserve a livable wage. He has been working on a plan that he believes will achieve all that is required. He again, as in previous meetings, requested a finance ad hoc committee to work on these items throughout the year.

Councilmember Yancy asked for further clarification regarding the proposed ad hoc committee.

Mayor Pro Tem Compian shared that there are dynamic people in the community that can do these things.

NO ACTION WAS TAKEN.

8.III. FY 2024 - 2025 Tax Rate

Councilmember Ross identifies with everyone who has spoken of being a fixed income. He has spoken with many of those individuals in his district, and they support a 40-cent rate. He shared that he, on a fixed income, has to pay $80 a year for recycling that he does not utilize and cannot opt out of, but asking residents to pay $60 a year to increase service is out of the question.

Councilmember Lowry shared his thoughts that the city needs to get their ducks in a row before asking for increases. There should be a breakdown, and although the Mayor requested a zero (0) budget, he does not believe that has been received. It is his belief that the city does not have a taxing problem but a spending problem.

Councilmember Ross supported an increase in the homestead exemption, while maintaining the tax rate, if it means that infrastructure will be improved, as areas in his district still have clay sewer pipes.

Mayor Pro Tem Compian agreed that he wants tax rates to decrease. However, they must be planned. He reminded the public that the city gets audited every year, but it is not communicated to the public properly. He also reminded everyone that there are huge unfunded liabilities. He also shared that the "SB2 Law" is worded as such, that no matter what the council decides to do, it will always be presented as a tax increase.

Mayor Bell shared that there is a fundamental misunderstanding of the argument. He believes that the public would agree that the city has many needs, but the numbers are not accurate. It doesn't matter what the city needs if the numbers are not accurate, it breeds distrust. He feels that until the trust issue is solved, there will not be support, in his opinion, to raise one additional penny in taxes. He respects both Mayor Pro Tem Compian and Councilmember Ross's positions.

NO ACTION WAS TAKEN.

8.IV. Boards and Commissions

Mayor Pro Tem Compian reported that the parks board has now been reduced to 5

members, and he needs to appoint a member to the Planning & Zoning commission.
Mayor Bell made a motion to appoint Dash Cantu, a resident and member of the La Marque Police Department, to the Public Safety Building Committee. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

9. NEW BUSINESS

9.I. Proposed Resolution
Councilmember Ross made a motion to adopt Resolution R-2024-0045. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

9.II. Sanitary Sewer Pipeline Replacement
Mayor Bell requested information regarding how the company was selected.
City Manager Garcia shared that three quotes were obtained. This item was presented to the EDC and they agreed to cover the initial cost of $90, 050 with no overruns.
Mayor Pro Tem Compian made a motion to approve the sanitary sewer pipeline replacement. Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**
Mayor Pro Tem Compian requested that overruns be brought to the council in an open meetings.

9.III. Senior Community Service Employment Program (SCSEP)
Mayor Bell asked for clarification on whether retired police personnel can assist the police department, possibly by scheduling interviews and making calls regarding cold cases.
Human Resource Manager Hoosier shared that this program is focused on low-income seniors, paying approximately 9.75 an hour for 18 hours a week.
City Manager Garcia responded that the Mayor's question would need to go before the agency and the department.
Deputy Chief Waggoner did not believe it would be allowed due to Civil Service requirements.
Councilwoman Yancy shared that the program has been around for a long time and can be a huge benefit to the city.
Mayor Pro Tem Compian shared his hopes for three (3) qualified individuals to be selected to answer phones.
Mayor Pro Tem Compian made a motion to authorize the city to become a host agency for the Senior Community Service Employment Program. Councilmember Yancy seconded.**MOTION CARRIED UNANIMOUSLY.**

9.IV. Bayou Fest 2024
Chairperson Mike "Rock" Bock was available to answer questions on behalf of the Parks Board.
Mayor Bell asked if the Parks Board had voted to participate. Chairman Bock said that four (4) members are "all in" and one (1) is not.
When asked by Councilmember Lowry if the event would be a "big one", Chairman Bock shared that he is trying but has hit some roadblocks.
Deputy City Manager Joshua Pritchett gave a breakdown of the funding for Bayou

Fest.
Mayor Bell questioned if the event would need more funding. After a lengthy discussion, it was determined that additional funding would be needed.
Discussions regarding Hotel Occupancy Tax (HOT) fund appropriations ensued.
Mayor Pro Tem Compian wants this event to be successful, and requested that the city not micromanage the event, and let the volunteers do it.
Discussions regarding accounting principles ensued.
NO ACTION WAS TAKEN.

9.V. Forensic Audit
Councilmember Lowry asked if City Manager Garcia knew where every single penny that has been spent by the city is. City Manager Garcia shared that he does.
Councilmember Lowry then questioned why there were issues with the budget.
Councilmember Lowry asked if the City Manager could say for certain "without a shadow of a doubt" that no contractor within the city has any ties to a contractor working within the city. City Manager Garcia shared that there is no way anyone can know "without a shadow of a doubt".
Finance Director Turner shared that she had reached out to a forensic audit firm, and she was told that she would need to produce a scope of work for them to start.
Councilmember Lowry says that there has never been a forensic audit for the city. The taxpayers want it and they deserve it. Everyone is taking this item as a negative thing, but it doesn't have to be.
City Manager Garcia said that it is the council's will to do a forensic audit, that is their will. He just needed to know what was being asked. He then proceeded with explaining what the procurement process would be.
Councilmember Lowry asked for acquaintances to be revealed through this process, "maybe a connection between an elected official and a contractor". He also asked for a tip line to be enacted. He shared that the cost projections keep changing, and a person that forced a forensic audit in Texas City attended the meeting earlier.
Councilmember Yancy clarified that the City of Texas City has never had a forensic audit. She shared that the Galveston Daily News contacted her earlier in the day because Councilmember Lowry stated that her vehicle was purchased with city funds. She was offended, and adamantly denied the accusations against her. She shared that the council has to sign affidavits each year regarding conflicts of interests.
She asked the City Manager, was there money missing? City Manager Garcia said no.
Councilmember Lowry stated that the city can use the cost as a fear factor, but the citizens have already said they don't care. The annual audit is a routine audit. They can only audit the information that is given to them. It is not a forensic audit.
Councilmember Yancy asked if Councilmember Lowry was the one who called the Galveston Daily News and made the accusations of her car being paid for through public funds. Councilmember Lowry responded that he shared his thoughts on how a person with no job and a husband with a part-time position could afford a BMW after being elected to this position "is a red flag for anyone with common

sense". Councilmember Yancy responded by stating that if that is why the Councilmember is so adamant about the forensic audit, he should not imply that others are doing something wrong.
Mayor Bell shared that the council were all elected by the community to do the job. They were not voted to sit on the Dias and argue.
Councilmember Ross shared that he would support a forensic audit for Fund 12, Fund 99, the disaster fund, and the reserve fund, going all the way back to Hurricane Harvey.
Mayor Pro Tem Compian said it hurts him when the council has that sort of back and forth, it is not how he behaves. He apologized to Councilwoman Yancy because that was not necessary. He shared that the forensic audit is not timely. He believes that a forensic audit is to bring together accounting and legal. He again, as he has in the past, shared his support for a city CPA. He said that there *has* to be a scope of work, and that should come from a licensed auditor. Once a report has been brought to council, then the council can determine next steps. He gave a few examples of what can be found in forensic audits.
Finance Director Turner shared that there have been some procedural issues that need to be addressed.
Mayor Bell shared his thoughts that a lot of what is being dealt with, is politics, and it shows in how things are phrased. When the council gets into the chamber and on the Dias, the politics have to stop, and the work of the people has to be done. His heart hurts for Councilmember Yancy. No one likes to be accused of things that they feel they did not do. He understands that Councilmember Lowry feels strongly about the need for a forensic audit. He shared his opinion that budget projections do not provide an accurate accounting of the city's finances. It doesn't say that money is missing, it just means that better preparations should have been made. He does not believe he has ever heard a Councilmember fight against a routine or forensic audit. His thought is that whenever the concept of a forensic audit is brought up, it is associated with an accusation of wrongdoing and human nature is to push back. Audits can uncover mistakes, and for that reason, he believes that there is nothing wrong with starting those discussions. He agreed with Mayor Pro Tem Compian that a scope of work needs to be established first. This is the first step. He has heard many people say the cost doesn't matter, but it should. It should not determine if an audit is done, but it should be considered. Fiscal irresponsibility should not be uncovered through fiscal irresponsibility.
Councilmember Lowry made a motion to speak with the auditing firm that Finance Director Turner has been speaking with to get more information on what a forensic audit would look like for the City of La Marque. Councilmember Ross seconded.
Mayor Pro Tem requested to clear up the language and asked for a motion to solicit advice from the city's auditing firm regarding the process of a forensic audit.
MOTION WAS WITHDRAWN by Councilmember Lowry.
Councilmember Lowry made a new motion to meet with the current auditing firm on the process and scope of a potential forensic audit in public. Councilmember Ross seconded.
Councilmember Yancy reiterated that no one in the city is against a forensic audit; they are against being called a criminal.

MOTION CARRIED UNANIMOUSLY.
***Mayor Pro Tem Compian exited the room at 10:01 p.m.*

9.VI. TML Board of Trustees Election
Mayor Bell asked City Clerk Nance if a vote was required that evening. City Clerk Nance indicated that the vote was not yet due back to the Texas Municipal League but added this item to the agenda so that council could familiarize themselves with the candidates. She stated that this item would be placed on the September 9th agenda.
Councilmember Lowry requested a print out of the names.
NO ACTION TAKEN.

9.VII. Emergency 90 Contract for Disaster Consulting 2024
Emergency Management Coordinator Kyle Hunter shared that this item was presented to council at the last meeting in the City Manager's Report. GrantWorks is one of the city's grant administrators, and they have experience in this area.
Mayor Pro Tem Compian made a motion to ratify a 90-day emergency contract with GrantWorks for Disaster Consulting and Grant Administration.
Councilmember Ross seconded. **MOTION CARRIED UNANIMOUSLY.**

9.VIII. RFP - Disaster Consulting and Grant Administration
Councilmember Yancy made a motion to authorize a Request for Proposal for Disaster Consulting and Grant Administration. Councilmember Ross seconded.
MOTION CARRIED UNANIMOUSLY.

10. CITY MANAGER REPORT
***Items 10.III and 10.V were pulled for discussion*

10.I. July 2024 Library Statistics
This item stood as submitted.

10.II. July 2024 Municipal Court stats
This item stood as submitted.

10.III. July 2024 Public Works / Utilities Department Statistics
Mayor Pro Tem Compian said that the information included is great information and needs to be on the website. He also requested that the report include the values of the projects.

10.IV. August 2024 City of La Marque Sales Tax Report
This item stood as submitted.

10.V. Galveston County Crime Rate Ranking 2020-2023
Councilmember Yancy congratulated the city for dropping from being ranked #2 to #4.
***Councilmember Lowry exited the meeting at 10:07 p.m.*

10.VI. Items for the Good of the Order
City Manager Garcia announced an upcoming Community CPR class.

11. REQUESTS & ANNOUNCEMENTS

Mayor Pro Tem Compian announced his completion of a Cyber Security Awareness Training and provided his certificate of completion to City Clerk Nance. He also congratulated Neighborhood Baptist Church on their 50th anniversary. He shared that he attended the 50th Anniversary Celebratory Services and enjoyed the music. He commended Pastor Franklin and the Neighborhood Baptist Church community for their important presence within the La Marque community.

Councilmember Ross stated he was looking forward to finishing up the budget tomorrow. He also shared upcoming events at the VFW, including a fish fry on September 7th from noon until they run out of fish and a garage sale on September 14th and asking for ten dollar ($10) donations with an auxiliary for a round bag auction for a later date.

Councilmember Yancy wished everyone a Happy Labor Day weekend. She also addressed the article that said the city is paying for her security surveillance system at her home. She stated that this is a mistake that needs to be corrected. She also indicated that it was due to harassment that she and her family have endured from Councilmember Lowry both as a citizen and as a councilmember.

Mayor Bell interjected and requested that Councilmember Yancy not name names.

Councilmember Yancy continued by sharing appreciation for her son and his Christian values. She stated that the Bible calls everyone to "love people unconditionally in spite of what they do to us". She noted that she and her constituents are being attacked and claimed that "you're seeing what racism looks at its finest, but we are not going back". Councilmember Yancy also noted that standing silently and saying nothing is acceptance. She thanked former Councilmember James Osteen and his wife for being a beacon of strength for her and her family. She referenced the recent resignation of Sean Skipworth of Dickinson due to ongoing harassment and noted that "no American should stand for this" and that she is not going anywhere. She applauded Mayor Bell for the love he continues to show people, even when that love is not returned. She expressed her love for the entire community and to council "and there is nothing you can do about it".

Councilmember Lowry requested information from City Manager Garcia regarding the security cameras purchased by the CIty for any Councilmember's home address. Mayor Bell interjected that Mr. Lowry cannot ask for an answer from City Manager Garcia as this section is for requests. Councilmember Lowry stated that he already had the answer and that he has the receipts.

Mayor Bell interjected stating that attacks will not be tolerated.

Councilmember Lowry continued stating that he has copies of checks that were written to Councilmember Yancy for cash and the District Attorney has copies of this as well. He noted that this is why he wanted a forensic audit.

Mayor Bell interjected again asking for the attacks to stop. He reiterated that Mr. Lowry was elected by the people of District C with a focus on fixing streets and Councilmember Yancy was elected by District A to help with cutting crime. He stated that "we are adults" and need to get along to work for the common good of the people. He asked Chief Aragon to "beef up the police presence" at future council meetings. He addressed the dias, stating that if council gets out of hand, the police department will escort you off the dias.

Councilmember Lowry then stated that he was here to represent the city and fight

crime.
Mayor Bell stated that he said a lot during the interruption and will not "beat a dead horse" or lecture anyone. He stated that the council is old enough to do the right thing. He reminded everyone that Monday is Labor Day, shared his appreciation for the sacrifices made by all American workers and all American workers deserve our gratitude. He also announced the city office closure to celebrate the holiday. He noted that Council will resume the budget workshop tomorrow at 12:00 noon. He encouraged everyone to attend.
City Manager Garcia reminded the citizens that in order to comment during council meetings, they must comment via Zoom as no comments are accepted from YouTube.

12. EXECUTIVE SESSION
***Councilmember Lowry exited the meeting at 11:10 p.m.*

12.I. Section 551.071 (Consultation with Attorney)

12.II. Section 551.074 (Personnel Matters)

13. ACTIONS TAKEN FROM EXECUTIVE SESSION
***Mayor Bell closed the executive session and reconvened the regular meeting at 11:37 P.M.*

13.I. Section 551.071 (Consultation with Attorney)
NO ACTION WAS TAKEN ON THIS ITEM.

13.II. Section 551.074 (Personnel Matters)
Councilmember Yancy shared that the council is doing their best to work together. She shared that it was deplorable to speak of an employee, especially a minor, in that manner. She understands that Councilmember Lowry is a new Councilmember, and this is a slow walk. She recommended that Councilmember Lowry sit down with the family and apologize. She hopes that the Councilmember sees that the council is trying to work with him, and this is his opportunity to make it right.
Councilmember Ross stated that "no person on this planet" would allow somebody over the age of 18 to say something about somebody under the age of 18. He stated that he understood the game and ploy sometimes, however council will have to make decisions with or without the councilmember sooner or later. He requested that Councilmember Lowry sit down with some of the councilmembers and come to an understanding on how to fix the behavior. He began to make a motion to table this until a further event. However, Mayor Bell asked that Councilmember Ross wait on making the motion and allow Mayor Pro Tem Compian the chance to speak.
Mayor Pro Tem Compian shared that the action discussed was censure. He feels that there is not enough evidence to move forward in that manner. He has standards however, and would never involve youth. He feels that respect is number one. There was great disrespect this evening. That is not how he operates. He looked to the Mayor for guidance and wisdom at this moment.
Mayor Bell shared that censures are a tool that councils use to make distinctions, a contrast between what a majority body believes the responsibilities are to the

public. In his experience, in order for a censure to be effective it must be unanimous, and the council would need to stand as a whole to share what they believe as a body. He does not feel that the council is "there" on this particular issue. He believes that it is a consensus that it is inappropriate to make commentary regarding an employee, especially a child. He shared that he felt Councilwoman Yancy's pain and frustration. Over the past 20 years, he has learned the hard way how to not react to the things that provoked him, just as the Apostle Paul. He shared that four (4) people cannot raise the standard of decorum for a five (5) member council. Everyone will need to "buy-in" to what it means to be a councilmember in La Marque. If so the first step would need to first "do no harm" to the city and residents. In order to do that, they need to learn to communicate with each other and the public in a way that does no harm. Unfortunately, at this time, that is not happening. He is sad for Ms. Smalls and her children for the things that they have been through. He appreciates Councilmember Yancy's willingness to try to move forward in a different way. Councilmember Ross made a motion to table the censureship and make a written request for Councilmember District C to make a formal apology to the Smalls family. Mayor Pro Tem Compian seconded. **MOTION CARRIED UNANIMOUSLY.**

14. ADJOURNMENT
Councilmember Yancy made a motion to adjourn. Mayor Pro Tem Compian seconded. **MOTION CARRIED UNANIMOUSLY.**
***Meeting was adjourned at 11:57 p.m.*

GALVESTON COUNTY
The Daily News.

See Proof on Next Page

AFFIDAVIT OF PUBLICATION

State of Florida, County of Broward, ss:

Ankit Sachdeva, being first duly sworn, deposes and says: That (s)he is a duly authorized signatory of Column Software, PBC, duly authorized agent of The Galveston County Daily News, a newspaper printed and published in the City of Texas City, County of Galveston, State of Texas, and that this affidavit is Page 1 of 2 with the full text of the sworn-to notice set forth on the pages that follow, and the hereto attached:

PUBLICATION DATES:
Aug. 12, 2025

NOTICE ID: LVob7Zpvq6thDhjRySHk
PUBLISHER ID: 1341892
NOTICE NAME: PH O-2025-0016 & 0017
Publication Fee: $317.79

I declare under penalty of perjury that the foregoing is true and correct.

Ankit Sachdeva

(Signed)______________________________

SHERI SMITH
Notary Public - State of Florida
Commission # HH269383
Expires on May 31, 2026

NOTARY PUBLIC • STATE OF FLORIDA

VERIFICATION

State of Florida
County of Broward

Subscribed in my presence and sworn to before me on this: 08/13/2025

S Smith

Notary Public
Notarized remotely online using communication technology via Proof.

Legal Notice

Notice of Public Hearing by City of La Marque City Council Meeting: August 25, 2025

Notice is hereby given that the City of La Marque City Council will hold a Regular Meeting and will conduct a public hearing on Monday, August 25, 2025, at 6:00 p.m. in City Council Chambers located at 1109-B Bayou Road, La Marque, TX. All interested parties shall have the opportunity to be heard with respect to the following applications:

Zoning District from (R-1) Single Family Residential to (I-2) Industrial-2 for a tract of land out of the S. F. Austin League No. 4, Abstract No. 2, 0.756 acres of land, being a portion of Lot 55, of Mainland Homesteads, a subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Plat Record 2, Map No. 30 of the Galveston County Map Records and also being known as Lots 31 and 32 of the Gilbert and Nelson unrecorded subdivision. Galveston County Property ID # 132658 and 132659, located approximately at the northwest corner of Fleming St. and Patridge St., La Marque, TX.

Zoning District from (C-1) General Commercial to (I-2) Industrial-2 for a tract of land out of the S.F. Austin League No. 4, Abstract No. 2, 1.889 acres of land, being a portion of Lot 56, of Mainland Homesteads, a subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Plat Record 2, Map No. 30 of the Galveston County Map Records also being known as Lots 49, 50, 53, 54 and 55 of the Gilbert and Nelson unrecorded subdivision. Galveston County Property ID # 132673, site address 4725 Lawndale, La Marque, TX 77568.

Published: August 12, 2025

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The Daily News.

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Publication Fee: $317.79

I declare under penalty of perjury that the foregoing is true and correct.

Ankit Sachdeva

(Signed)______________________________

SHERI SMITH
Notary Public - State of Florida
Commission # HH269383
Expires on May 31, 2026

VERIFICATION

State of Florida
County of Broward

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Published: August 12, 2025

CITY COUNCIL AGENDA FORM

Meeting Date: August 25, 2025
Agenda Item: 7.I.
Prepared by:
Reviewed by: Kierra Nance
Department: City Clerk

AGENDA ITEM DESCRIPTION:
Amending the zoning classifications for a tract of land out of the S. F. Austin League No. 4, Abstract No. 2, 0.756 acres of land, being a portion of Lot 55, of Mainland Homesteads, a subdivision in Galveston County, Texas according to the map or plat thereof recorded in Plat Record 2, Map No. 30 of the Galveston County Map Records and also being known as Lots 31 and 32 of the Gilbert and Nelson Unrecorded Subdivision. Galveston County Property ID # 132658 and 132659, located approximately at the northwest corner of Fleming St. and Partridge St., La Marque, TX from R-1 Single Family Residential to I-2 Industrial - *Development Services*
THIS IS THE SECOND AND FINAL READING

STAFF BRIEFING:

HISTORY:
08.07.2025 - Public Hearing held at Planning and Zoning Commission Special Meeting
08.07.2025 - Planning and Zoning Commission approved the recommendation to move forward with the rezone from R-1 to I-2
08.11.2025 - First Reading of Ordinance before Council. Council approved the first reading and Public Hearing/Second Reading to follow on 8/25/2025.

FISCAL IMPACT:
Unknown

Ordinance No. O-2025-00[ ]

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS AMENDING THE ZONING CLASSIFICATIONS FOR A TRACT OF LAND OUT OF THE S. F. AUSTIN LEAGUE NO. 4, ABSTRACT NO. 2, 0.756 ACRES OF LAND, BEING A PORTION OF LOT 55, OF MAINLAND HOMESTEADS, A SUBDIVISION IN GALVESTON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN PLAT RECORD 2, MAP NO. 30 OF THE GALVESTON COUNTY MAP RECORDS AND ALSO BEING KNOWN AS LOTS 31 AND 32 OF THE GILBERT AND NELSON UNRECORDED SUBDIVISION. GALVESTON COUNTY PROPERTY ID # 132658 AND 132659, LOCATED APPROXIMATELY AT THE NORTHWEST CORNER OF FLEMING ST. AND PARTRIDGE ST., LA MARQUE, TX FROM R-1 SINGLE FAMILY RESIDENTIAL TO I-2 INDUSTRIAL.

WHEREAS, The City Council of La Marque, Texas, ("City Council"), pursuant to the application of 4725 Lawndale, LLC, has considered a proposed zoning change for the property described herein; and.

WHEREAS, a public hearing was held by the Planning and Zoning Commission on August 7, 2025, and by the City Council on August 25, 2025, with proper notice given as required by law and the City Code of Ordinances, and all interested parties were given the opportunity to be heard; and

WHEREAS, the City Council finds the proposed change in zoning district is consistent with the City's comprehensive plan, and the comprehensive plan and zoning map of the City should be amended.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQE, TEXAS THAT

The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part thereof for all purposes as findings of fact.

The official zoning map of the City of La Marque is hereby amended to rezone the following described property from Zoning District R-1 Single Family Residential to I-2 Industrial:

A tract of land out of the S. F. Austin League No. 4, Abstract No. 2, 0.756 acres of land, being a portion of Lot 55, of Mainland Homesteads, a subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Plat Record 2, Map No. 30 of the Galveston County Map Records and also being known as Lots 31 and 32 of the Gilbert and Nelson unrecorded subdivision. Galveston County Property ID # 132658 and 132659, located approximately at the northwest corner of Fleming St. and Patridge St., La Marque, TX.

The City's comprehensive plan is amended in accordance with this Ordinance.

Penalty. As provided by Section 71-3 of the City Code, any person who shall violate any of the provisions of this ordinance or who shall erect or alter any building, or who shall commence to erect or alter any building in violation of any detailed statement of plan submitted or approved hereunder, shall for each violation or noncompliance be deemed guilty of a misdemeanor, and upon conviction, shall be fined as provided in Section 1-7 of the City Code. The owner of that building or premises or part thereof where anything in violation of this chapter shall be placed or shall exist, and any architect, builder, contractor, agent, or corporation employed in connection therewith who may have assisted in the commission of any such violation shall be subject to the penalties herein provided.

Repeal. This ordinance is intended to be cumulative and shall not repeal any provision of a previous ordinance or City Code provision, except to the extent that a provision is inconsistent and cannot be reconciled with this ordinance.

Severability. In the event any clause, phrase, provision sentence, or part of this ordinance or the application of the same to any person or circumstance for any reason by adjudged invalid or held unconstitutional by a court of competent jurisdiction, it is the intention of the City Council that the invalidity or unconstitutionality of the one or more parts shall not affect, impair, or invalidate this ordinance as a whole or any part or provision other than the part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, 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.

Publication and Effective Date. This ordinance shall be effective immediately upon adoption, public hearing in accordance with Section 2.19 of the City Charter, and publication of this ordinance or a caption that summarizes the purpose of this ordinance and the penalty for violating this ordinance in accordance with Chapter 52 to the Texas Local Government Code and Article II of the City Charter.

PASSED, AND APPROVED by the City Council of the City of La Marque on First Reading this____________________day of__________________, 2025, and

PASSED, APPROVED, AND ADOPTED by the City Council of the City of La Marque on Second Reading this ______________________of_______________, 2025.

CITY OF LA MARQUE, TEXAS

____
Keith Bell, Mayor

ATTEST:

____
Kierra Nance, TRMC, City Clerk

APPROVED AS TO FORM:

____
Gus Knebel
Consulting City Attorney

CITY COUNCIL AGENDA FORM

Meeting Date: August 25, 2025
Agenda Item: 7.II.
Prepared by:
Reviewed by: Kierra Nance
Department: City Clerk

AGENDA ITEM DESCRIPTION:
Amending the zoning classifications for a tract of land out of the S.F. Austin League No. 4, Abstract No. 2, 1.889 acres of land, being a portion of Lot 56, of Mainland Homesteads, a subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Plat Record 2, Map No. 30 of the Galveston County map records also being known as Lots 49, 50, 53, 54 and 55 of the Gilbert and Nelson Unrecorded Subdivision Galveston County Property ID #132673, from (C-1) General Commercial to (I-2) Industrial 2 - *Development Services*
THIS IS THE SECOND AND FINAL READING

STAFF BRIEFING:

HISTORY:
08.07.2025 - Item heard on Planning and Zoning Special Meeting Agenda
08.07.2025 - Planning and Zoning Commission approved the recommendation to move forward with the rezone from C-1 to I-2
08.11.2025 - First Reading of Ordinance before Council. Council approved the first reading and Public Hearing/Second Reading to follow on 8/25/2025.

FISCAL IMPACT:
Unknown

Ordinance No. O-2025-00[ ]

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS AMENDING THE ZONING CLASSIFICATIONS FOR A TRACT OF LAND OUT OF THE S.F. AUSTIN LEAGUE NO. 4, ABSTRACT NO. 2, 1.889 ACRES OF LAND, BEING A PORTION OF LOT 56, OF MAINLAND HOMESTEADS, A SUBDIVISION IN GALVESTON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN PLAT RECORD 2, MAP NO. 30 OF THE GALVESTON COUNTY MAP RECORDS ALSO BEING KNOWN AS LOTS 49, 50, 53, 54 AND 55 OF THE GILBERT AND NELSON UNRECORDED SUBDIVISION. GALVESTON COUNTY PROPERTY ID # 132673, FROM (C-1) GENERAL COMMERCIAL TO (I-2) INDUSTRIAL-2.

WHEREAS, The City Council of La Marque, Texas, ("City Council"), pursuant to the application of 4725 Lawndale, LLC, has considered a proposed zoning change for the property described herein; and.

WHEREAS, a public hearing was held by the Planning and Zoning Commission on August 7, 2025, and by the City Council on August 25, 2025, with proper notice given as required by law and the City Code of Ordinances, and all interested parties were given the opportunity to be heard; and

WHEREAS, the City Council finds the proposed change in zoning district is consistent with the City's comprehensive plan, and the comprehensive plan and zoning map of the City should be amended.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQE, TEXAS THAT

The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part thereof for all purposes as findings of fact.

The official zoning map of the City of La Marque is hereby amended to rezone the following described property from Zoning District C-1 General Commercial to I-2:

> A 1.889-acre tract of land situated in the S.F. Austin League No. 4, Abstract No. 2, being a portion of Lot 56 of the Mainland Homesteads Subdivision, Galveston County, Texas, according to the map or plat recorded in Plat Record 2, Map No. 30 of the Galveston County Map Records, and also known as Lots 49, 50, 53, 54, and 55 of the Gilbert and Nelson unrecorded subdivision. Galveston County Property ID No. 132673, and commonly known as 4725 Lawndale, La Marque, Texas 77568.

The City's comprehensive plan is amended in accordance with this Ordinance.

Penalty. As provided by Section 71-3 of the City Code, any person who shall violate any of the provisions of this ordinance or who shall erect or alter any building, or who shall commence to erect or alter any building in violation of any detailed statement of plan submitted or approved hereunder, shall for each violation or noncompliance be deemed guilty of a misdemeanor, and upon conviction, shall be fined as provided in Section 1-7 of the City Code. The owner of that building or premises or part thereof where anything in violation of this chapter shall be placed or shall exist, and any architect, builder, contractor, agent, or corporation employed in connection therewith who may have assisted in the commission of any such violation shall be subject to the penalties herein provided.

Repeal. This ordinance is intended to be cumulative and shall not repeal any provision of a previous ordinance or City Code provision, except to the extent that a provision is inconsistent and cannot be reconciled with this ordinance.

Severability. In the event any clause, phrase, provision sentence, or part of this ordinance or the application of the same to any person or circumstance for any reason by adjudged invalid or held unconstitutional by a court of competent jurisdiction, it is the intention of the City Council that the invalidity or unconstitutionality of the one or more parts shall not affect, impair, or invalidate this ordinance as a whole or any part or provision other than the part declared to be invalid or unconstitutional; and the City Council of the City of La Marque, 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.

Publication and Effective Date. This ordinance shall be effective immediately upon adoption, public hearing in accordance with Section 2.19 of the City Charter, and publication of this ordinance or a caption that summarizes the purpose of this ordinance and the penalty for violating this ordinance in accordance with Chapter 52 to the Texas Local Government Code and Article II of the City Charter.

PASSED, AND APPROVED by the City Council of the City of La Marque on First Reading this____________________day of_________________, 2025, and

PASSED, APPROVED, AND ADOPTED by the City Council of the City of La Marque on Second Reading this ______________________of_______________, 2025.

CITY OF LA MARQUE, TEXAS

____
Keith Bell, Mayor

ATTEST:

____
Kierra Nance, TRMC, City Clerk

APPROVED AS TO FORM:

____
Gus Knebel
Consulting City Attorney

CITY COUNCIL AGENDA FORM

Meeting Date: August 25, 2025
Agenda Item: 8.I.
Prepared by:
Reviewed by:
Department: City Clerk

AGENDA ITEM DESCRIPTION:
Making appropriations for the support of the City of La Marque for the Fiscal Year beginning October 1, 2025, and ending September 30, 2026; appropriating money to a sinking fund to pay interest and principal due on the city's indebtedness; and adopting the annual budget for the City of La Marque for the 2025-2026 Fiscal Year *- Administration*

STAFF BRIEFING:
Per City Charter, Council must adopt an annual budget no later than September 27th each year. Should the Council fail to adopt the budget by such date, the budget, as submitted by City Manager, shall be deemed to have been finally adopted by the City Council.

Projected Dates for Public Hearing and Final Reading:
September 8, 2025 - First Public Hearing on 2025-26 Proposed Budget
September 22, 2025 – Second public hearing on 2024-25 Proposed Budget
September 22, 2025 – Budget adoption fiscal year 2024-25 Second and Final Reading

HISTORY:
July 28, 2025 – City Manager proposed fiscal year 2024-25 budget.
August 4, 5, 7, 11, 12 and 18th – Council workshops to discuss budget amendments to City Manager's proposal.
August 25, 2025 - First reading of Budget Ordinance

FISCAL IMPACT:
See 2025-2026 Budget for details.

<u>ORDINANCE NO. O-2025-00XX</u>

AN ORDINANCE MAKING APPROPRIATIONS FOR THE SUPPORT OF THE CITY OF LA MARQUE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026 APPROPRIATING MONEY TO A SINKING FUND TO PAY INTEREST AND PRINCIPAL DUE ON THE CITY'S INDEBTEDNESS; AND ADOPTING THE ANNUAL BUDGET FOR THE CITY OF LA MARQUE FOR THE 2025-2026 FISCAL YEAR

WHEREAS, the budget, attached as Exhibit A, for the fiscal year beginning October 1, 2025 and ending September 30, 2026 is duly presented to the City Council by the City Manager and a public hearing has been ordered by the City Council and public notice of said hearing is caused to be given by the City Council and said notice is to be published in the Galveston County Daily News and said public hearing is to be held according to said notice and City Charter requirements; now, therefore,

BE IT ORDAINED BY THE CITY COUNICL OF THE CITY OF LA MARQUE, TEXAS:

SECTION 1. That the appropriations for the fiscal year beginning October 1, 2025 and ending September 30, 2026 be fixed and determined for said terms in accordance with the expenditures shown in the City's fiscal year 2025-2026 budget, a copy of which is attached as Exhibit A.

SECTION 2. That the budget as shown in words and figures in Exhibit A, is hereby approved in all respects and adopted as the City's budget for the fiscal year beginning October 1, 2025 and ending September 30, 2026.

SECTION 3. That there is hereby appropriated the amount shown in said budget necessary to provide for a sinking fund for the payment of the principal and interest of the bonded debt of the City.

PASSED AND APPROVED on the First reading on this ______ day of ______________ 2025, at a Special Meeting of the City Council of the City of La Marque, Texas, there being a quorum present, by **_____AYES** and **_____NAY** and approved by the Mayor on the date above set.

PASSED, APPROVED and ADOPTED on the Second and Final reading on this the _____ day of __________ 2025, at a Regular Meeting of the City Council of the City of La Marque, Texas, there being a quorum present by ___ **AYES** and _____ **NAYES** and approved by the Mayor on the date above set.

CITY OF LA MARQUE, TEXAS

____
Keith Bell, Mayor

ATTEST:

____
Kierra K. Nance, TRMC, City Clerk

APPROVED AS TO FORM:

____
Consulting City Attorney

CITY COUNCIL AGENDA FORM

Meeting Date:	August 25, 2025	Agenda Item:	8.II.
Prepared by:		Reviewed by:	
Department:	City Clerk		

AGENDA ITEM DESCRIPTION:

Levying ad valorem taxes for use and operation of the municipal government of the City of La Marque, Texas for the 2025-2026 tax year; Providing for appropriating each levy for specific purposes; and, providing when taxes shall become due and when same shall become delinquent if not paid *- Administration*

STAFF BRIEFING:

In order to meet statutory requirements for budget and state property Tax Code, the proposed ordinance is attached.

Proposed Tax Rate:	.398501
No-New Revenue Tax	.374450
Rate:	.452161
Voter Approval Tax Rate:	.402980
De Minimis Rate:	

This is effectively a .283591 percent tax increase. It was clarified that this is not a tax rate increase; However, it will generate additional tax revenue.

HISTORY:

August 25, 2025 - Council proposed a tax rate of .398501

FISCAL IMPACT:

ORDINANCE NO. O-2025-00XX

AN ORDINANCE LEVYING AD VALOREM TAXES FOR USE AND OPERATION OF THE MUNICIPAL GOVERNMENT OF THE CITY OF LA MARQUE, TEXAS FOR THE 2025-2026 TAX YEAR; PROVIDING FOR APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; AND, PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS;

SECTION 1. That there is hereby levied and there shall be collected, for use and operation of the municipal government of the City of La Marque and to provide an Interest and Sinking Fund for the 2025-2026 fiscal year, upon all property, real, personal and mixed within the corporate limits of said City subject to taxation here set forth:

1. For the maintenance and operation of the general government $.283248 on each $100.00 taxable valuation of property; and

2. For the interest and sinking fund, $.115253 on each $100.00 taxable valuation of property.

For a total tax rate of $0.398501 on each $100.00 taxable valuation of property tax being so levied and apportioned to the specific purposes here set forth above.

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

SECTION 2. All taxes shall become a lien upon the property against which assessed, and the assessor and collector for the City of La Marque is hereby authorized and empowered to enforce the collection of such taxes according to the Constitution and laws of the State of Texas and ordinances of the City of La Marque and shall, by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes, penalty and interest and, the interest penalty collected from such delinquent taxes shall be apportioned to the general fund of the City of La Marque. All delinquent taxes shall bear interest from date of delinquency at the rate as prescribed by state law

SECTION 3. That this ordinance shall take effect after the second reading.

PASSED AND APPROVED on the First reading on this _______ day of ________ 2025, at a Special Meeting of the City Council of the City of La Marque, Texas, there being a quorum present, by **____AYES** and **__NAY** and approved by the Mayor on the date above set.

PASSED, APPROVED and ADOPTED on the Second and Final reading on this the _______ day of ____________ 2025, at a Regular Meeting of the City Council of the City of La

Marque, Texas, there being a quorum present by ____ **AYES** and _____ **NAYES** and approved by the Mayor on the date above set.

CITY OF LA MARQUE, TEXAS

____
Keith Bell, Mayor

ATTEST:

____
Kierra Nance, TRMC, City Clerk

APPROVED AS TO FORM:

____
Gus Knebel, City Attorney

CITY COUNCIL AGENDA FORM

Meeting Date: August 25, 2025
Agenda Item: 8.III.
Prepared by:
Reviewed by:
Department: Administration

AGENDA ITEM DESCRIPTION:
Authorizing certain officers of the City to sign and endorse checks and drafts of the City of La Marque bank accounts - *Administration*

STAFF BRIEFING:
Proposed Change: adding Interim City Manager Barbara Holly

HISTORY:
01.13.2025 - Cesar Garcia separated from the City of La Marque
01.27.2025 - J.B. Pritchett was named Interm City Manager
05.12.2025 - J.B. Pritchett was named City Manager
07.07.2025 - J.B. Pritchett resigned
07.28.2025 - City Council appointed Barbara Holly Interim City Manager

FISCAL IMPACT:
None.

Resolution Amending Authorized Representatives

Please complete this form to amend or designate Authorized Representatives. *This document supersedes all prior Authorized Representative forms.*

*** Required Fields**

1. Resolution

WHEREAS,

Participant Name* Location Number*

("**Participant**") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("**TexPool / Texpool Prime**"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and

C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1.

Name Title

Phone Fax Email

Signature

2.

Name Title

Phone Fax Email

Signature

3.

Name Title

Phone Fax Email

Signature

Form Continues on Next Page

1. Resolution (continued)

4.

Name

Title

Phone

Fax

Email

Signature

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Name

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. *This limited representative cannot perform transactions.* If the Participant desires to designate a representative with inquiry rights only, complete the following information.

Name

Title

Phone

Fax

Email

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the ____ day of ____________, 2 0 __ __.

Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.

Name of Participant*

SIGNED	ATTEST
Signature*	Signature*
Printed Name*	Printed Name*
Title*	Title*

2. Delivery Instructions

Please return this document to **TexPool Participant Services**:

Email: texpool@dstsystems.com

Fax: 866-839-3291

CITY COUNCIL AGENDA FORM

Meeting Date: August 25, 2025
Agenda Item: 8.IV.
Prepared by:
Reviewed by:
Department: City Clerk

AGENDA ITEM DESCRIPTION:
Authorizing certain officers of the City to sign and endorse checks and drafts of the City of La Marque bank accounts - *Administration*

STAFF BRIEFING:
Proposed Change: adding Interim City Manager Barbara Holly

HISTORY:
01.13.2025 - Cesar Garcia separated from the City of La Marque
01.27.2025 - J.B. Pritchett was named Interm City Manager
05.12.2025 - J.B. Pritchett was named City Manager
07.07.2025 - J.B. Pritchett resigned
07.28.2025 - City Council appointed Barbara Holly Interim City Manager

FISCAL IMPACT:
None

RESOLUTION NO. R-2025-00

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS, AUTHORIZING CERTAIN OFFICERS OF THE CITY TO SIGN AND ENDORSE CHECKS AND DRAFTS OF THE CITY OF LA MARQUE BANK ACCOUNTS.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS,

THAT:

Section 1. That any two (2) or more of the following officers of the City shall be authorized to endorse and cash checks, drafts and similar documents on behalf of the City of La Marque in connection with any bank account of the City of La Marque.

NAME OF SIGNING OFFICER	TITLE OF SIGNING OFFICER
Barbara Holly	Interim City Manager
Kierra Nance	City Clerk
Randall Aragon	Police Chief
David Merryman	Fire Chief

Section 2. That any two (2) or more of the signing officers in Section 1 with hereof are authorized to receive statements and canceled vouchers of the City of La Marque and to appoint an agent or agents to do the same; furthermore, such officers are authorized to stop payment of checks of the City of La Marque and to revoke stop payment orders.

Section 3. That the bank which is now depository for city funds is hereby authorized to honor or accept all drafts, checks and similar documents executed or endorsed on behalf of the City of La Marque in the manner provided in Section 1, hereof for the credit of or in payment of any obligations of or by the payee or any other holder.

Section 4. That a certified copy of this resolution shall be complete and full evidence of the enactment of this Resolution and of the authority of the respective officers herein named, and said authority shall remain in full force until written notice of revocation thereof shall be received by the bank or a certified copy of a Resolution designating different officers is received by the bank.

Section 5. That any and all resolutions, ordinances, or other orders of the City Council of the City of La Marque which may be in conflict herewith or any provisions thereof are hereby repealed to the extent of such inconsistency.

Section 6. That this Resolution shall become effective on June 10, 2025 and shall remain in effect until amended or superseded.

PASSED AND APPROVED this the _______day of ________________________, 2025.

ATTEST:	**THE CITY OF LA MARQUE, TEXAS**
By: ______________________________	By: ____________________________
Kierra Nance, City Clerk	Keith Bell, Mayor

CITY COUNCIL AGENDA FORM

Meeting Date: August 25, 2025
Agenda Item: 8.V.
Prepared by:
Reviewed by:
Department: City Clerk

AGENDA ITEM DESCRIPTION:
Authorizing certain officers of the City as authorized representatives to administer and manage the City’s investment accounts - *Administration*

STAFF BRIEFING:
Establishing Interim City Manager Barbara Holly, Human Resource Manager Mikala Halbrook, and CIty Clerk Kierra Nance as the authorized representatives for the City's LOGIC investment accounts.

HISTORY:

FISCAL IMPACT:
None.

RESOLUTION CHANGING AUTHORIZED REPRESENTATIVES FOR LOCAL GOVERNMENT INVESTMENT COOPERATIVE

WHEREAS, City of La Marque (the "Government Entity") by authority of that certain Local Government Investment Cooperative Resolution R-2025-______ (the "Resolution") entered into that certain Interlocal Agreement, as amended pursuant to its terms and subsequently designated Participation Agreement and Trust Instrument (the "Agreement") and has become a participant in the public funds investment pool created thereunder known as Local Government Investment Cooperative ("LOGIC");

WHEREAS, the Resolution designated on one or more "Authorized Representatives" within the meaning of the Agreement;

WHEREAS, the Government Entity now wishes to update and designate the following persons as the "Authorized Representatives" within the meaning of the Agreement;

NOW, THEREFORE, BE IT RESOLVED:

The following officers, officials or employees of the Government Entity are hereby designated as "Authorized Representatives" within the meaning of the Agreement, with full power and authority to: deposit money to and withdraw money from the Government Entity's LOGIC account or accounts from time to time in accordance with the Agreement and the Information Statement describing the Agreement and to take all other actions deemed necessary or appropriate for the investment of funds of the Government Entity in LOGIC:

1. Name: Barbara Holly Title: Interim City Manager

   Signature: __________ Phone: __________

   Email: b.holly@cityoflamarque.org

2. Name: Mikala Halbrook Title: Human Resource Manager

   Signature: __________ Phone: __________

   Email: m.halbrook@cityoflamarque.org

3. Name: Kierra Nance Title: City Clerk

   Signature: __________ Phone: __________

   Email: k.nance@cityoflamarque.org

4. Name: __________ Title: __________

   Signature: __________ Phone: __________

   Email: __________

{REQUIRED} PRIMARY CONTACT: List the name of the Authorized Representative listed above that will be designated as the Primary Contact and will receive all LOGIC correspondence including transaction confirmations and monthly statements

Name: Barbara Holly

{OPTIONAL} INQUIRY ONLY CONTACT: In addition, the following additional Participant representative (***not listed above***) is designated as an ***Inquiry Only*** Representative authorized to obtain account information:

Name: ______________________ Title: ______________________

Signature: ______________________ Phone: ______________________

Email: ______________________

Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

The foregoing supersedes and replaces the Government Entity's previous designation of officers, officials or employees of the Government Entity as Authorized Representatives under the Agreement pursuant to paragraph 4 of the Resolution. Except as hereby modified, the Resolution shall remain in full force and effect.

PASSED AND APPROVED this _____ day of ________________, 2025.

City of La Marque

(NAME OF ENTITY/APPLICANT)

SIGNED BY: ______________________

(Signature of official)

Keith Bell, Mayor

(Printed name and title)

ATTESTED BY: ______________________

(Signature of official)

Kierra Nance, City Clerk

(Printed name and title)

OFFICIAL SEAL OF PARTICIPANT (REQUIRED)

CITY COUNCIL AGENDA FORM

Meeting Date: August 25, 2025
Prepared by: Barbara Holly
Department: Administration

Agenda Item: 8.VI.
Reviewed by:

AGENDA ITEM DESCRIPTION:
Approving the draft audit for Fiscal Year 2023 - 2024 - *Finance / Administration*

STAFF BRIEFING:
A draft audit is included for your review. The auditors have committed to providing a completed audit prior to the September 1st deadline, thus complying with SB 1851. The auditors will present the completed audit later in September. As background, the City Attorney has advised the following:
"S.B. 1851 takes effect September 1, 2025. The bill penalizes a city that fails to complete the annual financial audit and financial statement required under Chapter 103, Local Government Code, by potentially prohibiting the city from adopting a property tax rate that exceeds the city's no-new-revenue rate.Cities are already required to conduct an annual financial audit and file a financial statement with the city secretary within 180 days after the last day of the city's fiscal year. Historically, there has been no express penalty for failure to do so. There have always been negative consequences for a city that does not complete the annual audit, such as a poor bond rating or an inability to qualify for state or federal grant money, but there has been no clear statutory penalty. S.B. 1851 changes that by: (1) authorizing any person to submit a complaint to the attorney general of a suspected violation of the requirement to conduct the audit and file the financial statement; and (2) providing that city a may not adopt a property tax rate that exceeds the city's no-new-revenue tax rate for a tax year if the attorney general determines that a city has not complied with the requirements to:
have the city's records and accounts audited;
have the city's annual financial statement prepared based on the audit; or
file the financial statement and the auditor's opinion on the statement in the office of the city secretary or clerk before the 180th day after the last day of the city's fiscal year.One of the largest impediments to compliance with Chapter 103 has been the difficulty in finding certified public accountants (CPAs) to conduct an audit that is affordable for a small city. It is important to note that a city is required to engage a CPA to conduct an audit only if the city's records and accounts are not audited annually by a person prescribed by statute, by charter, or by a person in the regular employ of the city. In other words, a city is technically authorized to designate a city employee to conduct the audit, and may choose to do so if engaging the services of a CPA strains the city's resources. Even if such an approach is legally authorized, the concept of using a city employee to conduct an annual audit is typically not favored by city finance experts. Chapter 103 does not define the terms "audit" or "financial statement."

Because the terms are undefined, a city has broad authority to determine in policy what must be included in the audit and financial statement. The statute itself requires only that the audit be conducted, that the annual financial statement, including the auditor's opinion on the statement, be filed with the city secretary, and that a valuation of assets and liabilities of certain employee benefit programs be included in the financial statement, if applicable.The new law applies to a city's tax rate adoption that occurs on or after the effective date of the bill, which is September 1, 2025. It is not clear how soon the attorney general will begin making determinations that a city is not in compliance with Chapter 103 after that date. Many cities adopt property tax rates after the effective date of the bill (though many adopt property tax rates earlier), and it is not clear whether the new penalty will apply to a city adopting its tax rate for the 2025-26 fiscal year if the city has already missed the deadline to file the financial statement for the 2024-25 fiscal year."

HISTORY:

FISCAL IMPACT:

Maintenance of current tax rate.

ANNUAL
FINANCIAL REPORT

of the

City of La Marque, Texas

For the Year Ended
September 30, 2024

Prepared by:
Finance Department

Christine Turner
Finance Director

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City of La Marque, Texas

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September 30, 2024

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BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of La Marque, Texas:

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of La Marque, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise City of La Marque, Texas's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Marque, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the

14950 Heathrow Forest Pkwy | Suite 530 | Houston, TX 77032 | Tel: 281.907.8788 | Fax: 888.875.0587 | www.BrooksWatsonCPA.com

preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of La Marque, Texas's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of La Marque, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of La Marque, Texas's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note V.F. to the financial statements, due to corrections of prior year accounting errors, the City restated its beginning net position/fund balance within the general fund, governmental activities, utility fund, business-type activities, and discretely presented component unit. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in postemployment benefits other than pensions and related ratios, and budgetary comparison information as listed in the table on contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of La Marque, Texas's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

BrooksWatson & Co.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

Draft

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As management of the City of La Marque, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (net position) at September 30, 2024 by $31,055,187.

- The City's total net position increased by $1,606,683. The majority of the City's net position is invested in capital assets and restricted for specific purposes.

- The City's governmental funds reported combined ending fund balances of $5,983,611 at September 30, 2024, a decrease of $4,512,528 from the prior fiscal year; this includes a decrease of $2,409,066 in the general fund, a decrease of $1,088,299 in the debt service fund, a decrease of $1,412,022 in the GLO-Ike recovery 2 fund, an increase of $424 in the public improvement district fund, an increase of $246,632 in the capital improvements fund, and an increase of $149,803 in the nonmajor governmental funds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $1,077,740 or 5% of total general fund expenditures.

- The City's outstanding bonds, contractual obligations, certificates of obligation, and other liabilities decreased by $1,767,307 from the prior year. The total bonds, certificates of obligation, and contractual obligations at the close of the fiscal year were $28,825,919.

- The City's net pension liability balances totaled $6,888,260 as of year end.

Overview of the Financial Statements

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

Government-Wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, and public works. The business-type activities of the City include water distribution, wastewater collection/treatment, and solid waste collection.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate La Marque Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 20-25 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

The City maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital improvement fund, which are the only major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, capital projects, capital improvements, and various other special revenue funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 26-31 of this report.

<u>Proprietary Funds</u>

The City maintains two type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water distribution, wastewater collection/treatment, and solid waste collection operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, production and distribution, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise. *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the City's various functions. The City uses internal service funds to account for the maintenance and purchase of equipment.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility and the sanitation funds since they are considered major funds of the City.

The basic proprietary fund financial statements can be found on pages 36-39 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two fiduciary funds, the Library Memorial fund and the Seized Property fund. The *private purpose trust fund* reports resources held by the City in a custodial capacity for individuals, private organizations and other governments.

Component Unit

The City maintains the accounting and financial statements for one component unit. The La Marque Economic Development Corporation is a discretely presented component unit displayed on the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 45-101 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison for the general fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of La Marque, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by $31,055,187 as of September 30, 2024, in the primary government.

The largest portion of the City's net position, $31,315,474, reflects its investments in capital assets (e.g., land, city hall complex, recreation hall, streets, water and wastewater system, sanitary landfill systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 20,263,852	$ 11,619,541	$ 31,883,393	$ 23,266,280	$ 10,741,624	$ 34,007,904
Capital assets, net	18,948,826	37,799,954	56,748,780	19,305,382	33,475,090	52,780,472
Total Assets	39,212,678	49,419,495	88,632,173	42,571,662	44,216,714	86,788,376
Deferred Outflows	2,016,876	286,820	2,303,696	3,050,896	483,781	3,534,677
Other liabilities	9,499,069	5,294,829	14,793,898	8,008,552	4,651,507	12,660,059
Long-term liabilities	25,723,251	18,604,702	44,327,953	28,148,445	19,523,280	47,671,725
Total Liabilities	35,222,319	23,899,531	59,121,850	36,156,997	24,174,787	60,331,784
Deferred Inflows	590,667	168,165	758,832	439,427	103,338	542,765
Net Position:						
Net investment in capital assets	7,204,946	24,110,528	31,315,474	7,119,752	18,218,097	25,337,849
Restricted	3,503,626	2,196,029	5,699,655	3,668,400	2,215,939	5,884,339
Unrestricted	(5,292,004)	(667,938)	(5,959,942)	(1,762,018)	(11,666)	(1,773,684)
Total Net Position	$ 5,416,568	$ 25,638,619	$ 31,055,187	$ 9,026,134	$ 20,422,370	$ 29,448,504

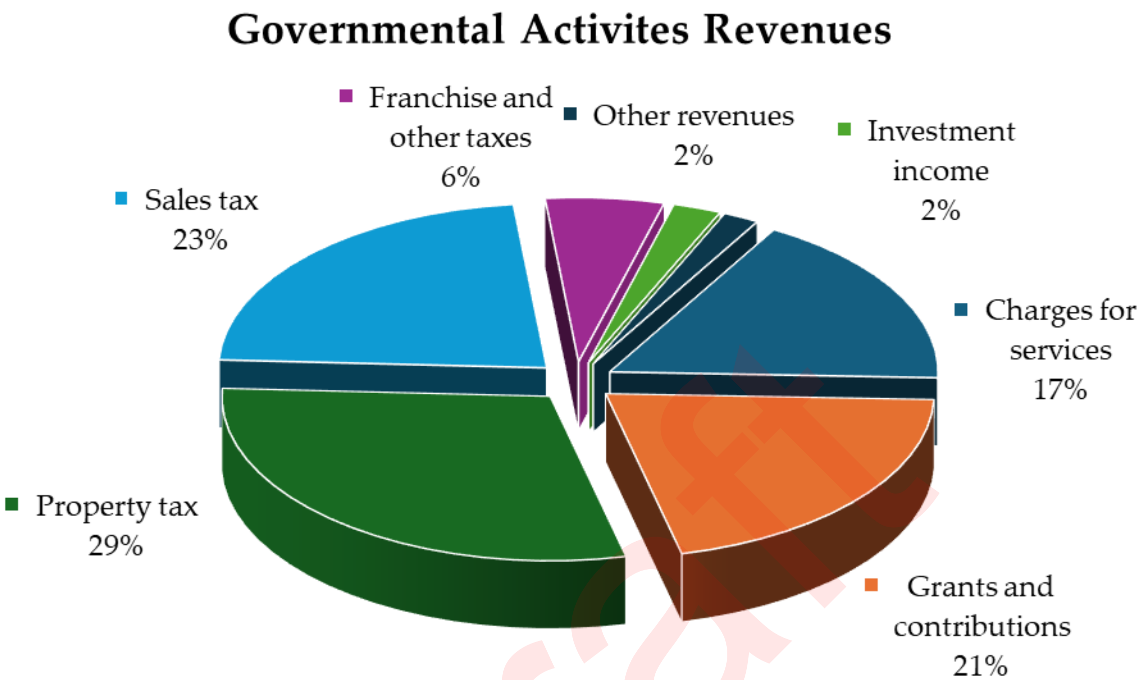
Current assets of governmental activities were $20,263,852 and $23,266,280 as of September 30, 2024 and September 30, 2023, respectively. The decrease of $3,002,428 primarily due to less cash and investments on hand resulting from operating deficits during the year. Capital assets for business-type activities increased by $4,324,864 primarily due to nonrecurring WWTP expansion projects, citywide wastewater system updates, and Main Street waterline projects in the current year. Other liabilities of the primary government increased by $2,133,839 primarily due to nonrecurring vendor payables for infrastructure improvements that remain unpaid at the end of the current year. Long-term liabilities for the primary government decreased by $3,343,773 primarily due to principal payments made towards long-term debt and a decrease in net pension liability in the current year.

Statement of Activities:

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

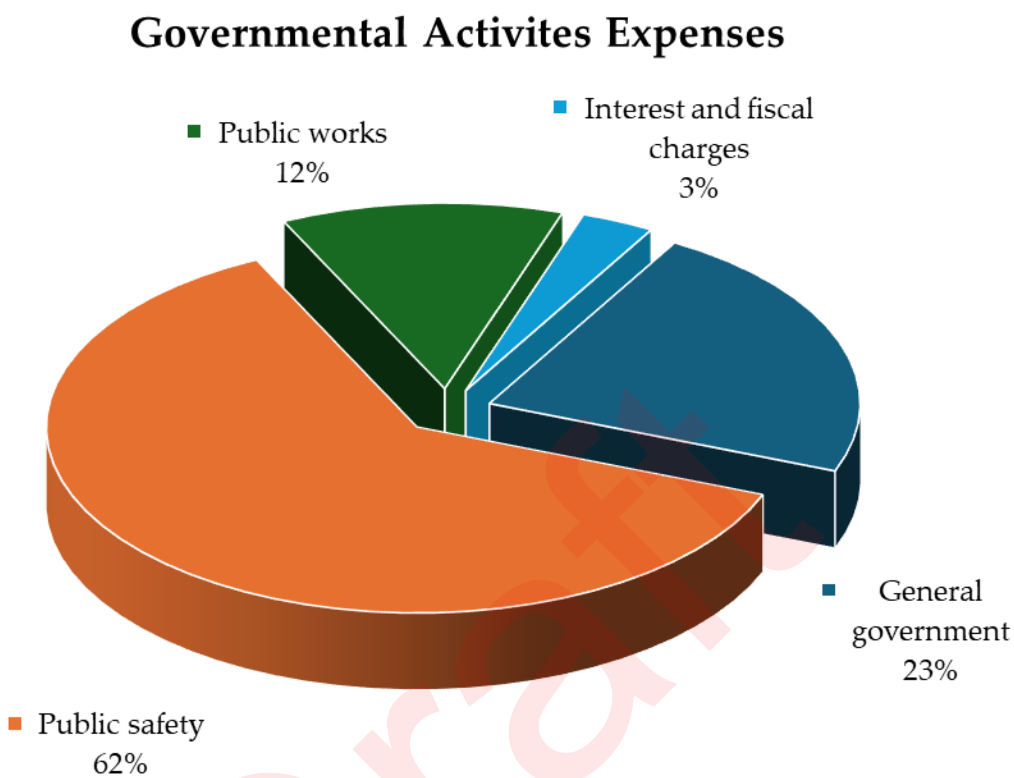
	For the Year Ended September 30, 2024			For the Year Ended September 30, 2023		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 4,255,587	$ 11,736,774	$ 15,992,361	$ 3,257,906	$ 11,139,215	$ 14,397,121
Grants and contributions	5,114,826	-	5,114,826	3,758,122	-	3,758,122
General revenues:						
Property tax	7,279,991	-	7,279,991	7,108,748	-	7,108,748
Sales tax	5,578,092	-	5,578,092	5,478,469	-	5,478,469
Franchise and other taxes	1,438,037	-	1,438,037	1,527,893	-	1,527,893
Investment income	584,774	565,746	1,150,520	556,774	422,311	979,085
Other revenues	436,011	411,816	847,827	332,509	211,713	544,222
Total Revenues	24,687,318	12,714,336	37,401,654	22,020,421	11,773,239	33,793,660
Expenses						
General government	5,022,653	-	5,022,653	5,476,799	-	5,476,799
Public safety	13,769,211	-	13,769,211	11,045,208	-	11,045,208
Public works	2,732,535	-	2,732,535	2,645,199	-	2,645,199
Interest and fiscal charges	707,070	693,118	1,400,188	759,622	542,157	1,301,779
Utility	-	9,309,723	9,309,723	-	9,106,838	9,106,838
Sanitation	-	3,560,660	3,560,660	-	3,050,631	3,050,631
Total Expenses	22,231,470	13,563,501	35,794,971	19,926,828	12,699,626	32,626,454
Change in Net Position Before Transfers	2,455,848	(849,165)	1,606,683	2,093,593	(926,387)	1,167,206
Transfers	(6,065,414)	6,065,414	-	(1,586,313)	1,586,313	-
Total	(6,065,414)	6,065,414	-	(1,586,313)	1,586,313	-
Change in Net Position	(3,609,566)	5,216,249	1,606,683	507,280	659,926	1,167,206
Beginning Net Position	9,026,134	20,422,370	29,448,504	8,518,854	19,762,444	28,281,298
Ending Net Position	$ 5,416,568	$ 25,638,619	$ 31,055,187	$ 9,026,134	$ 20,422,370	$ 29,448,504

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.



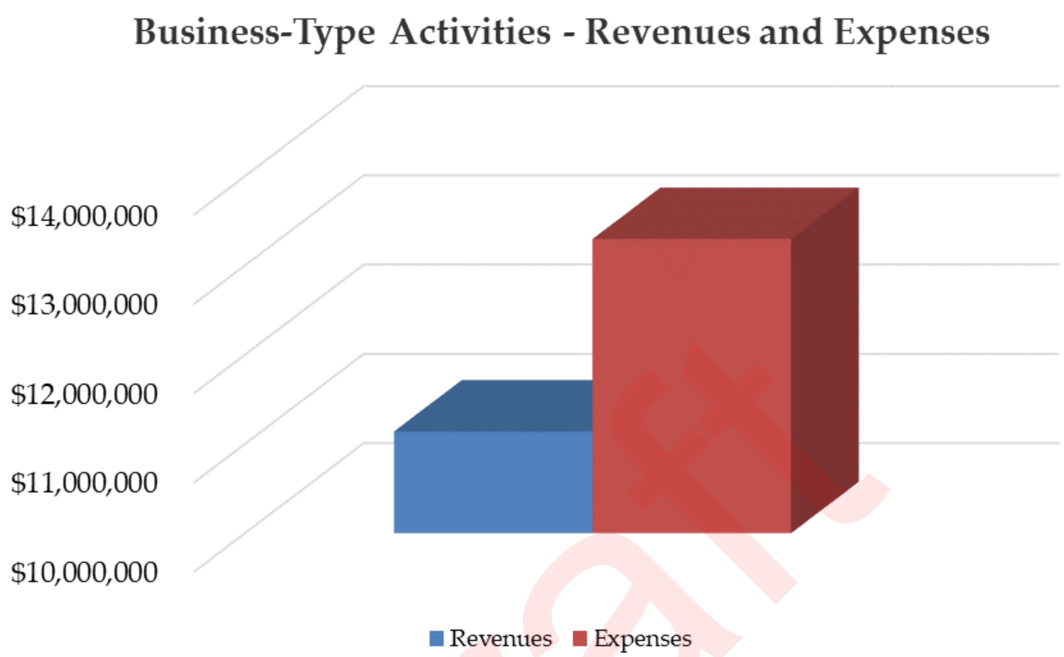
For the year ended September 30, 2024, revenues from governmental activities totaled $24,687,318. Property tax and sales tax are the City's largest general revenue sources. Overall revenue increased $2,666,897 or 12% from the prior year. Charges for services increased by $997,681 or 31% primarily to greater plan review fees, ambulance fees, and fire code plan review fees in the current year. Grants and contributions increased $1,356,704 or 36% primarily as a result of nonrecurring local infrastructure and MIT program grants received in the current year. Franchise and other taxes (special assessments) decreased by $89,856 or 6% due to a reduction in cable and internet franchise fees in the current year. Other revenue increased by $103,502 or 31% due to nonrecurring permit fees related to a new development in the current year. In addition, the increase is due to nonrecurring insurance proceeds and federal seizure funds received in the current year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2024, expenses for governmental activities totaled $22,231,470. This represents an increase of $2,304,642 or 12% from the prior year. The City's largest functional expense is public safety totaling $13,769,211. General government expenses decreased by $454,146 or 8% primarily due to nonrecurring audit, professional fees, and nonrecurring equipment maintenance incurred in the prior year. Public safety expenses increased by $2,724,003 or 25% primarily due to greater personnel/employee benefit costs due to new hires and general increase in wages in the current year. All other expenses remained relatively stable when compared to the previous year.

Business-type activities are shown comparing operating costs to revenues generated by related services.



For the year ended September 30, 2024, charges for services by business-type activities totaled $11,736,774. This is an increase of $597,559 or 5%, from the previous year, which is considered consistent with the prior year.

Total expenses increased $863,875 or 7% to a total of $13,563,501. Sanitation service expenses increased by $510,029 or 17%, primarily due to greater sanitation service costs, resulting from increased customer demand over the current fiscal year. Interest and fiscal charges increased by $150,961 or 28% primarily due to nonrecurring interest payments on the GCWA contractual obligations in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At September 30, 2024, the City's governmental funds reported combined fund balances of $5,983,611, a decrease of $4,512,528 in comparison with the prior year. Of this amount, $410,500, constitutes *unassigned deficit fund balance*. Nonspendable fund balance totaled $86,934 for inventories and prepaids. The remainder of the fund balance is restricted for particular purposes totaling $6,307,177.

As of the end of the year the general fund reflected a total fund balance of $1,163,774. General fund balance decreased by $2,409,066. This decrease is primarily due to higher than anticipated public safety, public works, and debt service expenditures in the current year.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of $1,077,740 is 5% of total general fund operating expenditures.

As of the end of the year the capital improvements fund reflected a fund balance of $3,953,510, an increase of $246,632. The increase is primarily due to greater than expected revenues and less than anticipated expenses throughout the year.

As of the end of the year the debt service fund reflected a fund balance of $46,748, a decrease of $1,088,299. This decrease was a result of transfers to other funds exceeding current year revenues. Debt service payments totaling $1,016,204 were incurred in the current year.

As of the end of the year, the public improvement district no.1 fund reflected a fund balance of $424, which is an increase of $424. Special assessment revenues were slightly greater than debt service expenditures during the year.

As of the end of the year the GLO – Ike recovery 2 fund reflected a fund deficit of $1,488,240, a decrease of $1,412,022. This decrease was primarily a result of transfers out to the water and sewer fund in the current year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the City's largest proprietary fund, the utility fund, totaled $26,344,202. Unrestricted net position at the close of the fiscal year amounted to $37,645, and overall net position increased $5,812,805 from the previous year. Total investment in capital assets, net of related debt was $24,110,528, and capital assets, net of depreciation totaled $37,799,954.

GENERAL FUND BUDGETARY HIGHLIGHTS

Supplemental budget amendments were approved during the fiscal year increasing total budgeted expenditures by $194,313, while budgeted revenues remain unchanged, resulting in a final budgeted decrease in fund balance of $718,112. The amendments were made to account for actual results during the year. Total budgeted revenues of $16,584,874 were less than actual revenues of $17,178,476, resulting in a positive revenue variance of $593,602. Total budgeted expenditures of $18,157,698 were less than actual expenditures of $20,977,468, resulting in a total negative expenditure variance of

$2,819,770. The public safety, public works, capital outlay and debt service departments exceeded appropriations at the legal level of control.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $18,948,826 in a variety of capital assets and infrastructure. The City's business-type activities funds had invested $37,799,954 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, improvements, and infrastructure.

Major capital asset events during the current year include the following:

- Entered into multiple lease agreements totaling $671,231.
- Made improvements to WWTP for $231,621.
- Began the Wisteria project for $73,780.
- Purchased a GMC truck for $178,000.
- Continued work on Westlawn and Highland drainage improvements for $1,390,418.
- Continued work on citywide wastewater collection system improvements totaling $1,872,638.
- Continued progress on the WWTP Resiliency Plan for $801,905.
- Began construction on the Main Street waterline project totaling $875,514.
- Made lift station improvements totaling $736,638.
- Installed AMI meters for $166,346.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

The City's outstanding bonds, contractual obligations, notes payable, certificates of obligation, (excluding premiums and discounts) decreased by $1,698,235 from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year were $22,054,893. The City made $2,369,466 in principal payments on all outstanding debt obligations. The City entered into multiple lease agreements totaling $671,231 in the current year. More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of La Marque and improving services provided to their public citizens. The City is budgeting conservatively for the upcoming year and planning to maintain similar services.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact Finance Director, City of La Marque, 1111 Bayou Road, La Marque, Texas 77568.

FINANCIAL STATEMENTS

City of La Marque, Texas

STATEMENT OF NET POSITION (page 1 of 2)

September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 11,011,816	$ 8,720,243	$ 19,732,059
Receivables, net	3,717,390	1,343,484	5,060,874
Assessment receivable, current	537,468	-	537,468
Prepaid items	46,682	194	46,876
Internal balances	(1,509,775)	1,509,775	-
Due from component unit	1,010,359	-	1,010,359
Inventories	40,252	45,845	86,097
Current Assets	14,854,192	11,619,541	26,473,733
Assessment receivable, noncurrent	5,409,660	-	5,409,660
Capital assets:			
Non-depreciable	582,964	12,493,121	13,076,085
Net depreciable capital assets	18,365,862	25,306,833	43,672,695
Noncurrent Assets	24,358,486	37,799,954	62,158,440
Total Assets	39,212,678	49,419,495	88,632,173
Deferred Outflows of Resources			
Deferred charge on refunding	13,531	-	13,531
Pension outflows - TMRS	1,972,551	282,522	2,255,073
OPEB outflows - Health	20,544	2,867	23,411
OPEB outflows - TMRS	10,250	1,431	11,681
Total Deferred Outflows of Resources	2,016,876	286,820	2,303,696

Component Unit
La Marque EDC
$ 9,692,111
334,803
-
20,568
-
-
-
10,047,482
-
4,584,118
2,967,925
7,552,043
17,599,525
-
51,638
-
-
51,638

Draft

City of La Marque, Texas

STATEMENT OF NET POSITION (page 2 of 2)

September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable and accrued liabilities	$ 3,730,277	$ 1,573,339	$ 5,303,616
Customer deposits	84,528	617,455	701,983
Accrued interest payable	130,985	117,697	248,682
Unearned grant revenue	2,431,226	2,145,702	4,576,928
Compensated absences, current	1,426,190	134,194	1,560,384
Long-term debt due within one year	1,695,863	706,442	2,402,305
Due to primary government	-	-	-
Current Liabilities	9,499,069	5,294,829	14,793,898
Noncurrent liabilities due in more than one year:			
Net pension liability - TMRS	5,471,565	783,433	6,254,998
Net pension liability - SAP	397,237	236,025	633,262
OPEB liability - Health	682,829	95,289	778,118
OPEB liability - TMRS	361,568	50,457	412,025
Compensated absences, noncurrent	158,466	14,911	173,377
Debt due in more than one year	18,651,586	17,424,587	36,076,173
Noncurrent Liabilities	25,723,251	18,604,702	44,327,953
Total Liabilities	35,222,319	23,899,531	59,121,850
Deferred Inflows of Resources			
Pension inflows - TMRS	133,185	19,070	152,255
Pension inflows - SAP	187,526	111,422	298,948
OPEB inflows - TMRS	100,780	14,064	114,844
OPEB inflows - Health	169,176	23,609	192,785
Total Deferred Inflows of Resources	590,667	168,165	758,832
Net Position			
Net investment in capital assets	7,204,946	24,110,528	31,315,474
Restricted for:			
Capital improvements	2,290,824	2,196,029	4,486,853
Tourism	283,210	-	283,210
Police department	126,999	-	126,999
Municipal court	123,468	-	123,468
Public improvement	332,973	-	332,973
Culture and recreation	27,133	-	27,133
Enabling legislation	245,406	-	245,406
Special projects	26,865	-	26,865
Debt service	46,748	-	46,748
Unrestricted	(5,292,004)	(667,938)	(5,959,942)
Total Net Position	$ 5,416,568	$ 25,638,619	$ 31,055,187

See Notes to Financial Statements.

Component Unit
La Marque EDC
$ 211,563
2,128
-
-
95,114
-
1,010,359
1,319,164
142,401
-
-
-
10,567
-
152,968
1,472,132
3,466
-
-
-
3,466
7,476,508
-
-
-
-
-
-
-
974,270
-
7,724,787
$ 16,175,565

City of La Marque, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government				
Governmental Activities				
General government	$ 5,022,653	$ -	$ 712,403	$ -
Public safety	13,769,211	517,044	394,723	-
Public works	2,732,535	3,738,543	-	4,007,700
Interest and fiscal charges	707,070	-	-	-
Total Governmental Activities	22,231,470	4,255,587	1,107,126	4,007,700
Business-Type Activities				
Utility	10,002,841	8,815,571	-	-
Sanitation	3,560,660	2,921,203	-	-
Total Business-Type Activities	13,563,501	11,736,774	-	-
Total Primary Government	$ 35,794,971	$ 15,992,361	$ 1,107,126	$ 4,007,700
Component Unit				
La Marque EDC	$ 1,229,764	$ -	$ -	$ -
Total Component Unit	$ 1,229,764	$ -	$ -	$ -

General Revenues:

Taxes

Property tax

Sales tax

Assessments

Franchise and other taxes

Hotel occupancy taxes

Investment income

Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Beg. Net Position, as previously reported

Error correction

Beg. Net Position, as adjusted

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	La Marque EDC
$ (4,310,250)	$ -	$ (4,310,250)	$ -
(12,857,444)	-	(12,857,444)	-
5,013,708	-	5,013,708	-
(707,070)	-	(707,070)	-
(12,861,057)	-	(12,861,057)	-
-	(1,187,270)	(1,187,270)	-
-	(639,457)	(639,457)	-
-	(1,826,727)	(1,826,727)	-
(12,861,057)	(1,826,727)	(14,687,784)	-
			(1,229,764)
			(1,229,764)
7,279,991	-	7,279,991	-
5,578,092	-	5,578,092	1,859,628
244,008	-	244,008	-
1,061,892	-	1,061,892	-
132,137	-	132,137	-
584,774	565,746	1,150,520	462,085
436,011	411,816	847,827	25,361
(6,065,414)	6,065,414	-	-
9,251,491	7,042,976	16,294,467	2,347,074
(3,609,566)	5,216,249	1,606,683	1,117,310
9,178,888	19,843,159	29,022,047	15,036,255
(152,754)	579,211	426,457	22,000
9,026,134	20,422,370	29,448,504	15,058,255
$ 5,416,568	$ 25,638,619	$ 31,055,187	$ 16,175,565

City of La Marque, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2024

		General		Debt Service		GLO - Ike Recovery 2		Public Improvement District No. 1
Assets								
Cash and cash equivalents	$	3,771,829	$	895,818	$	-	$	99,074
Receivables, net		1,697,225		63,157		1,887,290		-
Assessments receivable		-		-		-		5,947,128
Inventory		40,252		-		-		-
Prepaids		45,782		-		-		-
Due from other funds		182,708		-		-		-
Due from component unit								
Total Assets	$	5,737,796	$	958,975	$	1,887,290	$	6,046,202
Liabilities								
Accounts payable and accrued liabilities	$	1,451,427	$	55	$	2,099,927	$	98,650
Customer deposits		84,528		-		-		-
Unearned grant revenue		2,431,226		-		-		-
Due to other funds		128,793		849,015		328,851		-
Total Liabilities		4,095,974		849,070		2,428,778		98,650
Deferred Inflows of Resources								
Unavailable revenue - grants		-		-		946,752		-
Unavailable revenue - EMS		252,098		-		-		-
Unavailable revenue - assessments		-		-		-		5,947,128
Unavailable revenue - property taxes		225,950		63,157		-		-
Total Deferred Inflows of Resources		478,048		63,157		946,752		5,947,128
Fund Balances								
Nonspendable:								
Inventories		40,252		-		-		-
Prepaids		45,782		-		-		-
Restricted for:								
Capital improvements		-		-		-		-
Special revenue		-		-		-		-
Public improvement		-		-		-		424
Debt service		-		46,748		-		-
Unassigned		1,077,740		-		(1,488,240)		-
Total Fund Balances		1,163,774		46,748		(1,488,240)		424
Total Liabilities, Deferred Inflows and Fund Balances	$	5,737,796	$	958,975	$	1,887,290	$	6,046,202

See Notes to Financial Statements.

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
$ 2,785,199	$ 2,863,907	$ 10,415,827
-	69,718	3,717,390
-	-	5,947,128
-	-	40,252
-	900	46,682
196,365	626,750	1,005,823
1,010,359	-	1,010,359
$ 3,991,923	$ 3,561,275	$ 22,183,461
$ 38,413	$ 41,805	$ 3,730,277
-	-	84,528
-	-	2,431,226
-	1,212,075	2,518,734
38,413	1,253,880	8,764,765
-	-	946,752
-	-	252,098
-	-	5,947,128
-	-	289,107
-	-	7,435,085
-	-	40,252
-	900	46,682
3,953,510	1,140,865	5,094,375
-	1,165,630	1,165,630
-	-	424
-	-	46,748
-	-	(410,500)
3,953,510	2,307,395	5,983,611
$ 3,991,923	$ 3,561,275	$ 22,183,461

City of La Marque, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2024

Fund Balances - Total Governmental Funds

Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - non-depreciable
Capital assets - net depreciable
Net pension asset

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

Property tax receivable
Assessment receivable
Grants receivable
EMS receivable

Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.

Deferred charges on refunding
Deferred pension outflows - TMRS
Deferred OPEB outflows - TMRS
Deferred OPEB outflows - Health

Internal service funds are used by management to charge the cost of equipment services and replacement to individual funds. The assets/liabilities of the internal service funds are included in governmental activities in the statement of net position

Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred pension inflows -TMRS
Deferred pension inflows -SAP
Deferred OPEB inflows - TMRS
Deferred OPEB inflows - Health

Some liabilities, including bonds payable and compensated absences, are not reported as liabilities in the governmental funds.

Net pension liability - TMRS
Net pension liability - SAP
OPEB liability - Health
OPEB liability - TMRS
Compensated absences
Accrued interest
Bond premium
Non-current liabilities due in one year
Non-current liabilities due in more than one year

Net Position of Governmental Activities

See Notes to Financial Statements.

$	5,983,611
	582,964
	18,365,862
	289,107
	5,947,128
	946,752
	252,098
	13,531
	1,972,551
	10,250
	20,544
	599,125
	(133,185)
	(187,526)
	(100,780)
	(169,176)
	(5,471,565)
	(397,237)
	(682,829)
	(361,568)
	(1,584,655)
	(130,985)
	(388,277)
	(1,695,863)
	(18,263,309)
$	5,416,568

City of La Marque, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2024

	General	Debt Service	GLO - Ike Recovery 2	Public Improvement District No. 1
Revenues				
Property tax	$ 5,246,648	$ 1,861,544	$ -	$ -
Sales tax	5,578,092	-	-	-
Special assessments	-	-	-	787,571
Franchise and other taxes	1,030,248	-	-	-
Hotel occupancy taxes	-	-	-	-
License and permits	1,836,642	-	-	-
Charges for services	1,878,018	-	-	-
Fines and forfeitures	491,245	-	-	-
Intergovernmental	388,678	-	-	-
Contributions and donations	81,863	-	4,007,700	-
Investment income	326,929	30,646	-	-
Other revenues	320,113	-	-	-
Total Revenues	17,178,476	1,892,190	4,007,700	787,571
Expenditures				
Current:				
General government	4,539,833	-	-	-
Public safety	13,818,911	-	-	-
Public works	1,755,919	-	37,003	-
Debt service:				
Principal	505,190	619,962	-	543,562
Interest and fiscal charges	109,852	396,242	-	243,585
Capital outlay	247,763	-	243,911	-
Total Expenditures	20,977,468	1,016,204	280,914	787,147
Excess of Revenues Over (Under) Expenditures	(3,798,992)	875,986	3,726,786	424

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 146,757	$ 7,254,949
-	-	5,578,092
-	-	787,571
-	31,644	1,061,892
-	132,137	132,137
-	-	1,836,642
-	-	1,878,018
-	25,799	517,044
-	6,045	394,723
-	-	4,089,563
143,585	69,723	570,883
-	115,898	436,011
143,585	528,003	24,537,525
-	219,825	4,759,658
-	50,457	13,869,368
-	-	1,792,922
-	-	1,668,714
-	-	749,679
246,953	21,027	759,654
246,953	291,309	23,599,995
(103,368)	236,694	937,530

City of La Marque, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended September 30, 2024

	General	Debt Service	GLO - Ike Recovery 2	Public Improvement District No. 1
Other Financing Sources (Uses)				
Transfers in	$ 1,124,712	$ -	$ -	$ -
Transfers (out)	(350,142)	(1,964,285)	(5,138,808)	-
Lease issuance	615,356	-	-	-
Total Other Financing Sources (Uses)	1,389,926	(1,964,285)	(5,138,808)	-
Net Change in Fund Balances	(2,409,066)	(1,088,299)	(1,412,022)	424
Beg. fund balances, as previously reported	3,833,210	1,135,047	(76,218)	-
Error correction	(260,370)	-	-	-
Beg. fund balances, as adjusted	3,572,840	1,135,047	(76,218)	-
Ending Fund Balances	$ 1,163,774	$ 46,748	$ (1,488,240)	$ 424

See Notes to Financial Statements.

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
$ 350,000	$ 142	$ 1,474,854
-	(87,033)	(7,540,268)
-	-	615,356
350,000	(86,891)	(5,450,058)
246,632	149,803	(4,512,528)
3,706,878	2,157,592	10,756,509
-	-	(260,370)
3,706,878	2,157,592	10,496,139
3,953,510	$ 2,307,395	$ 5,983,611

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City of La Marque, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	$	(4,512,528)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		1,019,626
Depreciation expense		(1,376,182)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		135,902
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension expense - TMRS		18,542
Pension expense - SAP		158,162
Compensated absences		(111,844)
Other post employment benefits - TMRS		(8,867)
Other post employment benefits - Health		(42,235)
Accrued interest		8,973
Amortization of deferred charges on refunding		(2,706)
Amortization of bond premium and discounts		36,342
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments		1,125,152
Developer payable		543,562
Lease issuance		(615,356)
Internal service funds are used by management to charge the cost of equipment services and replacement to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		13,891
Change in Net Position of Governmental Activities	$	(3,609,566)

See Notes to Financial Statements.

City of La Marque, Texas

STATEMENT OF NET POSITION (Page 1 of 2)

PROPRIETARY FUNDS

September 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Utility	**Sanitation**	**Total**	**Internal Service**
Assets				
Current Assets				
Cash and cash equivalents	$ 8,719,267	$ 976	$ 8,720,243	$ 595,989
Receivables, net	990,222	353,262	1,343,484	-
Prepaid items	194	-	194	-
Due from other funds	2,601,084	299,572	2,900,656	3,136
Inventories	45,845	-	45,845	-
Total Current Assets	12,356,612	653,810	13,010,422	599,125
Noncurrent Assets				
Capital assets:				
Non-depreciable	12,493,121	-	12,493,121	-
Net depreciable capital assets	25,306,833	-	25,306,833	-
Total Noncurrent Assets	37,799,954	-	37,799,954	-
Total Assets	50,156,566	653,810	50,810,376	599,125
Deferred Outflows of Resources				
Pension outflows - TMRS	282,522	-	282,522	-
OPEB outflows - Health	2,867	-	2,867	-
OPEB outflows - TMRS	1,431	-	1,431	-
Total Deferred Outflows of Resources	286,820	-	286,820	-

City of La Marque, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

PROPRIETARY FUNDS

September 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Utility	Sanitation	Total	Internal Service
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	$ 1,285,088	$ 288,251	$ 1,573,339	$ -
Customer deposits	617,455	-	617,455	-
Compensated absences, current	134,194	-	134,194	-
Current maturities of long-term liabilities	706,442	-	706,442	-
Due to other funds	319,739	1,071,142	1,390,881	-
Unearned grant revenue	2,145,702	-	2,145,702	-
Accrued interest	117,697	-	117,697	-
Total Current Liabilities	5,326,317	1,359,393	6,685,710	-
Noncurrent Liabilities				
Net pension liability - TMRS	783,433	-	783,433	-
Net pension liability - SAP	236,025	-	236,025	-
OPEB liability - TMRS	50,457	-	50,457	-
OPEB liability - Health	95,289	-	95,289	-
Compensated absences, noncurrent	14,911	-	14,911	-
Long-term liabilities	17,424,587	-	17,424,587	-
Total Liabilities	23,931,019	1,359,393	25,290,412	-
Deferred Inflows of Resources				
Pension inflows - TMRS	19,070	-	19,070	-
Pension inflows - SAP	111,422	-	111,422	-
OPEB inflows - TMRS	14,064	-	14,064	-
OPEB inflows - Health	23,609	-	23,609	-
Total Deferred Inflows of Resources	168,165	-	168,165	-
Net Position				
Net investment in capital assets	24,110,528	-	24,110,528	-
Restricted for:				
Capital projects	2,196,029	-	2,196,029	-
Unrestricted	37,645	(705,583)	(667,938)	599,125
Total Net Position	$ 26,344,202	$ (705,583)	$ 25,638,619	$ 599,125

See Notes to Financial Statements.

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City of La Marque, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended September 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Utility	**Sanitation**	**Total**	**Internal Service**
Operating Revenues				
Charges for services	$ 8,815,571	$ 2,921,203	$ 11,736,774	$ -
Other income	368,915	42,901	411,816	-
Total Operating Revenues	9,184,486	2,964,104	12,148,590	-
Operating Expenses				
Personnel services	1,993,907	-	1,993,907	-
Contractual services	696,651	3,560,660	4,257,311	-
Materials and supplies	559,805	-	559,805	-
Utilities	451,937	-	451,937	-
Purchased water	1,684,396	-	1,684,396	-
Repairs and maintenance	1,807,123	-	1,807,123	-
Depreciation	1,945,684	-	1,945,684	-
Capital outlay	170,220	-	170,220	-
Total Operating Expenses	9,309,723	3,560,660	12,870,383	-
Operating Income (Loss)	(125,237)	(596,556)	(721,793)	-
Nonoperating Revenues (Expenses)				
Investment income	565,746	-	565,746	13,891
Interest expense	(693,118)	-	(693,118)	-
Nonoperating Revenues (Expenses)	(127,372)	-	(127,372)	13,891
Income (Loss) Before Transfers	(252,609)	(596,556)	(849,165)	13,891
Transfers				
Transfers in	7,103,093	-	7,103,093	-
Transfers (out)	(1,037,679)	-	(1,037,679)	-
Change in Net Position	5,812,805	(596,556)	5,216,249	13,891
Beg. net position, as previously reported	19,952,186	(109,027)	19,843,159	585,234
Error correction	579,211	-	579,211	-
Beg. net position, as adjusted	20,531,397	(109,027)	20,422,370	585,234
Ending Net Position	$ 26,344,202	$ (705,583)	$ 25,638,619	$ 599,125

See Notes to Financial Statements.

City of La Marque, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Utility	Sanitation	Total	Internal Service
Cash Flows from Operating Activities				
Receipts from customers	$ 9,318,765	$ 3,023,589	$ 12,342,354	$ -
Payments to suppliers and contractors	(6,732,763)	(3,023,556)	(9,756,319)	-
Payments to employees	(1,868,507)	-	(1,868,507)	-
Net Cash Provided (Used) by Operating Activities	717,495	33	717,528	-
Cash Flows from Noncapital Financing Activities				
Transfers in	7,103,093	-	7,103,093	-
Transfers (out)	(1,037,679)	-	(1,037,679)	-
Net Cash Provided (Used) by Noncapital Financing Activities	6,065,414	-	6,065,414	-
Cash Flows from Capital and Related Financing Activities				
Purchases of capital assets	(6,214,673)	-	(6,214,673)	-
Principal paid on capital debt	(700,752)	-	(700,752)	-
Interest paid on capital debt	(725,848)	-	(725,848)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(7,641,273)	-	(7,641,273)	-
Cash Flows from Investing Activities				
Interest on investments	565,746	-	565,746	13,891
Net Cash Provided (Used) by Investing Activities	565,746	-	565,746	13,891
Net Increase (Decrease) in Cash and Cash Equivalents	(292,618)	33	(292,585)	13,891
Beginning cash and cash equivalents	9,011,885	943	9,012,828	582,098
Ending Cash and Cash Equivalents	$ 8,719,267	$ 976	$ 8,720,243	$ 595,989

See Notes to Financial Statements.

Draft

City of La Marque, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Utility	**Sanitation**	**Total**	**Internal Service**
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	$ (125,237)	$ (596,556)	$ (721,793)	$ -
Adjustments to reconcile operating income to net cash provided (used):				
Depreciation	1,945,684	-	1,945,684	-
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Accounts receivable	210,879	59,485	270,364	-
Inventory	-	-	-	-
Prepaid items	38,998	-	38,998	-
Due from other funds	(2,059,187)	(299,572)	(2,358,759)	-
Deferred Outflows of Resources:				
Pension liab - TMRS	196,749	-	196,749	-
Pension liab - SAP	-	-	-	-
OPEB liab - Health	(528)	-	(528)	-
OPEB liab - TMRS	(3,490)	-	(3,490)	-
Increase (Decrease) in:				
Accounts payable and accrued expenses	337,819	277,520	615,339	-
Customer deposits	(76,600)	-	(76,600)	-
Compensated absences	77,641	-	77,641	-
Due to other funds	319,739	559,156	878,895	-
Net pension liability - TMRS	(278,418)	-	(278,418)	-
Net pension liability - SAP	58,885	-	58,885	-
OPEB liability - TMRS	2,697	-	2,697	-
OPEB liability - Health	2,807	-	2,807	-
Deferred Inflows of Resources:				
Pension inflows - TMRS	19,070	-	19,070	-
Pension inflows - SAP	49,987	-	49,987	-
Net Cash Provided (Used) by Operating Activities	$ 717,495	$ 33	$ 717,528	$ -
Schedule of Non-Cash Capital and Related Financing Activities				
Lease issuance	$ 55,875	$ -	$ 55,875	$ -

See Notes to Financial Statements.

City of La Marque, Texas

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

September 30, 2023

		Custodial Funds
Assets		
Cash and cash equivalents	$	4,793
Total Assets		4,793
Net Position		
Restricted		4,793
Total Net Position	$	4,793

City of La Marque, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended September 30, 2024

		Custodial Funds
Additions		
Investment earnings	$	171
Other revenue		50
Total Additions		221
Deductions		
Intergovernmental expenses		6,045
Total Deductions		6,045
Change in Net Position		(5,824)
Beginning net position		10,617
Ending Net Position	$	4,793

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The City of La Marque, Texas (the "City") was incorporated in 1953. In 1957, the City adopted a Home Rule form of government and operates under a Council-Manager form of government. The City is governed by an elected mayor and four-member City Council. The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the City Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: police, fire, ambulance, streets, water and wastewater utilities, solid waste, code enforcement, parks and recreation, public library, public improvements, community development, and general administrative services.

For financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability – The primary government is deemed to be financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

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

Discretely Presented Component Unit

La Marque Economic Development Corporation

All powers of the La Marque Economic Development Corporation (the "EDC") are vested in a Board consisting of five persons who are appointed by the City Council. The Board acts on behalf of the City in administering the provisions of Section 4A, Article 5190.6, of the Development Act of 1970, State of Texas. The Corporation is funded by a one half of one percent local sales and use tax approved by local voters. City Council approval is required for annual budgets. In addition, the Corporation is prohibited from issuing bonded debt without approval of the City Council. The Corporation does not qualify as a blended component unit due to services that directly benefit the community rather than the City itself.

Complete financial statements for the component unit may be obtained by contacting the entity's administrative offices at La Marque Economic Development Corporation, 1130 First Street, La Marque, Texas 77568.

Blended Component Units

La Marque Public Improvement District No. 1

This entity was created to provide the financing and management tool needed to facilitate the development of a master planned community. The revenues are derived from an assessment levied against each residential lot. The City will take title, maintain, operate, and repair any infrastructure donated to the City by the developer. The PID does not prepare separate financial statements. The PID is accounted for as a special revenue fund, with the City's financial oversight. This is considered a complete presentation of this component unit.

Omega Bay Tax Incremental Reinvestment Zone

The Omega Bay Tax Incremental Reinvestment Zone "TIRZ" was created as a financing tool that uses tax revenues generated by future increases in property values to pay for public improvements in the Omega Bay subdivision. Public improvements must be defined by the board of the Omega Bay TIRZ which consist of two State officials and seven board members that are nominated and appointed by the Mayor. The Mayor's nomination and appointment of the seven of the nine board members is subject to consent and approval of the City Council. The revenues are derived from property tax increments which is the increase in tax revenues associated with the property value increases after commencement. The Omega Bay TIRZ commenced on January 1, 2020 and terminates on December 31, 2050. The property tax increments starting in fiscal year 2021 will be recorded within the Omega Bay TIRZ fund. The City will take title, maintain, operate, and repair any infrastructure from improvements within the Omega Bay TIRZ subdivision. The TIRZ does not prepare separate financial statements. The TIRZ is accounted for as a special revenue fund, with the City's financial oversight. This is considered a complete presentation of this component unit.

C. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As discussed earlier, the government has one discretely presented component unit and is shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, emergency services, and charges for services. Expenditures include general government, public safety, public works, capital outlay, and debt service.

Capital Improvements Fund

The capital improvement fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects funds include the capital projects fund and the capital improvements fund. The capital projects fund is considered nonmajor for reporting purposes. The capital improvements fund is considered major for reporting purposes.

GLO – Ike Recovery 2 Fund

This fund accounts for revenues and expenditures related to hurricane recovery grants.

Debt Service Fund

The City's debt service fund accounts for the accumulation of resources to service the City's governmental long-term debt. This fund is considered major for reporting purposes.

Public Improvement District No. 1 Fund

Public Improvement District Number One ("PID") was created pursuant to Chapter 372 of the Texas Local Government Code. The City created the PID as a mechanism to finance public infrastructure improvements within the PID boundaries. These improvements consist of the construction of water lines, sanitary sewer lines, storm sewers, paving, parks, public landscaping, recreational amenities, erosion control, contingency provisions, engineering services, financing costs, and administrative and legal services for the PID. The City Council found that the improvements would serve to promote the construction of single-family units and confer a special benefit to properties within the PID. Consequently, it would be necessary to apportion the costs of the improvements against property owners in the PID by special assessments. Initially, the public improvements would be prefunded by the developers of the residential subdivisions within the PID. The developers would then be entitled to receive reimbursement of the public improvement costs, subject to limitations contained in their development agreements with the City. The PID does not prepare separate financial statements. The PID is presented as a major governmental fund in the basic financial statements and is considered a complete presentation of this component unit.

The government reports the following major enterprise funds:

Utility Fund

The utility fund accounts for the operation of the City's water and wastewater collection and wastewater treatment. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges.

Sanitation Fund

The sanitation fund is used to account for the activities necessary for the provisions of solid waste collection and disposal services.

Additionally, the government reports the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes (not including expendable trusts or major capital projects) in a special revenue fund. These funds consist of the Comcast public, educational, and governmental access (PEG) fees fund; police department child outreach program fund; hotel/motel fund; drug seizure fund; public improvement district no. 1 fund (major fund as of yearend); parks fund; court technology fund; court security fund; child safety fund; law enforcement officers standards and education (LEOSE) training fund; clean city fund; library grants fund, GLO – Ike recovery 2 fund (major fund as of yearend), and the Omega Bay TIRZ fund.

Internal Service Fund

The City's internal service fund account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The equipment replacement fund is used to account for the internal cash funding for equipment replacement costs as needed by City departments.

Fiduciary Funds

The City's fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City maintains two fiduciary funds, the library memorial fund and the seized property fund.

The library memorial fund is a *private-purpose trust fund* and is used to account for contributions legally held in a trust for the purchase of library books.

The seized property fund is a *custodial fund* and is used to account for property seized that is held in a custodial capacity.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Custodial funds uses economic resources measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

E. Assets, Liabilities, Deferred Outflows / Inflows, and Fund Equity or Net Position

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price. The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

Direct obligations of the U.S. Government
Fully collateralized certificates of deposit and money market accounts
Statewide investment pools

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

Inventories are recorded in the general and utility funds and are stated at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The consumption method is used to recognize expenditures. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid services is recorded based on when prepaids were consumed rather than when purchased.

5. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. Restricted assets of the enterprise fund are restricted for customer deposits and by bond covenants for repayment of debt and to finance construction projects.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than $5,000 for furniture and equipment; $25,000 for buildings, improvements, and infrastructure; and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and capital items received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Buildings and structures	20 - 40 years
Vehicles	10 years
Machinery and equipment	5 - 20 years
Furniture and office equipment	5 - 6 years
Improvements other than buildings	20 – 40 years

7. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and EMS. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

By resolution, the City Council has also authorized the City Manager and the Finance Director as the officials authorized to assign fund balance to a specific purpose. Assignments of fund balance do not require formal action by the City Council; however, each assignment must be approved by both authorized officials before the item can be presented in the financial statements.

The City strives to maintain an unassigned fund balance of not less than 25 percent of the budgeted operational expenditures in all City funds. The purpose of the unassigned balance is to alleviate significant unanticipated budget shortfalls and to ensure the orderly provisions of services to citizens. If unassigned fund balance falls below the goal or has a deficiency, the City will seek to reduce expenditures prior to increasing revenues to replenish fund balance within a reasonable timeframe.

11. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, notes payable, and lease obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

12. Leases

Lessee: The City is a lessee for noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full-accrual financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

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

13. Subscription Based Information Technology Agreements

The City implemented the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements ("SBITA"). Upon implementation, the City recorded right to use assets and subscription liabilities based on the present value of the payments for the related arrangements. The assets are included within capital assets, and amortized straight-line over the term of the arrangement. The liabilities accrue interest at the implied rate estimated by the City, and are relieved with payments over the term of the arrangements.

14. Pensions

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

The City also provides a supplemental annuity plan (SAP) through a single-employer defined benefit plan. The SAP is an unfunded, pay-as-you-go plan. Information about the City's total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense is provided by the City's consulting actuary.

15. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is $7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

The City also provides medical benefits to eligible retirees through a single-employer defined benefit plan. This plan is an unfunded, pay-as-you-go plan. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by the City's consulting actuary.

16. Estimates

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

3. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick, and compensatory time. Accumulated vacation is limited to maximum of two years credit for all City employees.

Length of Service	Max. Vacation Leave Accrual
Up to 5 years	160 hours
6 to 10 years	240 hours
11 to 20 years	320 hours
Greater than 21 years	400 hours

Accumulated sick leave is limited to 1,040 hours. An employee who resigns or terminates employment will be paid at the employee's regular pay scale not to exceed one month's pay

(160 hours). Employees who retire from employment will be paid a lump sum of all accumulated sick leave within established limits.

The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund, storm water drainage, airport, and sanitary landfill funds are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects funds, which adopt project length budgets. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control, as defined by the charter, in the approved budget is the department level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets.

Supplemental budget appropriations were made for the year ended September 30, 2024. The general fund, debt service fund, Comcast PEG fees fund, hotel/motel fund, public improvement district no. 1 fund, capital projects fund, capital improvements fund, parks fund, court technology fund, court security fund, child safety fund, LEOSE training fund, Omega Bay TIRZ fund, and the clean city fund have legally adopted annual budgets. Budgets were not adopted for the Police Department Child Outreach Program, Library Grants, Drug Seizure Fund, and GLO – Ike Recovery 2 fund.

A. Expenditures Over Appropriations

For the year ended September 30, 2024, expenditures exceeded appropriations at the legal level of control as follows:

General Fund:	
Public safety	$2,764,732
Public works	96,400
Capital outlay	220,752
Debt service	498,958
Debt Service Fund:	
Transfers (out)	$1,964,285
Parks Fund:	
General government	$ 17,760
Court Technology Fund:	
General government	$ 8,251
Court Security Fund:	
Transfers (out)	$ 2,500

LEOSE Training Fund:		
Capital outlay	$	7,373
Clean City Fund:		
General government	$	1,589
Comcast PEG Fees Fund:		
Capital outlay	$	21,027

B. Deficit Fund Balance

At September 30, 2024, the Sanitation fund and GLO – Ike Recovery 2 fund had a deficit fund balance of $705,583 and $1,488,240. The deficit will be eliminated in the future through reduction of expenditures, increase in revenues, or reimbursements from other funds.

C. Restricted Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of net position restricted by the City:

		Restricted
Capital improvements	$	4,486,853
Tourism		283,210
Police department		126,999
Municipal court		123,468
Public improvement		332,973
Culture and recreation		27,133
Enabling legislation		245,406
Special projects		26,865
Debt service (governmental)		46,748
	$	5,699,655

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2024, the primary government had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
Money market funds	$ 851,887	0.003
External investment pools	17,092,015	0.10
Total value	$ 17,943,902	
Portfolio weighted average maturity		0.10

As of September 30, 2024, the discretely presented component unit had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	$ 8,605,915	0.11
Total value	$ 8,605,915	
Portfolio weighted average maturity		0.11

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk: The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2024, the City's investment in investment pools were rated AAAm by Standard & Poor's.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2024, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeep securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. There were no limitations or restrictions on withdrawals.

LOGIC

The Local Government Investment Cooperative ("LOGIC") is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. LOGIC was created by contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators, providing investment management services, participant services, and marketing, respectively. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services.

LOGIC operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. LOGIC uses the amortized cost valuation technique, which generally approximates the fair value of the assets, has been deemed to be a proxy for fair value.

Accordingly, the fair value of the position in LOGIC are the same as the value of LOGIC shares. There were no limitations or restrictions on withdrawals.

Texas CLASS

Texas CLASS is a local government investment pool created to meet the cash management and short-term investment needs of Texas governmental entities. Texas CLASS Government seeks to provide participants with a competitive market yield while maintaining daily liquidity and a stable net asset value. Texas CLASS Government is rated 'AAAm' by S&P Global Ratings. There were no limitations or restrictions on withdrawals.

B. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

C. Receivables

The following comprise receivable balances of the primary government at year end:

Governmental Activities

	General	GLO - Ike Recovery 2	Debt Service	PID No. 1	Nonmajor Governmental	Total
Property taxes	$ 752,094	$ -	$ 210,525	$ -	$ -	$ 962,619
Sales tax	1,003,920	-	-	-	-	1,003,920
Hotel/motel taxes	-	-	-	-	60,653	60,653
Court	273,699	-	-	-	-	273,699
Ambulance billing	497,018	-	-	-	-	497,018
Special assessments	-	-	-	5,947,128	-	5,947,128
Grants	-	1,887,290	-	-	-	1,887,290
Other	56,398	-	-	-	9,065	65,463
Allowance	(885,904)	-	(147,368)	-	-	(1,033,272)
	$ 1,697,225	$ 1,887,290	$ 63,157	$ 5,947,128	$ 69,718	$ 9,664,518

Business-Type Activities

	Utility	Sanitation	Total
Accounts	$ 2,559,241	$ 1,175,291	$ 3,734,532
Other	167,704	-	167,704
Allowance	(1,736,723)	(822,029)	(2,558,752)
	$ 990,222	$ 353,262	$ 1,343,484

The discretely presented component unit had receivables of $334,803 as of yearend which consisted entirely of sales tax.

D. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 210,370	$ -	$ -	$ 210,370
Construction in progress	188,703	183,891	-	372,594
Total capital assets not being depreciated	399,073	183,891	-	582,964
Capital assets, being depreciated:				
Buildings and improvements	11,826,207	-	-	11,826,207
Improvements other than buildings	29,024,810	-	-	29,024,810
Vehicles	4,056,351	178,000	-	4,234,351
Right-of-use assets	1,388,078	615,356	-	2,003,434
Machinery and equipment	4,244,716	37,250	-	4,281,966
Furniture and office equipment	396,167	5,129	-	401,296
SBITAs	537,156	-	-	537,156
Total capital assets being depreciated	51,473,485	835,735	-	52,309,220
Less accumulated depreciation				
Buildings and improvements	(3,781,518)	(280,891)	-	(4,062,409)
Improvements other than buildings	(21,070,679)	(443,113)	-	(21,513,792)
Vehicles	(2,765,459)	(201,353)	-	(2,966,812)
Right-of-use assets	(854,151)	(321,212)	-	(1,175,363)
Machinery and equipment	(3,691,337)	(74,907)	-	(3,766,244)
Furniture and office equipment	(350,316)	(990)	-	(351,306)
SBITAs	(53,716)	(53,716)	-	(107,432)
Total accumulated depreciation	(32,567,176)	(1,376,182)	-	(33,943,358)
Net capital assets being depreciated	18,906,309	(540,447)	-	18,365,862
Total Capital Assets	$ 19,305,382	$ (356,556)	$ -	$ 18,948,826

Depreciation was charged to governmental functions as follows:

General government	$ 275,413
Public safety	538,196
Public works	562,573
Total Governmental Activities Depreciation Expense	$ 1,376,182

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 209,774	$ -	$ -	$ 209,774
Construction in progress	6,418,831	6,067,005	(202,489)	12,283,347
Total capital assets not being depreciated	6,628,605	6,067,005	(202,489)	12,493,121
Capital assets, being depreciated:				
Buildings and improvements	116,805	-	-	116,805
Improvements other than buildings	57,938,404	26,498	202,489	58,167,391
Vehicles	1,611,783	-	-	1,611,783
Right-of-use assets	697,056	55,875	-	752,931
Intangible assets	4,334,371	-	-	4,334,371
Machinery and equipment	1,816,170	121,170	-	1,937,340
Total capital assets being depreciated	66,514,589	203,543	202,489	66,920,621
Less accumulated depreciation				
Buildings and improvements	(116,805)	-	-	(116,805)
Improvements other than buildings	(35,981,941)	(1,619,443)	-	(37,601,384)
Vehicles	(1,336,773)	(34,767)	-	(1,371,540)
Right-of-use assets	(582,028)	(86,909)	-	(668,937)
Intangible assets	(147,294)	(147,294)	-	(294,588)
Machinery and equipment	(1,503,263)	(57,271)	-	(1,560,534)
Total accumulated depreciation	(39,668,104)	(1,945,684)	-	(41,613,788)
Net capital assets being depreciated	26,846,485	(1,742,141)	202,489	25,306,833
Total Capital Assets	$ 33,475,090	$ 4,324,864	$ -	$ 37,799,954

Depreciation was charged to business-type activities as follows:

Utility	$ 1,945,684
Total Business-Type Activities Depreciation Expense	$ 1,945,684

A summary of changes in component-unit activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 3,663,824	$ -	$ -	$ 3,663,824
Construction in progress	1,586,318	586,314	(1,252,338)	920,294
Total capital assets not being depreciated	5,250,142	586,314	(1,252,338)	4,584,118
Capital assets, being depreciated:				
Buildings and structures	2,183,414	-	1,252,338	3,435,752
Equipment	-	21,424	-	21,424
Total capital assets being depreciated	2,183,414	21,424	1,252,338	3,457,176
Less accumulated depreciation				
Buildings and structures	(335,091)	(150,946)	-	(486,037)
Equipment	-	(3,214)	-	(3,214)
Total accumulated depreciation	(335,091)	(154,160)	-	(489,251)
Net capital assets being depreciated	1,848,323	(132,736)	1,252,338	2,967,925
Total Capital Assets	$ 7,098,465	$ 453,578	$ -	$ 7,552,043

E. Long-term Debt

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2024. In general, the City uses the debt service fund and general fund to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
Contractual Obligation	$ 599,265	$ -	$ (61,384)	$ 537,881	$ 62,624
General Obligation Bonds	2,540,000	-	(390,000)	2,150,000	405,000
Certificates of Obligation	9,542,000	-	(234,707)	9,307,293	269,400
Direct borrowing/placement:					
Note payable	783,326	-	(54,633)	728,693	56,370
Lease liabilities	713,270	615,356	(359,535)	969,091	320,696
Subscription liabilities	343,978	-	(24,893)	319,085	44,305
Developer payable	6,490,691	-	(543,562)	5,947,129	537,468
Less deferred amounts:					
For premiums	424,619	-	(36,342)	388,277	-
Total Governmental Activities	$ 21,437,149	$ 615,356	$ (1,705,056)	$ 20,347,449	$ 1,695,863
			Long-term liabilities due in more than one year	$ 18,651,586	
Business-Type Activities:					
Bonds, notes and other payables:					
Certificates of Obligation	$ 10,873,000	$ -	$ (275,400)	$ 10,597,600	$ 285,600
Direct borrowing/placement:					
Contractual obligation	6,523,225	-	(290,080)	6,233,145	306,277
Note payable	290,698	-	(20,275)	270,423	20,920
Lease liabilities	254,091	55,875	(114,997)	194,969	93,645
Less deferred amounts:					
For premiums	867,622	-	(32,730)	834,892	-
Total Business-Type Activities	$ 18,808,636	$ 55,875	$ (733,482)	$ 18,131,029	$ 706,442
			Long-term liabilities due in more than one year	$ 17,424,587	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. The general fund has typically been used to liquidate the liability for compensated absences for governmental activities. Leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

Long-term debt at year end was comprised of the following debt issues:

	Governmental Activities	Business - Type Activities	Total
Certificates of Obligation:			
$4,684,800 Certificate of Obliation, Series 2016,			
due in annual installments through 2045, interest at 2-3.125%	$ 3,987,293	$ -	$ 3,987,293
$6,000,000 Certificate of Obliation, Series 2018,			
due in annual installments through 2048, interest at 3.5-5%	5,320,000	-	5,320,000
$5,075,200 Certificate of Obliation, Series 2016,			
due in annual installments through 2045, interest at 2-3.125%	-	4,292,600	4,292,600
$7,605,000 Certificate of Obligation, Series 2020,			
due in annual installments through 2050, interest at 4%	-	6,305,000	6,305,000
Total Certificates of Obligation	$ 9,307,293	$ 10,597,600	$ 19,904,893
General Obligation Bonds:			
$2,520,000 General Obligation, Series 2014,			
due in annual installments through 2029, interest at 2.5-4.0%	$ 1,000,000	$ -	$ 1,000,000
$2,470,000 General Obliation, Series 2017,			
due in annual installments through 2029, interest at 3%	1,150,000	-	1,150,000
Total General Obligation Bonds	$ 2,150,000	$ -	$ 2,150,000
$652,826 Contractual Obligaiton, Series 2022			
due in annual installments through 2035, interest at 1.81%	$ 537,881	$ -	$ 537,881
$4,334,372 Contractual Obligation, Series 2023,			
due in annual installments through 2052, interest at 5.00%	-	4,238,145	4,238,145
$3,305,000 Contractual Obligation, Series 2018,			
due in annual installments through 2032, interest at 2.51%	-	1,995,000	1,995,000
Total Contractual Obligation	$ 537,881	$ 6,233,145	$ 6,771,026
$936,831 Note Payable, due in annual installments			
through 2035, interest at 3.18%	$ 728,693	$ -	$ 728,693
$347,669 Note Payable, Series 2020			
due in annual installments through 2035, interest at 3.18%	-	270,423	270,423
Total Note Payable	$ 728,693	$ 270,423	$ 999,116
Less deferred amounts:			
Issuance premium	388,277	834,892	1,223,169
Total deferred amounts	$ 388,277	$ 834,892	$ 1,223,169
Developer payable	$ 5,947,129	$ -	$ 5,947,129
Lease/subscription liabilities	$ 1,288,176	$ 194,969	$ 1,483,145
Total Long-Term Debt	$ 20,347,449	$ 18,131,029	$ 38,478,478

The annual requirements to amortize the City's long-term activities debt issues outstanding at year ending were as follows:

General Obligation Bonds

Year ending September 30,	Governmental Activites Principal	Interest	Total
2025	$ 405,000	$ 63,550	$ 468,550
2026	415,000	52,350	467,350
2027	430,000	39,900	469,900
2028	445,000	27,000	472,000
2029	455,000	13,650	468,650
	$ 2,150,000	$ 196,450	$ 2,346,450

Certificates of Obligation

Year ending September 30,	Governmental Activites Principal	Interest	Total
2025	$ 269,400	$ 313,098	$ 582,498
2026	281,800	302,280	584,080
2027	291,600	291,562	583,162
2028	299,000	282,706	581,706
2029	311,400	273,419	584,819
2030-2034	1,714,400	1,204,667	2,919,067
2035-2039	2,014,200	885,529	2,899,729
2040-2044	2,375,400	528,013	2,903,413
2045-2048	1,750,093	132,256	1,882,349
	$ 9,307,293	$ 4,213,530	$ 13,520,823

Contractual Obligation

Year ending September 30,	Governmental Activities Principal	Interest	Total
2025	$ 62,624	$ 9,169	$ 71,793
2026	63,889	8,024	71,913
2027	65,179	6,856	72,035
2028	66,496	5,664	72,160
2029	67,840	4,448	72,288
2030-2032	211,853	5,803	217,656
	$ 537,881	$ 39,964	$ 577,845

Note Payable

Year ending September 30,	Governmental Activites Principal	Interest	Total
2025	$ 56,370	$ 23,172	$ 79,542
2026	58,163	21,380	79,543
2027	60,012	19,530	79,542
2028	61,921	17,622	79,543
2029	63,890	15,653	79,543
2030-2034	351,247	46,466	397,713
2035	77,090	2,452	79,542
	$ 728,693	$ 146,275	$ 874,968

Developer Payable

Year ending September 30,	Governmental Activites Principal	Interest	Total
2025	$ 537,468	$ 249,807	$ 787,275
2026	557,236	222,929	780,165
2027	530,663	194,993	725,656
2028	503,065	169,134	672,199
2029	485,618	485,618	971,236
2030-2034	2,201,822	423,033	2,624,855
2035-2039	1,017,486	83,469	1,100,955
2040-2042	113,771	7,808	121,579
	$ 5,947,129	$ 1,836,791	$ 7,783,920

Certificates of Obligation

Year ending September 30,	Business-Type Activites Principal	Interest	Total
2025	$ 285,600	$ 370,440	$ 656,040
2026	293,200	360,333	653,533
2027	308,400	350,576	658,976
2028	316,000	341,182	657,182
2029	323,600	331,338	654,938
2030-2034	1,790,600	1,486,458	3,277,058
2035-2039	2,130,800	1,145,795	3,276,595
2040-2044	2,549,600	732,627	3,282,227
2045-2049	2,219,800	270,300	2,490,100
2050	380,000	7,600	387,600
	$ 10,597,600	$ 5,396,649	$ 15,994,249

Contractual Obligation

Year ending September 30,	Business-Type Activites Principal	Interest	Total
2025	$ 306,277	$ 248,434	$ 554,711
2026	313,931	238,861	552,792
2027	323,268	228,979	552,247
2028	331,876	218,753	550,629
2029	341,213	208,219	549,432
2030-2034	1,324,584	876,326	2,200,910
2035-2039	670,654	618,885	1,289,539
2040-2044	833,582	471,423	1,305,005
2045-2049	1,041,091	282,588	1,323,679
2050-2054	746,669	53,504	800,173
	$ 6,233,145	$ 3,445,972	$ 9,679,117

Note Payable

Year ending September 30,	Business-Type Activites Principal	Interest	Total
2025	$ 20,920	$ 8,600	$ 29,520
2026	21,585	7,934	29,519
2027	22,271	7,248	29,519
2028	22,979	6,570	29,549
2029	23,710	5,809	29,519
2030-2034	130,352	17,244	147,596
2035-2039	28,606	910	29,516
	$ 270,423	$ 54,315	$ 324,738

The annual requirements to amortize lease/subscription liabilities outstanding at year ending were as follows:

Year ending September 30,	Governmental Activities Principal	Interest	Total
2025	$ 365,001	$ 74,056	$ 439,057
2026	352,272	49,880	402,152
2027	294,421	26,530	320,951
2028	108,798	11,549	120,347
2029	44,135	7,395	51,530
2030-2031	123,549	8,011	131,560
Total	$ 1,288,176	$ 177,421	$ 1,465,597

Year ending September 30,	Business-Type Activities Principal	Interest	Total
2025	$ 93,645	$ 9,168	$ 102,813
2026	61,930	3,769	65,699
2027	39,394	942	40,336
Total	$ 194,969	$ 13,879	$ 208,848

Governmental right-to-use assets and SBITA consist of vehicles/equipment and software subscription, respectively, that have a current net book value of $1,257,795 as of year end.

Business-type right-to-use assets consist of water meters and infrastructure that have a current net book value of $83,994 as of year end.

F. Other Long-term Liabilities

The following is a summary of changes in the City's total other long-term liabilities for the year ended September 30, 2024. In general, the City uses the general fund to liquidate governmental compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	$ 1,472,811	$ 1,437,374	$ (1,325,530)	$ 1,584,655	$ 1,426,190
Total Governmental Activities	$ 1,472,811	$ 1,437,374	$ (1,325,530)	$ 1,584,655	$ 1,426,190
			Long-term liabilities due in more than one year	$ 158,465	
Business-Type Activities:					
Compensated Absences	$ 71,464	$ 142,086	$ (64,445)	$ 149,105	$ 134,194
Total Business-Type Activities	$ 71,464	$ 142,086	$ (64,445)	$ 149,105	$ 134,194
			Long-term liabilities due in more than one year	$ 14,911	
Component Unit Activities:					
Compensated Absences	$ 90,431	$ 96,170	$ (80,920)	$ 105,681	$ 95,114
Total Component Unit Activities	$ 90,431	$ 96,170	$ (80,920)	$ 105,681	$ 95,114
			Long-term liabilities due in more than one year	$ 10,567	

G. Deferred Charges on Refunding

Deferred charges resulting from the issuance of general obligation refunding bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding bonds. Current year balances for governmental activities totaled $13,531. Current year amortization expense totaled $2,706.

H. Interfund Transactions

Transfers between the primary government funds during the 2024 year were as follows:

	Transfers In:				
Transfers out:	**General**	**Capital Improvements**	**Nonmajor Governmental**	**Utility**	**Total**
General	$ -	$ 350,000	$ 142	$ -	$ 350,142
GLO - Ike Recovery 2	-	-	-	5,138,808	5,138,808
Utility	1,037,679	-	-	-	1,037,679
Debt service	-	-	-	1,964,285	1,964,285
Nonmajor governmental	87,033	-	-	-	87,033
Total	$ 1,124,712	$ 350,000	$ 142	$ 7,103,093	$ 8,577,947

Transfers between funds were primarily to support capital projects, internal administration costs and operation of funds.

The compositions of interfund balances as of the year ended September 30, 2024 were as follows:

	Due from (receivable fund):						
Due to (payable fund):	**General**	**Capital Improvements**	**Nonmajor Govt.**	**Internal Service**	**Utility**	**Sanitation**	**Total**
General	$ -	$ -	$ -	$ 3,136	$ 125,657	$ -	$ 128,793
Debt service	-	-	626,750	-	222,265	-	849,015
GLO - Ike	-	196,365	-	-	132,486	-	328,851
Nonmajor governmental	-	-	-	-	1,212,075	-	1,212,075
Utility	20,167	-	-	-	-	299,572	319,739
Sanitation	162,541	-	-	-	908,601	-	1,071,142
Total	$ 182,708	$ 196,365	$ 626,750	$ 3,136	$ 2,601,084	$ 299,572	$ 3,909,615

Interfund receivables and payables related to negative cash positions in pooled cash equity and various amounts used to cover operational and capital expenditures. All balances are expected to be resolved in the subsequent year.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Commitments and Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

City of La Marque, the La Marque Economic Development Corporation and Texas City Terminal Railway Co. ("TCTR") involving the proposed rezoning of certain property and the sale of a certain parcel of property by TCTR to the EDC. The dispute concerns the City's failure to rezone the property as provided in the agreement and TCTR's failure to complete the transfer of a certain parcel of property to the EDC. TCTR alleges that the City breached its agreement and seeks declaratory relief and damages from the City. The parties are currently engaged in settlement negotiations but no outcome can be determined.

On December 9, 2020, a La Marque police officer was involved in a shooting with Joshua Feast. Two lawsuits have been filed against the City, Adrian Jones v City of La Marque & Lakeisha Feast v. City of La Marque, alleging unreasonable use of deadly force. Adrian Jones v City of La Marque and Lakeisha Feast v. City of La Marque. The City has filed to dismiss Adrian Jones's suit. Lakeisha Feast has sent a demand letter for $5,000,000 and filed, but not served, the City with their lawsuit.

The City is involved in a personal injury case arising out of a car wreck between an Officer and a driver and passenger. The case is in the discovery phase. If found liable, the City's total damages will likely be by the Texas Tort Claims Act which limits liability for a municipality to $250,000 per person and $500,000 per occurrence. A prelitigation demand was made by the plaintiff of $600,000. The City plans to vigorously contest the reasonableness of the charges and damage claims.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's management that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

C. Contracts/Agreements

Gulf Coast Water Authority

According to the contract between the City and the Gulf Coast Water Authority ("GCWA"), the City agreed to provide sufficient sums to retire the water contract revenue bonds of the GCWA. In return, the proceeds of the contract revenue bonds have been used to finance the construction of a water transmission main from a water treatment plant located in the City of Texas City, Texas to the City of La Marque, Texas and to upgrade the City's water supply and distribution system. The improvements were necessary to convert the City to a surface water supply. The project was completed in November 1982.

On July 1, 1998, the City entered into a long-term contract (the "Contract") with the GCWA, formerly Galveston County Water Authority, to build and improve facilities for potable water transportation to the City. The GCWA is a conservation and reclamation district created by Chapter 712, Acts of the 59th Texas Legislature, 1965, as amended (compiled as Article 828-339, Vernon's Texas Civil Statutes, as amended). The GCWA issued bonds totaling $3,040,000 in 1998 under the title "Gulf Coast Water Authority Water System Contract Revenue Bonds, Series 1998D – City of La Marque Project." Under the Contract, the City agreed to provide sufficient sums to retire the bonds. During the fiscal year 2012, the GCWA redeemed the Series 1998D water system contract revenue bonds and issued Water System Contract Revenue Refunding Bonds (City of La Marque Project) Series 2011D totaling $2,140,000. Under the Contract, the City agreed to provide sufficient sums to retire the bonds.

Additionally, the City entered into a contract to purchase water from the GCWA, which includes an agreement to provide funds to cover bonds obtained by the GCWA for waterline improvements within the corporate boundaries of the City.

The City adopted a resolution for the fourth amendment to the "Mainland Water Project Customer Contract" (the "Contract") with GCWA to expand and extend the South Project. This long-term cost sharing contract with GCWA to finance the expansion of the South Project provides that GCWA reserves a treatment and distribution capacity of 2.78 million gallons per day. The amendment to the Contract will provide for the equitable allocation of the costs of facilities improvements among customers of the Industrial Division and Mainland Division that benefit from such facilities improvements.

In fiscal year 2024, the City paid GCWA $1,984,000 related to water consumption, water rights, debt service, and other contract costs.

Developer Reimbursements

On August 11, 2003, the City created the Public Improvement District Number One (the "District") to account for special assessment property taxes assessed and collected for the reimbursement of prefunded developer public improvement project (the "Project") costs within the District. A Public Improvement District Development and Financing Agreement (the "Agreement") became effective as of November 3, 2003. The Projects are broken down into four phases covering five different sections. In accordance with Chapter 372, Texas Local Government Code, the public improvements to be constructed will be paid by special assessments that constitute 100 percent of the total project costs. The financed assessments will be made over a period not to exceed 20 years from the original assessment date. The obligation of the City under the Agreement noted above is limited to the assessments that are collected by the City. The Agreement shall create no obligation on the City that is payable from taxes or other monies of the City other than the District special assessments collected by the City. Upon completion of a Project and after inspection and approval by the City, the Project shall be conveyed to the City subject only to the developer to be reimbursed for Project costs in accordance with the Agreement noted above.

During fiscal year 2024, the City recognized special assessment property tax revenues of $787,572 and recognized developer reimbursement expenditures of $787,147. Total assessments receivable at year end were $5,947,128.

Utility Service Contract

In 2007, the City approved a Utility Service Contract (the "Contract") with the Galveston County Municipal Utility District No. 68 (the "District"), originally entered into between the City and the District's developer in 2005. In exchange for the City's provision of water and sewer services, the District will construct water distribution and wastewater collection facilities within the District and, as construction is completed, will convey these facilities to the City. The term of the Contract is for 40 years, with automatic annual renewals thereafter, unless terminated.

D. Defined Benefit Pension Plans

1. Plan Description

The City of La Marque, Texas participates as one of 934 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

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

2. Benefits Provided

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

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

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

The general and enterprise funds have typically been used to liquidate the liability for pension and OPEB balances. Plan provisions for the City were as follows:

	Plan Year 2022	Plan Year 2023
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	70% of CPI	70% of CPI
Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

Employees covered by benefit terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	118
Inactive employees entitled to but not yet receiving benefits	188
Active employees	153
Total	**459**

3. Contributions

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

Employees for the City of La Marque, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of La Marque, Texas were 13.95% and 14.42% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were $1,707,995 and were equal to the required contributions.

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability (Asset) in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75%
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum 16 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

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

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public/Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. Of the total pension liability, $6,397,399 is related to the primary government and $142,401 is attributable to the discretely presented component unit.

Changes in the Net Pension Liability (Asset)

	Total Pension	Plan Fiduciary	Total Net Pension	Primary Government	Component Unit
Balance at 12/31/22	$ 39,541,307	$ 31,649,484	$ 7,891,823	$ 7,716,061	$ 175,762
Changes for the year:					
Service cost	1,664,679	-	1,664,679	1,627,624	37,055
Interest	2,669,449	-	2,669,449	2,610,029	59,420
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	156,638	-	156,638	153,151	3,487
Changes of assumptions	(247,322)	-	(247,322)	-	-
Contributions – employer	-	1,397,249	(1,397,249)	(1,366,147)	(31,102)
Contributions – employee	-	701,128	(701,128)	(685,521)	(15,607)
Net investment income	-	3,662,957	(3,662,957)	(3,581,422)	(81,535)
Benefit payments, including refunds of emp. contributions	(1,652,520)	(1,652,520)	-	-	-
Administrative expense	-	(23,304)	23,304	22,785	519
Other changes	-	(162)	162	158	4
Net changes	2,590,924	4,085,348	(1,494,424)	(1,461,063)	(33,361)
Balance at 12/31/23	$ 42,132,231	$ 35,734,832	$ 6,397,399	$ 6,254,998	$ 142,401

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

Primary Government

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 12,965,950	$ 6,254,998	$ 881,638

Component Unit

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 295,183	$ 142,401	$ 20,071

Total

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 13,261,133	$ 6,397,399	$ 901,709

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2024, the City recognized pension expense of $1,624,976. Of this amount, $1,588,805 is related to the primary government and $36,171 is attributable to the discretely presented component unit.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Primary Government:		
Difference between projected and actual investment earnings	$ 804,281	$ -
Differences between expected and actual economic experience	183,884	-
Difference in assumption changes	-	(152,255)
Contributions subsequent to the measurement date	1,266,908	-
Component Unit:		
Difference between projected and actual investment earnings	4,486	-
Differences between expected and actual economic experience	18,310	-
Difference in assumption changes	-	(3,466)
Contributions subsequent to the measurement date	28,842	-
Total	$ 2,306,711	$ (155,721)

The primary government and component unit reported $1,266,908 and $28,842, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2025.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Total	Primary Government	Component Unit
2025	$ 278,162	$ 271,875	$ 6,287
2026	243,957	238,443	5,514
2027	638,051	623,630	14,421
2028	(304,930)	(298,038)	(6,892)
2029	-	-	-
Thereafter	-	-	-
	$ 855,240	$ 835,910	$ 19,330

Supplemental Annuity Program

Plan Description

The City maintains a supplemental annuity program ("SAP"), which is a single-employer defined benefit pension plan. The City funds and administers the SAP. All permanent full-time employees of the City hired prior to July 1, 2007 are eligible to qualify for the SAP. To receive benefits, employees must have a total of 80 points or more through a combination of age and years of service at the time of retirement. The calculation to determine the amount of points for an employee is to add the employee's number of years of service with the City as a full-time employee to the age of the employee at the time of retirement.

Benefits

After an eligible employee has selected their retirement option under TMRS and a determination of their monthly TMRS annuity has been finalized, that monthly TMRS annuity would be multiplied by 25 percent to equal the amount of the supplement the retiree would receive 12 times each year. The amount of the supplement would be revised annually should the TMRS annuity change. The SAP would cease when the employee reaches age 65. In the event of death prior to age 65, the surviving spouse would receive the SAP until age 60.

Employees covered by benefit terms

At the September 30, 2023 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	0
Active employees	7
Total	9

Total Pension Liability

The City's SAP liability was measured as of September 30, 2024. Update procedures were used to roll forward the total pension liability based on the actuarial valuation performed on September 30, 2024.

Actuarial assumptions:

The Total pension Liability in the September 30, 2024 actuarial valuation, as measured at September 30, 2024, was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.81% as of September 30, 2024
Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Retirees' share of benefit-related costs	$0
Demographic Assumptions	Based on the experience study covering the four-year period ending September 30, 2023 as conducted for the Texas Municipal Retirement System (TMRS). For the pension valuation, the standard TMRS retirement rates were modified for participants with and without Rule of 80 eligibility.
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.

Discount Rate:

The municipal bond rate used to measure the September 30, 2024 Total Pension Liability was 3.81%. The municipal bond rate is based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index". The discount rate changed from 4.63% as of September 30, 2023, to 3.81% as of September 30, 2024.

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

The following presents the total pension liability of the City, calculated using the discount rate of 3.81%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81%) or 1-percentage-point higher (4.81%) than the current rate:

1% Decrease 2.81%	Current Single Rate Assumption 3.81%	1% Increase 4.81%
$ 698,695	$ 633,262	$ 573,359

Changes in the Total pension Liability:

		Total Pension Liability
Balance at 9/30/2023	$	728,755
Changes for the year:		
Service Cost		11,873
Interest		33,622
Difference between expected and actual experience		(166,759)
Changes of assumptions		42,787
Benefit payments		(17,016)
Other changes		-
Net changes		(95,493)
Balance at 9/30/2024	$	633,262

Changes of assumptions reflect a change in the discount rate from 4.63% as of September 30, 2023, to 3.81% as of September 30, 2024.

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

For the year ended September 30, 2024, the City recognized pension income of $32,273.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the pension liability from the following sources:

		Deferred (Inflows) of Resources
Differences between expected and actual economic experience	$	(231,120)
Differences in assumptions		(67,828)
Total	$	(298,948)

Amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year ended September 30:		**Total**
2025	$	(65,007)
2026		(62,088)
2027		(63,655)
2028		(64,521)
2029		(28,075)
Thereafter		(15,602)
	$	(298,948)

Other Postemployment Benefits

Supplemental Death Benefits Fund (SDBF)

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

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB.

The City offers supplemental death to:	Plan Year 2022	Plan Year 2023
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	76
Inactive employees entitled to but not yet receiving benefits	26
Active employees	153
Total	255

The City's contributions to the TMRS SDBF for the years ended 2024, 2023, and 2022 were $15,819, $13,617, and $12,827, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2022	0.14%	0.14%	100.0%
2023	0.14%	0.14%	100.0%
2024	0.13%	0.13%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2023, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Discount rate	3.77%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. For service retirees and beneficiary mortality rates, the OPEB liability and the OPEB contribution rates utilized the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%. For disabled annuitants mortality rates, the OPEB liability and the OPEB contribution rates utilized the mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.77%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

1% Decrease 2.77%	Current Single Rate Assumption 3.77%	1% Increase 4.77%
$ 492,681	$ 412,025	$ 349,439

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2022	$ 379,129
Changes for the year:	
Service Cost	25,040
Interest	15,578
Difference between expected and actual experience	(15,937)
Changes of assumptions	22,238
Benefit payments	(14,023)
Net changes	32,896
Balance at 12/31/2023	$ 412,025

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

For the year ended September 30, 2024, the City recognized OPEB expense of $23,895.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

Primary Government	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	$ -	$ (40,082)
Differences in assumptions	-	(74,762)
Contributions subsequent to measurement date	11,681	-
Total	$ 11,681	$ (114,844)

The City reported $11,681 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2025.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:		Total
2024	$	(30,396)
2025		(45,788)
2026		(39,826)
2027		1,166
2025		-
Thereafter		-
	$	(114,844)

<u>Retiree Healthcare Plan</u>

<u>Plan Description</u>

The City provides and administers a postemployment healthcare benefits plan (the "Plan") to all eligible retirees. Eligibility is determined based on employees who retire directly from the City at the age of 60 or more plus 20 years or more of service with the City totaling 80 or more points. Years of service do not need to be consecutive. Employees who do not meet the eligibility conditions listed above are offered COBRA coverage. The City's contribution is established each fiscal year. Employees terminating employment before normal retirement conditions are not eligible for retiree healthcare. The City does not provide healthcare coverage for spouses of retirees or for their dependents. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the Plan is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

<u>Benefits</u>

The City currently pays the full health insurance premium for eligible retirees. The fully-insured premiums the City pays its insurance carrier are blended rates based on the combined experience of active and retired members. Because the average cost of providing healthcare benefits to retirees under age 65 is higher than the average cost of providing healthcare benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. Retiree medical coverage ends when the retiree reaches age 65.

Employees covered by benefit terms

At the December 31, 2023 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	0
Active employees	122
Total	124

Total OPEB Liability

The City's healthcare OPEB liability was measured as of December 31, 2023.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2023 actuarial valuation as measured at December 31, 2023, was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	3.77% as of December 31, 2023
Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Retirees' share of benefit-related costs	$0
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2022 as conducted for the Texas Municipal Retirement System (TMRS). For the OPEB valuation, the standard TMRS retirement rates were adjusted to reflect the impact of the City's retiree medical plan design.
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.
Participation Rates	100% of eligible retirees; 0% of covered retirees were assumed to have two-person coverage.

Discount Rate:

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.77% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 4.05% as of the prior measurement date.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

1% Decrease 2.77%	Current Single Rate Assumption 3.77%	1% Increase 4.77%
$ 880,929	$ 778,118	$ 687,709

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

1% Decrease	Current Healthcare Cost Trend Assumption	1% Increase
$ 663,365	$ 778,118	$ 917,693

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2022	$ 734,135
Changes for the year:	
Service Cost	60,720
Interest	30,337
Difference between expected and actual experience	(50,119)
Changes of assumptions	33,934
Benefit payments	(30,889)
Net changes	43,983
Balance at 12/31/2023	$ 778,118

Changes of assumptions reflect a change in the discount rate from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023.

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

For the year ended September 30, 2024, the City recognized OPEB expense of $72,894.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	$ -	$ (140,826)
Differences in assumptions	-	(51,959)
Contributions subsequent to measurement date	23,411	-
Total	$ 23,411	$ (192,785)

The City reported $23,411 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2025.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:

	Total
2025	$ (18,163)
2026	(19,576)
2027	(21,940)
2028	(20,846)
2025	(27,823)
Thereafter	(84,437)
	$ (192,785)

E. Deferred Compensation Plan

The City offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Plan's trust arrangements are established to protect deferred compensation amounts of employees under the Plan from any other use than intended under the Plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. Amounts of compensation deferred by employees under Plan provisions are disbursed monthly by the City to a third-party administrator. The third-party administrator handles all funds in the Plan and makes investment decisions and disburses funds to employees in accordance with Plan provisions.

F. Restatement

Due to corrections of prior year accounting errors, the City restated its beginning net position/fund balance within the general fund, governmental activities, utility fund, business-type activities, and discretely presented component unit.

The below tables summarize the changes to net position/fund balance as a result of the restatements.

	Governmental Activities	General Fund
Prior year ending net position/fund balance, as reported	$ 9,178,888	$ 3,833,210
Correction to deferred grant revenue	42,612	42,612
Correction to accounts payable	(302,982)	(302,982)
Correction to capital assets	107,616	-
Restated beginning net position/fund balance	$ 9,026,134	$ 3,572,840

	Business-Type Activities	Utility Fund
Prior year ending net position/fund balance, as reported	$ 19,843,159	$ 19,952,186
Correction to accounts payable	579,211	579,211
Restated beginning net position/fund balance	$ 20,422,370	$ 20,531,397

	Discretely Presented Component Unit
Prior year ending net position/fund balance, as reported	$ 15,036,255
Correction to accounts payable	22,000
Restated beginning net position/fund balance	$ 15,058,255

G. New Accounting Pronouncements

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 100, entitled Accounting Changes and Error Calculations. The requirements of this Statement are displayed within the government-wide and fund financial statements, where applicable.

H. Subsequent Events

There were no material subsequent events warranting disclosure through , the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 1 of 2)

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	$ 4,829,021	$ 4,829,021	$ 5,246,648	$ 417,627
Sales tax	5,719,170	5,719,170	5,578,092	(141,078)
Franchise and other taxes	1,072,200	1,072,200	1,030,248	(41,952)
License and permits	2,132,050	2,132,050	1,836,642	(295,408)
Charges for services	1,284,300	1,284,300	1,878,018	593,718
Fines and forfeitures	534,950	534,950	491,245	(43,705)
Intergovernmental	320,083	320,083	388,678	68,595
Contributions and donations	-	-	81,863	81,863
Investment income	450,100	450,100	326,929	(123,171)
Other revenues	243,000	243,000	320,113	77,113
Total Revenues	16,584,874	16,584,874	17,178,476	593,602
Expenditures				
Current:				
General government				
City manager	629,645	755,961	628,805	127,156
City council	40,764	40,764	36,246	4,518
Human resources	220,848	220,848	197,661	23,187
Finance	708,741	708,741	449,826	258,915
City clerk	349,692	349,692	239,737	109,955
Administration	21,881	21,881	7,487	14,394
Non-departmental	159,120	159,120	85,064	74,056
Parks and recreation	282,160	282,160	373,716	(91,556)
Information technology	539,983	588,292	603,957	(15,665)
Library	344,901	344,901	334,173	10,728
Cemetary	10,000	10,000	13,800	(3,800)
Contingency	1,818,545	1,818,545	1,569,361	249,184
Total general government	5,126,280	5,300,905	4,539,833	761,072
Public safety				
Police	5,616,821	5,684,818	7,524,682	(1,839,864)
Judicial	455,591	455,591	522,738	(67,147)
Fire	4,012,120	4,062,042	4,579,649	(517,607)
Fire reserve	12,250	12,250	12,359	(109)
Inspection	730,040	680,118	963,281	(283,163)
Emergency management	30,610	30,610	30,531	79
Animal control	128,750	128,750	185,671	(56,921)
Total public safety	10,986,182	11,054,179	13,818,911	(2,764,732) *

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND (Page 2 of 2)

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public works				
Streets and highway	$ 893,371	$ 893,371	$ 1,174,405	$ (281,034)
Fleet services	208,662	160,353	196,647	(36,294)
Code compliance	605,795	605,795	384,867	220,928
Total public works	1,707,828	1,659,519	1,755,919	(96,400) *
Capital outlay	27,011	27,011	247,763	(220,752) *
Debt service:				
Principal	91,400	91,400	505,190	(413,790)
Interest and fiscal charges	24,684	24,684	109,852	(85,168)
Total debt service	116,084	116,084	615,042	(498,958) *
Total Expenditures	17,963,385	18,157,698	20,977,468	(2,819,770)
Revenues Over (Under) Expenditures	(1,378,511)	(1,572,824)	(3,798,992)	(2,226,168)
Other Financing Sources (Uses)				
Transfers in	1,220,179	1,220,179	1,124,712	(95,467)
Transfers (out)	(365,467)	(365,467)	(350,142)	15,325
Lease issuance	-	-	615,356	615,356
Total Other Financing Sources (Uses)	854,712	854,712	1,389,926	535,214
Net Change in Fund Balance	$ (523,799)	$ (718,112)	(2,409,066)	$ (1,690,954)
Beg. fund balance, as previously reported			3,833,210	
Error correction			(260,370)	
Beg. fund balance, as adjusted			3,572,840	
Ending Fund Balance			$ 1,163,774	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

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City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC IMPROVEMENT DISTRICT NO. 1

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Special assessments	$ 1,053,500	$ 1,053,500	$ 787,571	$ (265,929)
Total Revenues	1,053,500	1,053,500	787,571	(265,929)
Expenditures				
Debt service:				
Principal	543,562	543,562	543,562	-
Interest	509,938	509,938	243,585	266,353
Total Expenditures	1,053,500	1,053,500	787,147	266,353
Excess of Revenues Over (Under) Expenditures	-	-	424	424
Net Change in Fund Balance	$ -	$ -	424	$ 424
Beginning fund balance			-	
Ending Fund Balance			$ 424	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of La Marque, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

Years Ended:

	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Total pension liability				
Service cost	$ 514,815	$ 560,669	$ 904,693	$ 996,694
Interest	1,416,956	1,640,785	1,668,294	1,707,837
Changes in benefit terms	-	2,496,190	-	-
Differences between expected and actual experience	(103,203)	(99,892)	(894,653)	164,035
Changes of assumptions	-	99,562	-	-
Benefit payments, including refunds of participant contributions	(1,208,741)	(1,091,492)	(1,103,437)	(1,173,585)
Net change in total pension liability	619,827	3,605,822	574,897	1,694,981
Total pension liability - beginning	20,589,185	21,209,012	24,814,834	25,389,731
Total pension liability - ending (a)	21,209,012	24,814,834	25,389,731	27,084,712
Plan fiduciary net position				
Contributions - employer	$ 489,700	$ 472,193	$ 794,038	$ 943,583
Contributions - members	278,309	252,815	382,881	419,030
Net investment income	1,073,739	28,606	1,285,338	2,822,534
Benefit payments, including refunds of participant contributions	(1,208,741)	(1,091,492)	(1,103,437)	(1,173,585)
Administrative expenses	(11,211)	(17,429)	(14,529)	(14,638)
Other	(922)	(861)	(783)	(742)
Net change in plan fiduciary net position	620,874	(356,168)	1,343,508	2,996,182
Plan fiduciary net position - beginning	18,771,151	19,392,025	19,035,857	20,379,365
Plan fiduciary net position - ending (b)	$ 19,392,025	$ 19,035,857	$ 20,379,365	$ 23,375,547
Fund's net pension liability(asset) - ending (a) - (b)	$ 1,816,987	$ 5,778,977	$ 5,010,366	$ 3,709,165
Plan fiduciary net position as a percentage of the total pension liability (asset)	91.43%	76.71%	80.27%	86.31%
Covered payroll	$ 4,999,022	$ 5,055,622	$ 5,469,725	$ 5,986,148
Fund's net pension liability as a percentage of covered payroll	36.35%	114.31%	91.60%	61.96%

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
$ 1,081,046	$ 1,146,190	$ 1,428,163	$ 1,546,207	$ 1,532,461	$ 1,664,679
1,828,750	1,924,637	2,111,086	2,281,322	2,478,379	2,669,449
-	-	-	-	-	-
(425,683)	570,250	391,414	675,419	302,109	156,638
-	156,708	-	-	-	(247,322)
(1,065,292)	(1,126,972)	(1,226,170)	(1,709,148)	(1,444,281)	(1,652,520)
1,418,821	2,670,813	2,704,493	2,793,800	2,868,668	2,590,924
27,084,712	28,503,533	31,174,346	33,878,839	36,672,639	39,541,307
28,503,533	31,174,346	33,878,839	36,672,639	39,541,307	42,132,231
$ 936,909	$ 1,023,680	$ 1,184,746	$ 1,339,124	$ 1,317,265	$ 1,397,249
446,450	484,501	595,777	644,253	652,111	701,128
(699,670)	3,550,863	2,040,514	3,842,313	(2,450,836)	3,662,957
(1,065,292)	(1,126,972)	(1,226,170)	(1,709,148)	(1,444,281)	(1,652,520)
(13,533)	(20,074)	(13,208)	(17,777)	(21,206)	(23,304)
(707)	(605)	(515)	121	25,304	(162)
(395,843)	3,911,393	2,581,144	4,098,886	(1,921,643)	4,085,348
23,375,547	22,979,704	26,891,097	29,472,241	33,571,127	31,649,484
$ 22,979,704	$ 26,891,097	$ 29,472,241	$ 33,571,127	$ 31,649,484	$ 35,734,832
$ 5,523,829	$ 4,283,249	$ 4,406,598	$ 3,101,512	$ 7,891,823	$ 6,397,399
80.62%	86.26%	86.99%	91.54%	80.04%	84.82%
$ 6,377,850	$ 6,921,436	$ 8,511,105	$ 9,203,615	$ 9,315,874	$ 10,016,120
86.61%	61.88%	51.77%	33.70%	84.71%	63.87%

City of La Marque, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN - TMRS

Years Ended:

	9/30/2015	9/30/2016	9/30/2017	9/30/2018
Actuarially determined employer contributions	$ 471,679	$ 733,250	$ 910,064	$ 946,892
Contributions in relation to the actuarially determined contribution	$ 471,679	$ 733,250	$ 910,064	$ 946,892
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Annual covered payroll	$ 5,046,999	$ 5,569,750	$ 5,881,289	$ 6,339,339
Employer contributions as a percentage of covered payroll	9.35%	13.16%	15.47%	14.94%

OTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLA

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 Years
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.5%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females.

Other Information:

Notes	There were no benefit changes during the year.

9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024
$ 978,226	$ 1,117,702	$ 1,307,322	$ 1,305,762	$ 1,361,949	$ 1,707,995
$ 978,226	$ 1,117,702	$ 1,307,322	$ 1,305,762	$ 1,361,949	$ 1,707,995
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,624,251	$ 7,915,175	$ 9,088,669	$ 9,161,793	$ 9,726,764	$ 10,016,120
14.77%	14.12%	14.38%	14.25%	14.00%	17.05%

City of La Marque, Texas

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS

SUPPLEMENTAL ANNUITY PLAN (SAP)

Years Ended:

	9/30/2017	9/30/2018	9/30/2019	9/30/2020
Total pension liability				
Service cost	$ 31,748	$ 25,214	$ 20,278	$ 33,993
Interest	28,932	32,517	30,420	25,474
Changes in assumptions	(39,183)	(28,026)	94,771	(50,554)
Differences between expected and actual experience	-	(141,024)	-	45,602
Changes in benefit terms	-	-	-	-
Benefit payments, including refunds of participant contributions	(23,134)	(21,823)	(20,179)	(20,347)
Net change in total pension liability	(1,637)	(133,142)	125,290	34,168
Total pension liability - beginning	928,992	927,355	794,213	919,503
Total pension liability - ending	$ 927,355	$ 794,213	$ 919,503	$ 953,671
Covered payroll	$ 1,508,521	$ 1,263,944	$ 1,120,933	$ 1,186,282
City's total pension liability as a percentage of covered payroll	61.47%	62.84%	82.03%	80.39%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 73 to pay related benefits.

9/30/2021	9/30/2022	9/30/2023	9/30/2024 [1]
$ 34,929	$ 30,647	$ 16,936	$ 11,873
23,164	22,197	31,369	33,622
18,130	(164,410)	(15,307)	42,787
-	(161,846)	-	(166,759)
-	-	-	-
(19,935)	(23,396)	(17,394)	(17,016)
56,288	(296,808)	15,604	(95,493)
953,671	1,009,959	713,151	728,755
$ 1,009,959	$ 713,151	$ 728,755	$ 633,262 [2]
$ 1,101,664	$ 1,030,197	$ 929,055	$ 844,670
91.68%	69.22%	78.44%	74.97%

City of La Marque, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PENSIONS (OPEB) LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended:

	12/31/2017	12/31/2018	12/31/2019	12/31/2020
Total OPEB liability				
Service cost	$ 12,571	$ 15,307	$ 13,843	$ 22,129
Interest	11,734	11,965	13,036	12,359
Changes in assumptions	28,757	(25,894)	71,001	75,391
Differences between expected and actual experience	-	(7,426)	(100)	3,981
Benefit payments, including refunds of participant contributions	(3,592)	(3,189)	(3,461)	(4,256)
Net change in total OPEB liability	49,470	(9,237)	94,319	109,604
Total OPEB liability - beginning	305,938	355,408	346,171	440,490
Total OPEB liability - ending	$ 355,408	$ 346,171	$ 440,490	$ 550,094
Covered payroll	$ 5,986,148	$ 6,377,850	$ 6,921,436	$ 8,511,105
City's total OPEB liability as a percentage of covered payroll	5.94%	5.43%	6.36%	6.46%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

12/31/2021	12/31/2022	12/31/2023 [1]
$ 27,611	$ 34,469	$ 25,040
11,149	10,815	15,578
18,602	(193,710)	22,238
(17,534)	(36,440)	(15,937)
(12,885)	(13,042)	(14,023)
26,943	(197,908)	32,896
550,094	577,037	379,129
$ 577,037	$ 379,129	$ 412,025 [2]
$ 9,203,615	$ 9,315,874	$ 10,016,120
6.27%	4.07%	4.11%

City of La Marque, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PENSIONS (OPEB) LIABILITY AND RELATED RATIOS
POSTEMPLOYMENT HEALTHCARE BENEFITS

Years Ended:

	12/31/2017	12/31/2018	12/31/2019	12/31/2020
Total OPEB liability				
Service cost	$ 41,247	$ 47,164	$ 60,155	$ 57,680
Interest	24,861	23,583	27,247	23,476
Changes in assumptions	37,440	(32,227)	56,989	71,980
Differences between expected and actual experience	-	18,061	9,058	1,938
Changes in benefit terms	-	-	-	-
Benefit payments, including refunds of participant contributions	(42,507)	(50,607)	(31,619)	(34,305)
Net change in total OPEB liability	61,041	5,974	121,830	120,769
Total OPEB liability - beginning	653,143	714,184	720,158	841,988
Total OPEB liability - ending	$ 714,184	$ 720,158	$ 841,988	$ 962,757
Covered-employee payroll	$ 4,362,624	$ 5,428,522	$ 7,076,602	$ 8,520,634
City's total OPEB liability as a percentage of covered-employee payroll	16.37%	13.27%	11.90%	11.30%

Notes to schedule:

[1] This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

12/31/2021	12/31/2022	12/31/2023 [1]
$ 66,791	$ 68,775	$ 60,720
19,623	16,469	30,337
14,917	(195,343)	33,934
(156,054)	974	(50,119)
-	-	-
(29,963)	(34,811)	(30,889)
(84,686)	(143,936)	43,983
962,757	878,071	734,135
$ 878,071	$ 734,135	$ 778,118 [2]
$ 8,225,038	$ 9,178,826	$ 10,018,738
10.68%	8.00%	7.77%

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

LIBRARY GRANTS

This fund accounts for grant revenue dedicated for library expenditures and revenues.

PD CHILD OUTREACH

This fund is used to account for donations received for use in the Police Department Child Outreach program.

HOTEL/MOTEL

This fund is used to account for revenues and expenditures of the hotel/motel tax receipts as specified by state statute.

DRUG SEIZURE

This fund is used to account for proceeds from law enforcement drug seizures. Expenditures are restricted to qualified law enforcement activities.

TIRZ - OMEGA BAY

The TIRZ Omega Bay was created to encourage and accelerate planned development within the City limits. The fund accounts for all tax and expenditure activity associated with the fund's primary

PARKS FUND

This fund is used to account for donations received for use in the Park department.

COURT TECHNOLOGY FUND

This fund is used to account for funds collected in association with the portion of the court fees which are restricted for use on court technology and security.

COURT SECURITY FUND

This fund is used to account for funds collected in association with the portion of the court fees which are restricted for use on court technology and security.

CHILD SAFETY FUND

This fund is used to account for funds collected in association with the portion of the court fees which are restricted for use on child safety.

LEOSE TRAINING

This fund is used to account for grant funds funds to improve policing for Texas, by investing in the on-going training for existing officers.

CLEAN CITY

This fund is used to account for funds received that are restricted for expenditures that provide the City with a clean image.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

COMCAST PEG FEES

This fund is used to account for funds received that are restricted for capital expenditures related to public education in government.

HOME GRANT

This fund is used to account for funds received from the Texas Department of Housing and Community Affairs for rehabilitation of owner occupied or investor owned properties.

CAPITAL PROJECTS FUND

This fund is used to track capital projects for governmental activities.

City of La Marque, Texas

COMBINING BALANCE SHEET (Page 1 of 2)

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2024

	Library Grants	PD Child Outreach	Hotel/ Motel	Drug Seizure
Assets				
Cash and cash equivalents	$ 2,201	$ 6,228	$ 583,304	$ 129,956
Accounts receivable, net	2,053	-	60,653	-
Due from other funds	-	-	-	-
Prepaids	-	-	-	-
Total Assets	$ 4,254	$ 6,228	$ 643,957	$ 129,956
Liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ 10,100	$ 9,185
Due to other funds	-	-	350,647	-
Total Liabilities	-	-	360,747	9,185
Fund Balances				
Nonspendable:				
Prepaids	-	-	-	-
Restricted for:				
Tourism	-	-	283,210	-
Police department	-	6,228	-	120,771
Municipal court	-	-	-	-
Public improvement	-	-	-	-
Capital projects	-	-	-	-
Culture and recreation	4,254	-	-	-
Enabling legislation	-	-	-	-
Special projects	-	-	-	-
Total Fund Balances	4,254	6,228	283,210	120,771
Total Liabilities, Deferred Inflows and Fund Balances	$ 4,254	$ 6,228	$ 643,957	$ 129,956

TIRZ - Omega Bay	Parks	Court Technology
$ 332,549	$ 28,309	$ 23,392
-	-	-
-	-	-
-	-	-
$ 332,549	$ 28,309	$ 23,392
$ -	$ 1,327	$ 9,959
-	4,103	1,581
-	5,430	11,540
-	-	-
-	-	-
-	-	-
-	-	11,852
332,549	-	-
-	-	-
-	22,879	-
-	-	-
-	-	-
332,549	22,879	11,852
$ 332,549	$ 28,309	$ 23,392

City of La Marque, Texas

COMBINING BALANCE SHEET (Page 2 of 2)

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2024

	Court Security	Child Safety	Leose Training	Clean City
Assets				
Cash and cash equivalents	$ 35,042	$ 58,515	$ 18,211	$ 26,913
Accounts receivable, net	-	-	-	-
Due from other funds	-	-	-	-
Prepaids	-	-	900	-
Total Assets	$ 35,042	$ 58,515	$ 19,111	$ 26,913
Liabilities				
Accounts payable	$ -	$ -	$ 152	$ 48
Due to other funds	-	-	-	-
Total Liabilities	-	-	152	48
Fund Balances				
Nonspendable:				
Prepaids	-	-	900	-
Restricted for:				
Tourism	-	-	-	-
Police department	-	-	-	-
Municipal court	35,042	58,515	18,059	-
Public improvement	-	-	-	-
Capital projects	-	-	-	-
Culture and recreation	-	-	-	-
Enabling legislation	-	-	-	-
Special projects	-	-	-	26,865
Total Fund Balances	35,042	58,515	18,959	26,865
Total Liabilities, Deferred Inflows and Fund Balances	$ 35,042	$ 58,515	$ 19,111	$ 26,913

Comcast PEG Fees	Home Grant	Total Nonmajor Special Revenue	Capital Projects	Total Nonmajor Governmental
$ 248,354	$ -	$ 1,492,974	$ 1,370,933	$ 2,863,907
7,012	-	69,718	-	69,718
-	-	-	626,750	626,750
-	-	900	-	900
$ 255,366	$ -	$ 1,563,592	$ 1,997,683	$ 3,561,275
$ 9,960	$ -	$ 40,731	$ 1,074	$ 41,805
-	-	356,331	855,744	1,212,075
9,960	-	397,062	856,818	1,253,880
-	-	900	-	900
-	-	283,210	-	283,210
-	-	126,999	-	126,999
-	-	123,468	-	123,468
-	-	332,549	-	332,549
-	-	-	1,140,865	1,140,865
-	-	27,133	-	27,133
245,406	-	245,406	-	245,406
-	-	26,865	-	26,865
245,406	-	1,166,530	1,140,865	2,307,395
$ 255,366	$ -	$ 1,563,592	$ 1,997,683	$ 3,561,275

City of La Marque, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Page 1 of 2)

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2024

	Library Grants	PD Child Outreach	Hotel/ Motel	Drug Seizure
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Hotel occupancy tax	-	-	132,137	-
Franchise fees	-	-	-	-
Fines and fees	-	-	-	-
Intergovernmental	-	-	-	6,045
Investment income	-	-	19,955	1,849
Other revenue	-	-	-	89,780
Total Revenues	-	-	152,092	97,674
Expenditures				
General government	-	-	117,225	-
Public safety	-	-	-	43,084
Capital outlay	-	-	-	-
Total Expenditures	-	-	117,225	43,084
Revenues Over (Under) Expenditures	-	-	34,867	54,590
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	(84,533)	-
Total Other Financing Sources (Uses)	-	-	(84,533)	-
Net Change in Fund Balances	-	-	(49,666)	54,590
Beginning fund balances	4,254	6,228	332,876	66,181
Ending Fund Balances	$ 4,254	$ 6,228	$ 283,210	$ 120,771

TIRZ - Omega Bay	Parks	Court Technology
$ 146,757	$ -	$ -
-	-	-
-	-	-
-	-	11,794
-	-	-
-	-	-
-	8,911	-
146,757	8,911	11,794
-	27,760	13,251
-	-	-
-	-	-
-	27,760	13,251
146,757	(18,849)	(1,457)
142	-	-
-	-	-
142	-	-
146,899	(18,849)	(1,457)
185,650	41,728	13,309
$ 332,549	$ 22,879	$ 11,852

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City of La Marque, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Page 2 of 2)

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2024

	Court Security	Child Safety	Leose Training	Clean City
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Hotel occupancy tax	-	-	-	-
Franchise fees	-	-	-	-
Fines and fees	14,005	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	1,120	600	-
Other revenue	-	798	7,608	8,801
Total Revenues	14,005	1,918	8,208	8,801
Expenditures				
General government	-	-	-	11,589
Public safety	-	-	7,373	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	7,373	11,589
Revenues Over (Under) Expenditures	14,005	1,918	835	(2,788)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	(2,500)	-	-	-
Total Other Financing Sources (Uses)	(2,500)	-	-	-
Net Change in Fund Balances	11,505	1,918	835	(2,788)
Beginning fund balances	23,537	56,597	18,124	29,653
Ending Fund Balances	$ 35,042	$ 58,515	$ 18,959	$ 26,865

Comcast PEG Fees	Home Grant	Total Nonmajor Special Revenue	Capital Projects	Total Nonmajor Governmental
$ -	$ -	$ 146,757	$ -	$ 146,757
-	-	132,137	-	132,137
31,644	-	31,644	-	31,644
-	-	25,799	-	25,799
-	-	6,045	-	6,045
2,950	-	26,474	43,249	69,723
-	-	115,898	-	115,898
34,594	-	484,754	43,249	528,003
-	50,000	219,825	-	219,825
-	-	50,457	-	50,457
21,027	-	21,027	-	21,027
21,027	50,000	291,309	-	291,309
13,567	(50,000)	193,445	43,249	236,694
-	-	142	-	142
-	-	(87,033)	-	(87,033)
-	-	(86,891)	-	(86,891)
13,567	(50,000)	106,554	43,249	149,803
231,839	50,000	1,059,976	1,097,616	2,157,592
$ 245,406	$ -	$ 1,166,530	$ 1,140,865	$ 2,307,395

City of La Marque, Texas

COMBINING STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

September 30, 2023

	Library Memorial Fund	Seized Property	Total
Assets			
Cash and cash equivalents	$ 4,792	$ 1	$ 4,793
Total Assets	4,792	1	4,793
Net Position			
Restricted	4,792	1	4,793
Total Net Position	$ 4,792	$ 1	$ 4,793

City of La Marque, Texas

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended September 30, 2024

	Library Memorial Fund	Seized Property	Total
Additions			
Investment earnings	$ 171	$ -	$ 171
Other revenue	50	-	50
Total Additions	221	-	221
Change in Net Position	221	(6,045)	(5,824)
Beginning net position	4,571	6,046	10,617
Ending Net Position	$ 4,792	$ 1	$ 4,793

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HOTEL/MOTEL TAX FUND

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Hotel occupancy tax	$ 100,000	$ 132,137	$ 32,137
Investment income	15,000	19,955	4,955
Total Revenues	115,000	152,092	37,092
Expenditures			
General government	205,210	117,225	87,985
Total Expenditures	205,210	117,225	87,985
Excess of Revenues Over (Under) Expenditures	(90,210)	34,867	125,077
Other Financing Sources (Uses)			
Transfers (out)	(84,533)	(84,533)	-
Total Other Financing Sources (Uses)	(84,533)	(84,533)	-
Net Change in Fund Balance	$ (174,743)	(49,666)	$ 125,077
Beginning fund balance		332,876	
Ending Fund Balance		$ 283,210	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL CAPITAL PROJECTS

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Interest income	$ -	$ 43,249	$ 43,249
Total Revenues	-	43,249	43,249
Expenditures			
Capital outlay	108,369	-	108,369
Total Expenditures	108,369	-	108,369
Net Change in Fund Balance	$ (108,369)	43,249	$ 151,618
Beginning fund balance		1,097,616	
Ending Fund Balance		$ 1,140,865	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEBT SERVICE

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Revenues				
Property taxes	$ 2,204,280	$ 1,861,544	$ (342,736)	
Interest income	30,000	30,646	646	
Total Revenues	2,234,280	1,892,190	(342,090)	
Expenditures				
Debt service:				
Principal	1,281,292	619,962	661,330	
Interest	876,988	396,242	480,746	
Total Expenditures	2,158,280	1,016,204	1,142,076	
Excess of Revenues Over (Under) Expenditures	76,000	875,986	799,986	
Other Financing Sources (Uses)				
Transfers (out)	-	(1,964,285)	(1,964,285)	*
Total Other Financing Sources (Uses)	-	(1,964,285)	(1,964,285)	
Net Change in Fund Balance	$ 76,000	(1,088,299)	$ (1,164,299)	
Beginning fund balance		1,135,047		
Ending Fund Balance		$ 46,748		

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment income	$ 50,000	$ 143,585	$ 93,585
Total Revenues	50,000	143,585	93,585
Expenditures			
Capital outlay	883,591	246,953	636,638
Total Expenditures	883,591	246,953	636,638
Excess of Revenues Over (Under) Expenditures	(833,591)	(103,368)	730,223
Other Financing Sources (Uses)			
Transfers in	350,000	350,000	-
Total Other Financing Sources (Uses)	350,000	350,000	-
Net Change in Fund Balance	$ (483,591)	246,632	$ 730,223
Beginning fund balance		3,706,878	
Ending Fund Balance		$ 3,953,510	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARKS FUND

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Revenues				
Other revenue	$ 8,300	$ 8,911	$ 611	
Total Revenues	8,300	8,911	611	
Expenditures				
General government	10,000	27,760	(17,760)	*
Total Expenditures	10,000	27,760	(17,760)	
Net Change in Fund Balance	$ (1,700)	(18,849)	$ (17,149)	
Beginning fund balance		41,728		
Ending Fund Balance		$ 22,879		

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT TECHNOLOGY FUND

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 5,000	$ 11,794	$ 6,794
Total Revenues	5,000	11,794	6,794
Expenditures			
General government	5,000	13,251	(8,251) *
Total Expenditures	5,000	13,251	(8,251)
Excess of Revenues Over (Under) Expenditures	-	(1,457)	(1,457)
Net Change in Fund Balance	$ -	(1,457)	$ (1,457)
Beginning fund balance		13,309	
Ending Fund Balance		$ 11,852	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT SECURITY FUND
For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and forfeitures	$ 4,000	$ 14,005	$ 10,005
Interest income	1,000	-	(1,000)
Total Revenues	5,000	14,005	9,005
Excess of Revenues Over (Under) Expenditures	5,000	14,005	9,005
Other Financing Sources (Uses)			
Transfers (out)	-	(2,500)	(2,500) *
Total Other Financing Sources (Uses)	-	(2,500)	(2,500)
Net Change in Fund Balance	$ 5,000	11,505	$ 6,505
Beginning fund balance		23,537	
Ending Fund Balance		$ 35,042	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CHILD SAFETY FUND

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Interest income	$ 500	$ 1,120	$ 620
Other revenue	500	798	298
Total Revenues	1,000	1,918	918
Excess of Revenues Over (Under) Expenditures	1,000	1,918	918
Net Change in Fund Balance	$ 1,000	1,918	$ 918
Beginning fund balance		56,597	
Ending Fund Balance		$ 58,515	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LEOSE TRAINING FUND

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Interest income	$ 500	$ 600	$ 100
Other revenue	-	7,608	7,608
Total Revenues	500	8,208	7,708
Expenditures			
Public safety	-	7,373	(7,373) *
Total Expenditures	-	7,373	(7,373)
Excess of Revenues Over (Under) Expenditures	500	835	335
Net Change in Fund Balance	$ 500	835	$ 335
Beginning fund balance		18,124	
Ending Fund Balance		$ 18,959	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CLEAN CITY FUND
For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	
Revenues				
Other revenue	$ 1,000	$ 8,801	$ 7,801	
Total Revenues	1,000	8,801	7,801	
Expenditures				
General government	10,000	11,589	(1,589)	*
Total Expenditures	10,000	11,589	(1,589)	
Excess of Revenues Over (Under) Expenditures	(9,000)	(2,788)	6,212	
Other Financing Sources (Uses)				
Transfers in	7,300	-	(7,300)	
Total Other Financing Sources (Uses)	7,300	-	(7,300)	
Net Change in Fund Balance	$ (1,700)	(2,788)	$ (1,088)	
Beginning fund balance		29,653		
Ending Fund Balance		$ 26,865		

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COMCAST PEG FEES FUND
For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Franchise fees	$ 38,500	$ 31,644	$ (6,856)
Interest income	3,000	2,950	(50)
Total Revenues	41,500	34,594	(6,906)
Expenditures			
Capital outlay	-	21,027	(21,027) *
Total Expenditures	-	21,027	(21,027)
Excess of Revenues Over (Under) Expenditures	41,500	13,567	(27,933)
Net Change in Fund Balance	$ 41,500	13,567	$ (27,933)
Beginning fund balance		231,839	
Ending Fund Balance		$ 245,406	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIRZ - OMEGA BAY FUND

For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property taxes	$ -	$ 146,757	$ 146,757
Total Revenues	-	146,757	146,757
Excess of Revenues Over (Under) Expenditures	-	146,757	146,757
Other Financing Sources (Uses)			
Transfers in	100,000	142	(99,858)
Total Other Financing Sources	100,000	142	(99,858)
Net Change in Fund Balance	$ 100,000	146,899	$ 46,899
Beginning fund balance		185,650	
Ending Fund Balance		$ 332,549	

Notes to Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

City of La Marque, Texas

BALANCE SHEET

DISCRETELY PRESENTED COMPONENT UNIT

September 30, 2024

		La Marque Economic Development Corp.
Assets		
Cash and cash equivalents	$	9,692,111
Investments		-
Receivables, net		334,803
Prepaids		20,568
Total Assets	$	10,047,482
Liabilities		
Accounts payable and accrued liabilities	$	211,563
Customer deposits		2,128
Due to primary government		1,010,359
Total Liabilities		1,224,050
Fund Balances		
Restricted for:		
Economic development		8,823,432
Total Fund Balance		8,823,432
Total Liabilities and Fund Balance	$	10,047,482

See Notes to Financial Statements.

City of La Marque, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT

September 30, 2024

Fund Balance	$	8,823,432
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		4,584,118
Capital assets - net depreciable		2,967,925
Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then.		
Deferred pension outflows - TMRS		51,638
Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.		
Deferred pension inflows -TMRS		(3,466)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Compensated absences		(105,681)
Net pension liability		(142,401)
Net Position of the Discretely Presented Component Unit	$	16,175,565

See Notes to Financial Statements.

City of La Marque, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

DISCRETELY PRESENTED COMPONENT UNIT

For the Year Ended September 30, 2024

		La Marque Economic Development Corp.
Revenues		
Sales tax	$	1,859,628
Other revenue		25,361
Investment income		462,085
Total Revenues		2,347,074
Expenditures		
Current:		
Economic development		1,062,613
Capital outlay		607,738
Total Expenditures		1,670,351
Net Change in Fund Balance		676,723
Beginning fund balance, as previously reported		8,124,709
Error correction		22,000
Beginning fund balance, as adjusted		8,146,709
Ending Fund Balance	$	8,823,432

See Notes to Financial Statements.

City of La Marque, Texas

RECONCILIATION OF THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balance	$	676,723
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		607,738
Depreciation expense		(154,160)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension expense - TMRS		2,259
Compensated absences		(15,250)
Change in Net Position of the Discretely Presented Component Unit	$	1,117,310

See Notes to Financial Statements.

CITY COUNCIL AGENDA FORM

Meeting Date:	August 25, 2025	Agenda Item:	8.VII.
Prepared by:	Shannon Breaux	Reviewed by:	
Department:	Public Works		

AGENDA ITEM DESCRIPTION:

Awarding a contract to Sustanite Support Services, LLC for the Wastewater Treatment Plant (WWTP) Rehabilitation – Headworks and Chemical Storage Improvements project in the amount of $1,892,000.00, and authorizing the City Manager to execute the contract and related documents - *Public Works*

STAFF BRIEFING:

The WWTP requires critical rehabilitation to address longstanding operational deficiencies and ensure compliance with Texas Commission on Environmental Quality (TCEQ) permit requirements. This project focuses on:

- **Headworks Improvements** – Replacement and installation of screening equipment, gates, and associated structures to ensure effective screening and flow management.
- **Chemical Storage and Disinfection System Upgrades** – Replacement of chemical feed systems, tank scales, leak detection systems, ventilation, and electrical systems in the East and West Chemical Storage Buildings.

This phase is a continuation of the City's commitments under the Agreed Order and Supplemental Environmental Project (SEP) with TCEQ, which allows a portion of administrative penalties to be offset through environmental improvement projects.

The project was publicly advertised, bids were opened on August 12, 2025, and evaluated by the City's consulting engineer, Adico, LLC. Sustanite Support Services, LLC submitted the lowest responsible base bid of $1,892,000.

HISTORY:

- The WWTP has been subject to multiple TCEQ enforcement actions (Docket Nos. 2021-0952-MWD-E and 2023-1311-MWD-E) for effluent violations.
- The SEP scope includes blower, headworks, and chlorination system work. Additional improvements are required to achieve and maintain full compliance.

- TCEQ granted an SEP completion extension to November 21, 2025.
- Council previously authorized staff to solicit bids for this project in July 2025.

FISCAL IMPACT:

- **Total Contract Award:** $1,892,000
- **Funding Source:** 2020 Certificate of Obligation Bond
- **Available Funds:** $2,325,978.48
- Project cost is within the available bond allocation for wastewater improvements.

ADICO
CONSULTING ENGINEERS

Wednesday, August 13, 2025

Mr. Shannon Breaux
Public Works Director
City of La Marque
1111 Bayou Road
La Marque, TX 77568

Re: WWTP Rehabilitation Headworks and Chemical Storage
To Serve City of La Marque
Adico, LLC Project No. 23014-01
Letter of Recommendation for Contract Award

Dear Mr.Breaux:

On behalf of the City of La Marque, Adico, LLC has completed the evaluation of the bids received for the WWTP Rehabilitation Headworks and Chemical Storage project. The project was publicly advertised, and bids were received and opened on Tuesday, August 12, 2025. See attached Bid Tabulation.

We recommend awarding the contract to Sustanite Support Services, LLC with a Total Base Bid of $1,892,000.00, pending review of references.

Should you have any questions, please do not hesitate to call our office.

Sincerely,
Adico, LLC

Brent Berthier, P.E.
TBPE Firm No. 16423

Cc: Dinh Ho, P.E.

BID TABULATION
WWTP REHABILITATION
HEADWORKS AND CHEMICAL STORAGE
TO SERVE
CITY OF LA MARQUE
LA MARQUE, TX 77568
ADICO PROJECT NO. 23014-01

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	INDUSTRIAL TX CORP UNIT PRICE	INDUSTRIAL TX CORP AMOUNT BID	SUSTANITE SUPPORT SERVICES UNIT PRICE	SUSTANITE SUPPORT SERVICES AMOUNT BID
SECTION A - GENERAL							
1.	Mobilization/Payment/ Performance Bonds/Permits & Fees	LS	1	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00
2.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for Construction Staking, as indicated on plans and according to specifications, complete in place.	LS	1	$ 1,000.00	$ 1,000.00	$ -	$ -
	SUBTOTAL SECTION A - GENERAL				**$ 101,000.00**		**$ 100,000.00**
SECTION B - DEMOLITION							
3.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for demolition of influent channel, dumpster pad, and sludge drawoff pad, including offsite disposal, as shown on plans and according to specifications.	LS	1	$ 60,000.00	$ 60,000.00	$ 30,000.00	$ 30,000.00
4.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for removal and replacement of stairs and grating, including offsite disposal, as shown on plans and according to specifications.	LS	1	$ 30,000.00	$ 30,000.00	$ 25,000.00	$ 25,000.00
5.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for demolition of handrails, including offsite disposal, as shown on plans and according to specifications.	LF	41	$ 15.00	$ 615.00	$ 100.00	$ 4,100.00
6.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for demolition of manual bar screen, mechanical screen, debris chute, hose bibb, gates, modification of hosebibb, including offsite disposal, as shown on plans and according to specifications.	LS	1	$ 75,000.00	$ 75,000.00	$ 132,400.00	$ 132,400.00
7.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for removal and replacement of pedestrian door located in the East and West Chemical Building, including offsite disposal, as shown on plans and according to specifications.	EA	6	$ 5,000.00	$ 30,000.00	$ 7,000.00	$ 42,000.00
8.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for removal and replacement of overhead doors located in the the East and West Chemical Storage Building including offsite disposal, as shown on plans and according to specifications.	EA	2	$ 10,000.00	$ 20,000.00	$ 15,000.00	$ 30,000.00
9.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for demolition of chemical feed equipment, chlorination and dechlorination equipment, ton cylinder scales, and 150 lb cylinder tank scales in the East and West Chemical Storage Building, including offsite disposal, as shown on plans and according to specifications.	LS	1	$ 20,000.00	$ 20,000.00	$ 30,000.00	$ 30,000.00
10.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for demolition of fans, heating equipment, lighting, electrical receptacles, switches, and appurtenances, in East and West Chemical Storage Building, including offsite disposal, as shown on plans and according to specifications.	LS	1	$ 10,000.00	$ 10,000.00	$ 30,000.00	$ 30,000.00
	SUBTOTAL SECTION B - DEMOLITON				**$ 245,615.00**		**$ 323,500.00**

BID TABULATION
WWTP REHABILITATION
HEADWORKS AND CHEMICAL STORAGE
TO SERVE
CITY OF LA MARQUE
LA MARQUE, TX 77568
ADICO PROJECT NO. 23014-01

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	INDUSTRIAL TX CORP UNIT PRICE	INDUSTRIAL TX CORP AMOUNT BID	SUSTANITE SUPPORT SERVICES UNIT PRICE	SUSTANITE SUPPORT SERVICES AMOUNT BID
SECTION C - HEADWORKS STRUCTURE REHABILITATION							
11.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for rehabilitation of influent channel, as indicated on plans and according to specifications, complete in place.	LS	1	$ 50,000.00	$ 50,000.00	$ 57,000.00	$ 57,000.00
12.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to construct dumpster pad, including drains, piping, and fittings, as indicated on plans and according to specifications, complete in place.	LS	1	$ 60,000.00	$ 60,000.00	$ 10,000.00	$ 10,000.00
13.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to construct sludge drawoff pad including drains, piping, and fittings, as indicated on plans and according to specifications, complete in place.	LS	1	$ 60,000.00	$ 60,000.00	$ 10,000.00	$ 10,000.00
14.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install Fiberglass Reinforced Plastic (FRP) grating, including grating supports and appurtenances, as indicated on plans and according to specifications, complete in place.	SF	337	$ 25.00	$ 8,425.00	$ 100.00	$ 33,700.00
15.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install aluminium handrails and appurtenances, as indicated on plans and according to specifications, complete in place.	LF	114	$ 50.00	$ 5,700.00	$ 200.00	$ 22,800.00
16.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install manual bar screen, as indicated on plans and according to specifications, complete in place.	LS	1	$ 50,000.00	$ 50,000.00	$ 30,000.00	$ 30,000.00
17.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install mechanical bar screen, washer compactor and appurtenances, as indicated on plans and according to specifications, complete in place.	LS	1	$ 470,000.00	$ 470,000.00	$ 520,000.00	$ 520,000.00
18.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install slide gates and appurtenances for a 48"H X 60"W opening, in manual bar screen channel, mechanical bar screen channel, and effluent channels, as indicated on plans and according to specifications, complete in place.	EA	6	$ 40,000.00	$ 240,000.00	$ 33,000.00	$ 198,000.00
19.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install blind flange to sludge disposal pipes, as indicated on plans and according to specifications, complete in place.	EA	2	$ 100.00	$ 200.00	$ 2,500.00	$ 5,000.00
20.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install 6" bollards, as indicated on plans and according to specifications, complete in place.	EA	4	$ 3,000.00	$ 12,000.00	$ 1,500.00	$ 6,000.00
	SUBTOTAL SECTION C - HEADWORKS STRUCTURE REHABILITATION				**$ 956,325.00**		**$ 892,500.00**
SECTION D - DISINFECTION EQUIPMENT EAST BUILDING							
21.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install ton cylinder tank scales and chemical feed equipment and appurtenances, as shown on plans and according to specifications, complete in place, for a complete operational system.	LS	1	$ 100,000.00	$ 100,000.00	$ 44,000.00	$ 44,000.00

BID TABULATION
WWTP REHABILITATION
HEADWORKS AND CHEMICAL STORAGE
TO SERVE
CITY OF LA MARQUE
LA MARQUE, TX 77568
ADICO PROJECT NO. 23014-01

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	INDUSTRIAL TX CORP UNIT PRICE	INDUSTRIAL TX CORP AMOUNT BID	SUSTANITE SUPPORT SERVICES UNIT PRICE	SUSTANITE SUPPORT SERVICES AMOUNT BID
22.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install lighting, electrical receptacles, switches and appurtenances, as indicated on plans and according to specifications, complete in place.	LS	1	$ 157,000.00	$ 157,000.00	$ 20,000.00	$ 20,000.00
23.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install fans, heating equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00
24.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install chlorine leak detection equipment, as shown on plans and according to specifications, complete in place.	LS	1	$ 4,500.00	$ 4,500.00	$ 44,000.00	$ 44,000.00
	SUBTOTAL SECTION D - DISINFECTION EQUIPMENT EAST BUILDING				**$ 286,500.00**		**$ 133,000.00**
	<u>SECTION E - DISINFECTION EQUIPMENT WEST BUILDING</u>						
25.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install ton cylinder tank scales and chemical feed equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 100,000.00	$ 100,000.00	$ 44,000.00	$ 44,000.00
26.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install lighting, electrical receptacles, switches and appurtenances, as indicated on plans and according to specifications, complete in place.	LS	1	$ 156,560.00	$ 156,560.00	$ 20,000.00	$ 20,000.00
27.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install fans, heating equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 25,000.00	$ 25,000.00	$ 25,000.00	$ 25,000.00
28.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install chlorine leak detection equipment and appurtenances, as shown on plans and according to specifications, complete in place.	EA	2	$ 500.00	$ 1,000.00	$ 44,000.00	$ 88,000.00
	SUBTOTAL SECTION E - DISINFECTION EQUIPMENT WEST BUILDING				**$ 282,560.00**		**$ 177,000.00**
	<u>SECTION F - DECHLORINATION EQUIPMENT EAST BUIDLING</u>						
29.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install 150 lb tank scales and chemical feed equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 53,000.00	$ 53,000.00	$ 44,000.00	$ 44,000.00
30.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install lighting, electrical receptacles, switches and appurtenances, as indicated on plans and according to specifications, complete in place.	LS	1	$ 87,000.00	$ 87,000.00	$ 20,000.00	$ 20,000.00
31.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install fans, heating equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 15,000.00	$ 15,000.00	$ 25,000.00	$ 25,000.00
32.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install sulfur dioxide leak detection equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 4,500.00	$ 4,500.00	$ 44,000.00	$ 44,000.00
	SUBTOTAL SECTION F - DECHLORINATION EQUIPMENT EAST BUILDING				**$ 159,500.00**		**$ 133,000.00**

BID TABULATION
WWTP REHABILITATION
HEADWORKS AND CHEMICAL STORAGE
TO SERVE
CITY OF LA MARQUE
LA MARQUE, TX 77568
ADICO PROJECT NO. 23014-01

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	INDUSTRIAL TX CORP UNIT PRICE	INDUSTRIAL TX CORP AMOUNT BID	SUSTANITE SUPPORT SERVICES UNIT PRICE	SUSTANITE SUPPORT SERVICES AMOUNT BID
SECTION G - DECHLORINATION EQUIPMENT WEST BUILDING							
33.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install 150 lb tank scales as shown on plans and according to specifications, complete in place.	LS	1	$ 53,000.00	$ 53,000.00	$ 44,000.00	$ 44,000.00
34.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install lighting, electrical receptacles, switches and appurtenances, as indicated on plans and according to specifications, complete in place.	LS	1	$ 85,000.00	$ 85,000.00	$ 20,000.00	$ 20,000.00
35.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install fans, heating equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 15,000.00	$ 15,000.00	$ 25,000.00	$ 25,000.00
36.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install sulfur dioxide leak detection equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 4,500.00	$ 4,500.00	$ 44,000.00	$ 44,000.00
	SUBTOTAL SECTION G - DECHLORINATION EQUIPMENT WEST BUILDING				**$ 157,500.00**		**$ 133,000.00**
	TOTAL BASE BID				**$ 2,189,000.00**		**$ 1,892,000.00**
SECTION H - ALTERNATE 1 - WET WELL CLEANING							
A1.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to clean existing lift station wet well. Remove pumps, piping, existing guide rails, lifting chain and pump accessories. Coordinate with Engineer for condition assessment and/or disposal of pumps.	LS	1	$ 225,000.00	$ 225,000.00	$ 100,000.00	$ 100,000.00
	SUBTOTAL SECTION H - ALTERNATE 1 - WET WELL CLEANING				**$ 225,000.00**		**$ 100,000.00**
SECTION I - ALTERNATE 2 - LIFT STATION PUMP							
A2,	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install a Package Duplex Jockey Pump System inside the lift station. Includes pumps, controls, guide rails, lifting chain, cable and all appurtenances for a complete operating system. Provide two (2) Flygt Model NP 3127 SH 3 ~ Adaptive 446 Electric Submersible Pumps or approved equal, with the following operating conditions(s): Design Point: 100 gpm at 35 TDH.	LS	1	$ 215,000.00	$ 215,000.00	$ 305,000.00	$ 305,000.00
	SUBTOTAL SECTION I - ALTERNATE 2 - LIFT STATION PUMP				**$ 215,000.00**		**$ 305,000.00**

BID

WWTP REHABILITATION
HEADWORKS AND CHEMICAL STORAGE
TO SERVE CITY OF LA MARQUE

City of La Marque, TX
City Hall
1111 Bayou Rd.
La Marque, TX 77568

CONTRACTOR: Sustanite Support Services, LLC
(Legal Name of Company)

ADDRESS: 8000 Berwyn Drive, Houston, Texas 77037

County:

TELEPHONE: 281-615-1449 FAX:

E-MAIL: bart@s3-sustanite.com

The undersigned BIDDER proposes and agrees, if this Bid is accepted, to enter into an agreement with OWNER in the form included in the Contract Documents to perform and furnish all Work as specified or indicated in the Contract Documents for the Bid Price and within the Bid Times indicated in this Bid and in accordance with the terms and conditions of the contract Documents.

BIDDER accepts all of the terms and conditions of the Invitation to Bidders and Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for **sixty (60) days** after the day of Bid opening. BIDDER will sign and deliver the required number of counterparts of the Agreement with the Bonds and other documents required by the Bidding Requirements within **seven (7) days** after the date of OWNER'S Notice of Award.

In submitting this Bid, BIDDER represents, as more fully set forth in the Agreement, that:

BIDDER has examined, carefully studied, and understands all the terms and conditions set forth in the Bidding Documents and the following Addenda receipt of all which are hereby acknowledged:

Addendum No.	Date Received	Acknowledgement
Add 1	8/8/25	[signature]

This Bid is genuine and not made in the interest of or on behalf of any undisclosed person, firm or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; BIDDER has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid; BIDDER has not solicited or induced any person, firm or corporation to refrain from bidding; and BIDDER has not sought by collusion to obtain for itself any advantage over any other Bidder or over OWNER.

BIDDER will complete the Work in accordance with the Contract Documents for the following prices: (see attached bid form.)

BIDDER agrees that the Work will be completed and ready for final payment in accordance with Article 14 of the General Conditions within **270 calendar days** after the date when the Contract Times commences to run.
BIDDER accepts the provisions of the Agreement as to liquidated damages in the event of failure to complete the Work within the times specified in the Agreement.

The prescribed Bid Security in the form of a **Cashier's Check / Bid Bond** is attached to and made a condition of this Bid.

Terms used in this Bid which are defined in the General Conditions or Instructions to Bidders will have the meanings indicated in the General Conditions or Instructions to Bidders.

SUBMITTED on 6/22, 2025.
State Contractor License No. N/A

INDIVIDUAL:
(individual)__________ (Seal)
doing business as __________
Business Address__________
Business Phone__________

PARTNERSHIP:
By (firm) Sustanite Support Services, LLC (Seal)
(General Partner) Israel Lopez, Jr. & Bart Adams
Business Address 8000 Berwyn Drive, Houston, Texas 77037
Business Phone 281-615-1449

CORPORATION:
By (corp.)__________ (Seal)
State of Incorporation__________
By (person authorized)__________
Title__________

Attest (Secretary)__________
Business Address__________
Business Phone__________
Date of Qualification to do business is__________

JOINT VENTURE:
By (name)__________ (Seal)
Address:__________
By (name)__________ (Seal)
Address:__________
Address & Phone No. for official communications:

____

____

BID PROPOSAL
WWTP REHABILITATION
HEADWORKS AND CHEMICAL STORAGE
TO SERVE
CITY OF LA MARQUE
LA MARQUE, TX 77568
ADICO PROJECT NO. 23014-01

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
SECTION A - GENERAL					
1.	Mobilization/Payment/ Performance Bonds/Permits & Fees	LS	1	$ 100,000	$100,000
2.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for Construction Staking, as indicated on plans and according to specifications, complete in place.	LS	1	$ 0	$ 0
			SUBTOTAL SECTION A - GENERAL		$ 100,000
SECTION B - DEMOLITION					
3.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for demolition of influent channel, dumpster pad, and sludge drawoff pad, including offsite disposal, as shown on plans and according to specifications.	LS	1	$ 30,000	$ 30,000
4.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for removal and replacement of stairs and grating, including offsite disposal, as shown on plans and according to specifications.	LS	1	$ 25,000	$ 25,000
5.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for demolition of handrails, including offsite disposal, as shown on plans and according to specifications.	LF	41	$ 100	$ 4,100
6.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for demolition of manual bar screen, mechanical screen, debris chute, hose bibb, gates, modification of hosebibb, including offsite disposal, as shown on plans and according to specifications.	LS	1	$ 132,400	$ 132,400
7.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for removal and replacement of pedestrian door located in the East and West Chemical Building, including offsite disposal, as shown on plans and according to specifications.	EA	6	$ 7,000	$ 42,000
8.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for removal and replacement of overhead doors located in the the East and West Chemical Storage Building including offsite disposal, as shown on plans and according to specifications.	EA	2	$ 15,000	$ 30,000
9.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for demolition of chemical feed equipment, chlorination and dechlorination equipment, ton cylinder scales, and 150 lb cylinder tank scales in the East and West Chemical Storage Building, including offsite disposal, as shown on plans and according to specifications.	LS	1	$ 30,000	$ 30,000

Bid Sheet Must Be Initiated By Same
Person Who Signs Proposal
Initial ____

BID PROPOSAL
WWTP REHABILITATION
HEADWORKS AND CHEMICAL STORAGE
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CITY OF LA MARQUE
LA MARQUE, TX 77568
ADICO PROJECT NO. 23014-01

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
10.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for demolition of fans, heating equipment, lighting, electrical receptacles, switches, and appurtenances, in East and West Chemical Storage Building, including offsite disposal, as shown on plans and according to specifications.	LS	1	$ 30,000	$ 30,000
	SUBTOTAL SECTION B - DEMOLITON				$ ~~231,500~~ 323,500

SECTION C - HEADWORKS STRUCTURE REHABILITATION

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
11.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items for rehabilitation of influent channel, as indicated on plans and according to specifications, complete in place.	LS	1	$ 57,000	$ 57,000
12.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to construct dumpster pad, including drains, piping, and fittings, as indicated on plans and according to specifications, complete in place.	LS	1	$ 10,000	$ 10,000
13.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to construct sludge drawoff pad including drains, piping, and fittings, as indicated on plans and according to specifications, complete in place.	LS	1	$ 10,000	$ 10,000
14.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install Fiberglass Reinforced Plastic (FRP) grating, including grating supports and appurtenances, as indicated on plans and according to specifications, complete in place.	SF	337	$ 100	$ 33,700
15.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install aluminium handrails and appurtenances, as indicated on plans and according to specifications, complete in place.	LF	114	$ 200	$ 22,800
16.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install manual bar screen, as indicated on plans and according to specifications, complete in place.	LS	1	$ 30,000	$ 30,000
17.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install mechanical bar screen, washer compactor and appurtenances, as indicated on plans and according to specifications, complete in place.	LS	1	$ 520,000	$ 520,000
18.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install slide gates and appurtenances for a 48"H X 60"W opening, in manual bar screen channel, mechanical bar screen channel, and effluent channels, as indicated on plans and according to specifications, complete in place.	EA	6	$ 33,000	$198,000

BID PROPOSAL
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HEADWORKS AND CHEMICAL STORAGE
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LA MARQUE, TX 77568
ADICO PROJECT NO. 23014-01

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
19.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install blind flange to sludge disposal pipes, as indicated on plans and according to specifications, complete in place.	EA	2	$ 2,500	$ 5,000
20.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install 6" bollards, as indicated on plans and according to specifications, complete in place.	EA	4	$ 1,500	$ 6,000
	SUBTOTAL SECTION C - HEADWORKS STRUCTURE REHABILITATION				$ 892,500
	SECTION D - DISINFECTION EQUIPMENT EAST BUILDING				
21.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install ton cylinder tank scales and chemical feed equipment and appurtenances, as shown on plans and according to specifications, complete in place, for a complete operational system.	LS	1	$ 44,000	$ 44,000
22.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install lighting, electrical receptacles, switches and appurtenances, as indicated on plans and according to specifications, complete in place.	LS	1	$ 20,000	$ 20,000
23.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install fans, heating equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 25,000	$ 25,000
24.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install chlorine leak detection equipment, as shown on plans and according to specifications, complete in place.	LS	1	$ 44,000	$ 44,000
	SUBTOTAL SECTION D - DISINFECTION EQUIPMENT EAST BUILDING				$ 133,000
	SECTION E - DISINFECTION EQUIPMENT WEST BUILDING				
25.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install ton cylinder tank scales and chemical feed equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 44,000	$ 44,000
26.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install lighting, electrical receptacles, switches and appurtenances, as indicated on plans and according to specifications, complete in place.	LS	1	$ 20,000	$ 20,000
27.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install fans, heating equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 25,000	$ 25,000

Bid Sheet Must Be Initialed By Same
Person Who Signs Proposal
Initial ________

BID PROPOSAL
WWTP REHABILITATION
HEADWORKS AND CHEMICAL STORAGE
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LA MARQUE, TX 77568
ADICO PROJECT NO. 23014-01

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
28.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install chlorine leak detection equipment and appurtenances, as shown on plans and according to specifications, complete in place.	EA	2	$ 44,000	$ 44,000

SUBTOTAL SECTION E - DISINFECTION EQUIPMENT WEST BUILDING $ 133,000

SECTION F - DECHLORINATION EQUIPMENT EAST BUIDLING

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
29.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install 150 lb tank scales and chemical feed equipment and appurtenances, as shown on plans and according to specifications, complete in	LS	1	$ 44,000	$ 44,000
30.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install lighting, electrical receptacles, switches and appurtenances, as indicated on plans and according to specifications, complete in place.	LS	1	$ 20,000	$ 20,000
31.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install fans, heating equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 25,000	$ 25,000
32.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install sulfur dioxide leak detection equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 44,000	$ 44,000

SUBTOTAL SECTION F - DECHLORINATION EQUIPMENT EAST BUILDING $ 133,000

SECTION G - DECHLORINATION EQUIPMENT WEST BUILDING

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
33.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install 150 lb tank scales as shown on plans and according to specifications, complete in place.	LS	1	$ 44,000	$ 44,000
34.	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to supply and install lighting, electrical receptacles, switches and appurtenances, as indicated on plans and according to specifications, complete in place.	LS	1	$ 20,000	$ 20,000
35.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install fans, heating equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 25,000	$ 25,000

BID PROPOSAL
WWTP REHABILITATION
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LA MARQUE, TX 77568
ADICO PROJECT NO. 23014-01

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
36.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install sulfur dioxide leak detection equipment and appurtenances, as shown on plans and according to specifications, complete in place.	LS	1	$ 44,000	$ 44,000
	SUBTOTAL SECTION G - DECHLORINATION EQUIPMENT WEST BUILDING				$ 133,000
	TOTAL BASE BID				$ 1,838,000

SECTION H - ALTERNATE 1 - WET WELL CLEANING

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
A1.	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to clean existing lift station wet well. Remove pumps, piping, existing guide rails, lifting chain and pump accessories. Coordinate with Engineer for condition assessment and/or disposal of pumps.	LS	1	$ 100,000	$ 100,000
	SUBTOTAL SECTION H - ALTERNATE 1 - WET WELL CLEANING				$ 100,000

SECTION I - ALTERNATE 2 - LIFT STATION PUMP

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT BID
A2,	Provide all supervision, labor, materials, tools, equipment, incidentals, and related items to supply and install a Package Duplex Jockey Pump System inside the lift station. Includes pumps, controls, guide rails, lifting chain, cable and all appurtenances for a complete operating system. Provide two (2) Flygt Model NP 3127 SH 3 ~ Adaptive 446 Electric Submersible Pumps or approved equal, with the following operating conditions(s): Design Point: 100 gpm at 35 TDH.	LS	1	$ 305,000	$ 305,000
	SUBTOTAL SECTION I - ALTERNATE 2 - LIFT STATION PUMP				$ 305,000

BID PROPOSAL
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LA MARQUE, TX 77568
ADICO PROJECT NO. 23014-01

BID SUMMARY

SUBTOTAL SECTION A - GENERAL	$ 100,000
SUBTOTAL SECTION B - DEMOLITION	$ 323,500
SUBTOTAL SECTION C - HEADWORKS STRUCTURE REHABILITATION	$ 892,500
SUBTOTAL SECTION D - DISINFECTION EQUIPMENT EAST BUILDING	$ 133,000
SUBTOTAL SECTION E - DISINFECTION EQUIPMENT WEST BUILDING	$ ~~133,000~~
SUBTOTAL SECTION F - DECHLORINATION EQUIPMENT EAST BUILDING	$ 133,000
SUBTOTAL SECTION G - DECHLORINATION EQUIPMENT WEST BUILDING	$ 133,000
TOTAL BASE BID (A+B+C+D+E+F+G)	$ 1,838,000

CITY COUNCIL AGENDA FORM

Meeting Date: August 25, 2025
Agenda Item: 8.VIII.
Prepared by:
Reviewed by: Kierra Nance
Department: City Clerk

AGENDA ITEM DESCRIPTION:
Considering the parameters and establishing guidelines for Citizen's Participation at City meetings - *Council*

STAFF BRIEFING:
The City Council requested that a conversation surrounding Citizen's Participation, the agenda placement, if guidelines were to be established, and nonresident participation.

HISTORY:
07.22.2025 - Topic was initially presented during Council engagement discussions and requested to be placed on the agenda for the next Council meeting.
07.28.2025 - Item tabled and requested for next Council meeting 08.11.2025

FISCAL IMPACT:
N/A

CITIZENS REQUEST TO SPEAK

To be heard, this form must be filled out and returned to the City Clerk **ten** (**10**) minutes prior to the start of the meeting.

DATE OF MEETING: ____

Citizens who wish to address the City Council about any item (s) **on** the agenda, which are scheduled for Council action, will be given three (3) minutes to do so. Please indicate below the agenda item (s) number on which you wish to speak:

____

____

Citizens who wish to address the City Council about any item (s) **NOT** on the agenda, which are scheduled for Council action, will be given three (3) minutes to do so. Please indicate below the topic on which you wish to speak:

____

____

____

IN COMPLIANCE WITH THE TEXAS OPEN MEETINGS ACT, THE CITY MAY NOT DELIBERATE ON COMMENTS. PERSONAL ATTACKS WILL NOT BE ALLOWED, AND PERSONNEL MATTERS SHOULD BE ADDRESSED TO THE CITY MANAGER DURING REGULAR BUSINESS HOURS.

Please step to the podium as soon as you are recognized by the Mayor, **DO NOT TRY TO SPEAK FROM YOUR SEAT.** State your name and address before the beginning of your presentation. If you have written materials, please furnish an extra copy for the official files. If you have any questions concerning the request to speak form, please direct them to the City Clerk.

Name ____

Address ____

Telephone number ____

IF SPEAKING ON BEHALF OF AN ORGANIZATION:

Title of Organization:

____

SPEAKER'S OFFICIAL CAPACITY:

____

CITY OF LA MARQUE TEXAS PUBLIC COMMENT POLICY

The City Council shall provide an opportunity for public comment on agenda items and general matters of public concern during each regular meeting.

1. Time Allocation

- Agenda Items: Individuals may speak for up to three (3) minutes per person on any agenda item during the designated public comment period at the beginning of the meeting.

- Non-Agenda Items: Individuals may address the Council for up to three (3) minutes per person during the "Public Comment" period, which shall be placed at the end of the agenda.

2. Registration and Procedures

- Speakers must register with the City Clerk prior to the meeting or before the relevant agenda item is called.
- Speakers should state their name and address for the record. By stating their address speakers enable staff to more adequately respond to expressed concerns.
- Comments must be directed to the Council as a whole through the Mayor or presiding officer.
- No direct questioning of individual Council members, staff, or other speakers is permitted.

Prohibited Conduct

3. Personal Attacks Defined and Prohibited

Speakers should refrain from personal attacks. For purposes of this policy, a "personal attack" is defined as:

a) Character Assassination: Statements that attack, malign, or impugn the character, motives, intentions, or integrity of any individual;

b) Personal Insults: Name-calling, derogatory remarks, or inflammatory language directed at any person's personal attributes, appearance, or private life;

c) Unsubstantiated Accusations: Allegations of criminal conduct, ethical violations, or impropriety without factual basis or pending legal proceedings;

d) Discriminatory Remarks: Comments based on race, religion, gender, sexual orientation, age, disability, or other protected characteristics; and

e) Threats or Intimidation: Any statement that could reasonably be perceived as threatening physical harm to any individual.

4. Additional Prohibited Conduct

- Profanity or vulgar language
- Disruptive behavior including shouting, interrupting, or refusing to yield the floor
- Engaging in dialogue or debate with Council members, staff, or other speakers

CITY COUNCIL AGENDA FORM

Meeting Date: August 25, 2025
Prepared by:
Department: City Clerk

Agenda Item: 8.IX.
Reviewed by:

AGENDA ITEM DESCRIPTION:
Requesting clarification of mission statement and priorities - *Ordinance Review Committee*

STAFF BRIEFING:
At the second Ordinance Review Committee meeting, the committee requested that the council provide the committee with a mission statement as well as any areas that the council recommends for priority review.

HISTORY:
08.06.2025 - Ordinance Review Committee requested a mission statement and priority recommendations

FISCAL IMPACT:
None.

CITY CLERK

At the second Ordinance Review Committee meeting, the committee requested that the council provide the committee with a mission statement as well as any areas that the council recommends for priority review. The committee has currently begun the task of reviewing the zoning ordinances to provide recommendations to the Planning & Zoning Commission. However, the committee would like to ensure that this is within the will of the council.

This item is submitted as a City Manager's report item with the intent that it will return on a future agenda as an action item.

Kierra Nance, TRMC

1111 Bayou La Marque, Texas 77568 P: 409-938-9259 CityClerk.cityoflamarque.org

MUNICIPAL COURT

July 2025

Total Cases Pending

Traffic Misdemeanors	6287
Non-Traffic Misdemeanors	5912

New Cases Filed

Traffic Misdemeanors	379
Non-Traffic Misdemeanors	205

Disposed Cases

Traffic Misdemeanors	428
Non-Traffic Misdemeanors	159

Warrants Issued

Arrest Warrants	359
Capias Pro Fine Warrants	133

Notes :

OFFICE OF COURT ADMINISTRATION
TEXAS JUDICIAL COUNCIL

OFFICIAL MUNICIPAL COURT MONTHLY REPORT

Month **July** **Year** **2025**

Municipal Court for the City of La Marque

Presiding Judge Kerry Pettijohn

If new, date assumed office ____________

Court Mailing Address 1111 Bayou Road

City La Marque , Tx **Zip** 77568

Phone Number (409) 938-9245

Fax Number

Court's Public Email court@cityoflamarque.org

Court's Website www.ci.la-marque.tx.us

THE ATTACHED IS A TRUE AND ACCURATE REFLECTION OF THE RECORDS OF THIS COURT.

Prepared by Stacy Froeschner

Date 2025-08-04 Phone Number ____________

PLEASE RETURN THIS FORM NO LATER THAN 20 DAYS FOLLOWING THE END OF THE MONTH REPORTED TO:

OFFICE OF COURT ADMINISTRATION
P O BOX 12066
AUSTIN, TX
78711-2066

PHONE: (737) 295-2330
FAX: (512) 463-1648

CRIMINAL SECTION

Court	Traffic Misdemeanors			Non-Traffic Misdemeanors		
Month July Year 2025	Non-Parking	Parking	City Ordinance	Penal Code	Other State Law	City Ordinance
1. Total Cases Pending First of Month:	6,332	0	4	3,415	1,964	487
a. Active Cases	1,547	0	3	252	232	115
b. Inactive Cases	4,785	0	1	3,163	1,732	372
2. New Cases Filed During Month	379	0	0	102	83	20
3. Cases Reactivated	120	0	0	80	49	7
4. All Other Cases Added	0	0	0	0	0	0
5. Total Cases on Docket (Sum of Lines 1a,2,3&4)	2,046	0	3	434	364	142
6. Dispositions Prior to Court Appearance of Trial:						
a. Uncontested Dispositions *(Disposed without appearance before a judge (CCP Art. 27.14))*	190	0	0	57	36	10
b. Dismissed by Prosecution	44	0	0	13	10	6
7. Final Disposition in Open Court or at Trial:						
a. Convictions						
1) Guilty Plea or Nolo Contendere	4	0	0	0	0	0
2) By the Court	0	0	0	0	0	0
3) By the Jury	0	0	0	0	0	0
b. Acquittals:						
1) By the Court	0	0	0	0	0	0
2) By the Jury	0	0	0	0	0	0
c. Dismissed by Prosecution	0	0	0	0	0	0
8. Compliance Dismissals:						
a. After Driver Safety Course (CCP, Art. 45.0511)	36					
b. After Deferred Disposition (CCP, Art. 45.051)	129	0	1	8	7	8
c.City After Teen Court (CCP, Art. 45.052)	0	0	0	0	0	0
d. After Tobacco Awareness Course (HSC, Sec. 161.253)					0	
e. After Treatment for Chemical Dependency (CCP, Art. 45.053)				0	0	
f. After Proof of Financial Responsibility (TC, Sec. 601.193)	6					
g. All Other Transportation Code Dismissals	14	0	0	0	0	0
9. All Other Dispositions	4	0	0	3	1	0
10. Total cases Disposed (Sum of lines 6,7,8&9)	427	0	1	81	54	24
11. Cases Placed on Inactive Status	154	0	0	116	75	31
12. Total Cases Pending End of Month:	6,284	0	3	3,436	1,993	483
a. Active Cases (Equals Lines 5 minus the sum of Lines 10&11)	1,465	0	2	237	235	87
b. Inactive Cases (Equals Line 1b minus Lines 3 plus Line 11)	4,819	0	1	3,199	1,758	396
13. Show Cause and Other Required Hearings Held	367	0	0	123	76	22
14. Cases Appealed:						
a. After Trial	0	0	0	0	0	0
b. Without Trial	0	0	0	0	0	0

CIVIL / ADMINISTRATIVE SECTION

Court	
Month July Year 2025	
1. Total Cases pending First of Month:	0
a. Active Cases	0
b. Inactive Cases	0
2. New Cases Filed	0
3. Cases Reactivated	0
4. All Other Cases Added	0
5. Total Cases on Docket (Sum of Lines 1a,2,3,&4)	0
DISPOSITIONS	
6. Uncontested Civil Fines or Penalties	0
7. Default Judgments	0
8. Agreed Judgments	0
9. Trial Hearing by Judge/Hearing Officer	0
10. Trial by Jury	0
11. Dismissed for Want of Prosecution	0
12. All Other Dispositions	0
13. Total Cases Disposed (Sum of Lines 6 thru 12)	0
14. Cases Placed on Inactive Status	0
15. Total Cases Pending End of Month:	0
a. Active Cases (Equals Line 5 minus the sum of Lines 13&14)	0
b. Inactive Cases (Equals Line 1b minus Line 3 plus Line 14)	0
16. Cases Appealed:	
a. After Trial	0
b. Without Trial	0

JUVENILE / MINOR ACTIVITY

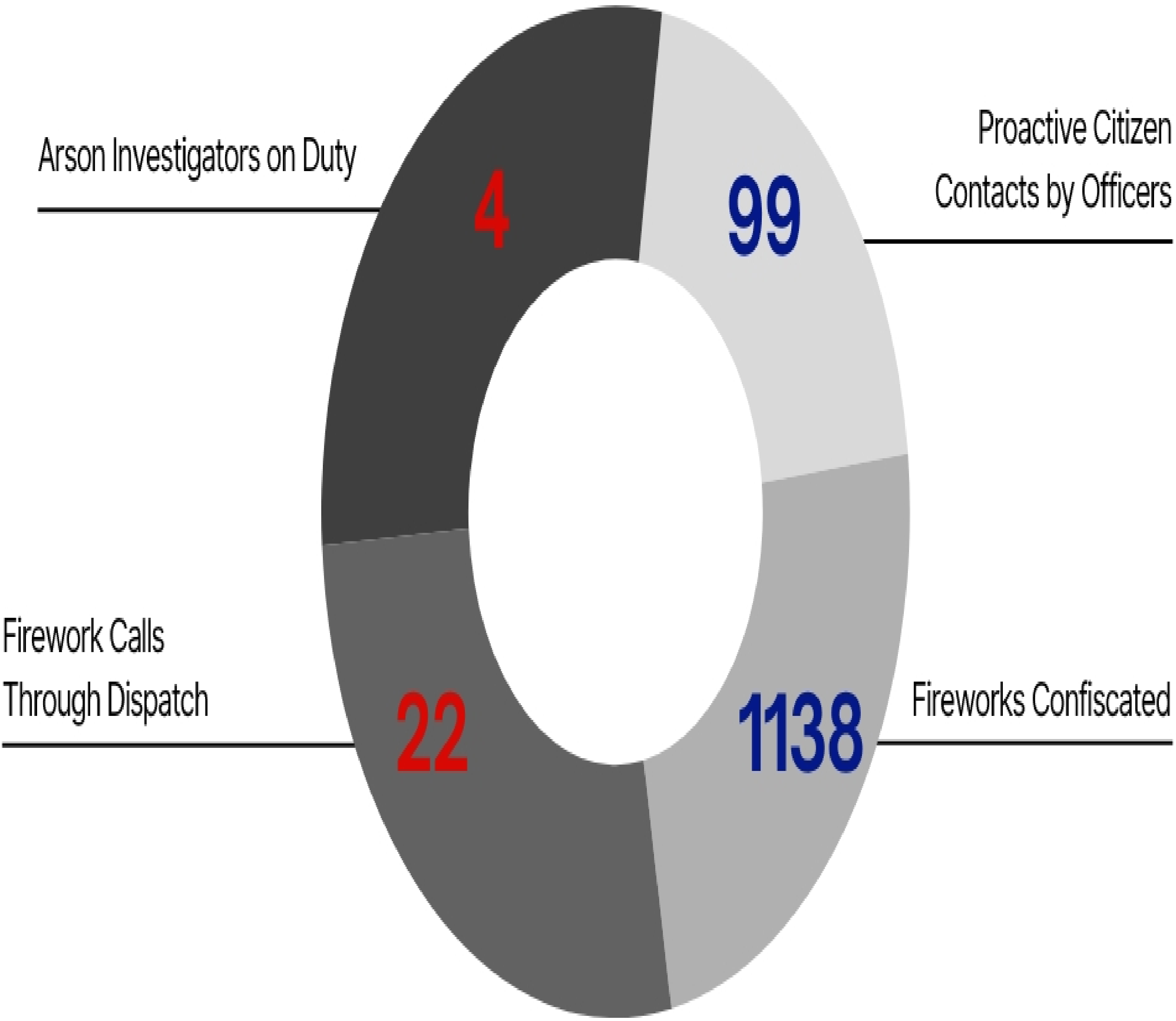
Court	
Month July Year 2025	
1. Transportation Code Cases Filed	4
2. Non-Driving Alcoholic Beverage Code Cases Filed	6
3. Driving Under the Influence of Alcohol Cases Filed	0
4. Drug Paraphernalia Cases Filed (HSC, Ch. 481)	0
5. Tobacco and E-Cigarettes Cases Filed (HSC, Sec. 161.252)	2
6. Truancy Cases Filed (Fam. Code, Sec. 65.003(a))	0
7. Education Code Cases Filed	0
8. Violation of Local Daytime Curfew Ordinance Cases Filed (Local Govt. Code, Sec. 341.905)	0
9. All Other Non-Traffic Fine-Only Cases Filed	0
10. Transfer to Juvenile Court: a. Mandatory Transfer (Fam.Code, Sec. 51.08(b)(1)	0
b. Discretionary Transfer (Fam.Code, Sec. 51.08(b)(1)	0
11. Accused of Contempt and Referred to Juvenile Court (Delinquent Conduct) (CCP, Art. 45.05(c)(l))	0
12. Held in Contempt by Criminal Court(Fined and/or Denied Driving Privileges) (CCP, Art. 45.050(c)(2))	0
13. Juvenile Statement Magistrate Warning: a. Warnings Administered	0
b. Statements Certified (Fam.Code, Sec. 51.095)	0
14. Detention Hearings Held (Fam. Code, Sec. 54.01)	0
15. Orders for Non-Secure Custody Issued	0
16. Parent Contributing to Nonattendance Cases Filed (Ed. Code, Sec. 25.093)	0

ADDITIONAL ACTIVITY

Court	NUMBER GIVEN	NUMBER REQUESTS FOR COUNSEL
Month July Year 2025		
1. Magistrate Warnings: a. Class C Misdemeanors	123	
b. Class A and B Misdemeanors	0	0
c. Felonies	0	0
		TOTAL
2. Arrest warrants Issued: a. Class C Misdemeanors		359
b. Class A and B Misdemeanors		0
c. Felonies		0
3. Capiases Pro Fine Issued		133
4. Search Warrants Issued		0
5. Warrants for Fire, Health and Code Inspections Filed (CCP, Art. 1805)		0
6. Examining Trials Conducted		0
7. Emergency Mental Health Hearings Held		0
8. Magistrate's Orders for Emergency Protection Issued		0
9. Magistrate's Orders for Ignition Iterlock Device Issued (CCP.Art. 17.441)		0
10. All Other Magistrate's Orders Issued Requiring Conditions for release on Bond		0
11. Driver's License Denial, Revocation or Suspension Hearings Held (IC, Sec.521.300)		0
12. Disposition of Stolen Property Hearings Held (CCP, Ch. 47)		0
13. Peace Bond Hearings Held		0
14. Cases in which Fine and Court Costs Satisfied by Community Service: a. Partial Satisfaction		0
b. Full Satisfaction		0
15. Cases in Which Fine and Court Costs Satisfied by Jail Credit		0
16. Cases in Which Fine and Court Costs Waived for Indigency		10
17. Amount of Fines and Court Costs Waived for Indigency		$5,009.10
18. Total Fines, Court Costs and Other Amounts Collected: a. Retained by City		$77,623.94
b. Remitted to State		$26,087.55
c. Total		$103,711.49

July Fourth Stats

2025



HAPPY
LABOR
DAY

In observance of Labor Day, all City of La Marque offices will be closed on Monday, September 1st. Normal business hours will resume on Tuesday, September 2nd at 7:30 AM.

LA MARQUE
GATEWAY TO THE GULF