



**CITY OF LA MARQUE
CITY COUNCIL
REGULAR AGENDA
of
September 22, 2025**

Notice is hereby given that the City Council of the City of La Marque, Texas will conduct a **Regular Meeting on September 22, 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. PRESENTATIONS
 - 4.I. Award: Texas Water Utilities Association (TWUA) Alliance Award
 - 4.II. Proclamation: Baby Stewart Foundation
 - 4.III. Proclamation: Paul's Union Church Founder's Day
5. 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.*

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

6.I. Ordinance No. O-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

6.II. Ordinance No. O-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. A tax rate of \$0.452161 per \$100 valuation has been proposed by the governing body of the City of La Marque
MAINTENANCE AND OPERATIONS (M&O) TAX RATE: \$0.336908 Per \$100
INTEREST AND SINKING (I&S) TAX RATE: \$0.115253 per \$100
PROPOSED TAX RATE: \$0.452161 per \$100

7. OLD BUSINESS

Items presented to the Council for discussion and possible action:

7.I. 2024 Single Audit

Approving the final audit for Fiscal Year 2023 - 2024 - *Finance / Administration*

7.II. Ordinance No. O-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*

THIS IS THE FIRST READING

7.III. Ordinance No. O-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. A tax rate of \$0.452161 per \$100 valuation has been proposed by the governing body of the City of La Marque - *Administration*

MAINTENANCE AND OPERATIONS (M&O) TAX RATE: \$0.336908 Per \$100

INTEREST AND SINKING (I&S) TAX RATE: \$0.115253 per \$100

PROPOSED TAX RATE: \$0.452161 per \$100

THIS IS THE FIRST READING

7.IV. Boards and Commissions Appointments

Appointing, reappointing, and/or removing members of boards, commissions, and committees - *City Clerk*

8. NEW BUSINESS

Items presented to the Council for discussion and possible action:

- 8.I. Ordinance No. O-2025-0022
Amending Fire Prevention and Emergency Services fees in the La Marque Code of Ordinances Schedule of Fees - *Fire*
- 8.II. Ordinance No. O-2025-0023
Adopting an Amended Ordinance for Article III of the La Marque Code of Ordinances Coin Operated Amusement Machines - *Code Enforcement*
- 8.III. Ordinance No. O-2025-0024
Approving an Ordinance for increasing residential solid waste collection fees and charges - *Utility Billing*
- 8.IV. Resolution No. R-2025-0038
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-2025-0039
Authorizing certain officers of the City to sign and endorse checks and drafts of the City of La Marque bank accounts - *Administration*
- 8.VI. Resolution No. R-2025-0040
Authorizing certain officers of the City to sign and endorse checks and drafts of the City of La Marque bank accounts - *Administration*
- 8.VII. Resolution No. R-2025-0041
Authorizing certain officers of the City to sign and endorse checks and drafts of the City of La Marque bank accounts - *Administration*
- 8.VIII. Resolution No. R-2025-0042
Authorizing certain officers of the City to sign and endorse checks and drafts of the City of La Marque bank accounts - *Administration*
- 8.IX. Amendment to Hiring Freeze
Requesting to amend the city's hiring freeze to add a Financial Accountant II - *Finance / Administration*
- 8.X. Contract with Economic Development Corporation
Entering into a contract with the Economic Development Corporation for a loan agreement - *Finance*
- 8.XI. Fire Collective Bargaining Agreement
Approving the economic and non-economic negotiations of the Fire Collective Bargaining Agreement 2025-2028 - *Fire / Administration*
- 8.XII. Police Collective Bargaining Agreement
Approving the economic and non-economic negotiations of the Police Collective Bargaining Agreement 2025-2026 - *Police / Administration*

8.XIII. Interlocal Agreement - Gulf Coast Auto Crimes Task Force FY 2025 - 2026
Requesting the approval of an Interlocal Agreement with the Gulf Coast Auto Crimes Task Force FY 2025-2026 - *Police*

8.XIV. Interlocal Agreement - City of La Marque and Drainage District #2
Authorizing the City Manager to execute an Interlocal Agreement with the Galveston County Drainage District #2 to maintain ditches - *Public Works / Administration*

8.XV. Request for Qualifications: Grant Administration Services
Requesting qualifications for grant writing services for the City of La Marque - *Administration*

9. CITY MANAGER REPORT

A submitted report to update Council and Community on the standard operations of the City. This report can be acknowledged as whole or discussed at the pleasure of Council.

9.I. August 2025 Municipal Court Monthly Statistics

9.II. August 2025 Crime Rate Statistics

9.III. Monthly Projects Report

9.IV. 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 September 16, 2025 at 6:00 p.m.

Kasey Lott
Deputy City Clerk

Office of the Mayor
for the City of La Marque

PROCLAMATION

WHEREAS, in the face of unimaginable loss, the Baby Stewart Foundation was born in 2015 as a beacon of compassion, resilience, and hope—created to honor the life and legacy of Baby Stewart and to serve families experiencing the pain of infant loss and hardship; and

WHEREAS, for the past ten years, the Baby Stewart Foundation has served as a pillar of healing and outreach, walking beside families in their most vulnerable moments, and ensuring that no parent faces loss or crisis alone; and

WHEREAS, through its unwavering commitment to service, advocacy, and education, the Foundation has brought light to the silent struggles surrounding infant loss, and has provided care packages, emotional support, and community programming that uplift and empower grieving families; and

WHEREAS, the impact of the Baby Stewart Foundation has touched countless lives, thanks to the vision, dedication, and selfless work of its founders, volunteers, and supporters who have turned sorrow into service and loss into love; and

WHEREAS, the 10th Anniversary of the Baby Stewart Foundation is a time to reflect on a decade of meaningful service, honor the memory of lives gone too soon, and celebrate a legacy that continues to bring comfort, dignity, and hope to countless individuals;

NOW, THEREFORE, we the Mayor and City Council by virtue of our authority vested by the City of La Marque, Texas do hereby proclaim October 1, 2025, as:

"BABY STEWART FOUNDATION DAY"

in the City of La Marque and urge the community to celebrate a decade of healing, hope, and heartfelt service, and may the Baby Stewart Foundation continue to grow in strength, love, and purpose for years to come.

In testimony whereof, witness my hand and the Seal of the City of La Marque, this the 19th day of September 2025.

Keith Bell, Mayor

Office of the Mayor
for the City of La Marque

PROCLAMATION

WHEREAS, the year 2025 marks the 130th Anniversary of Paul's Union Church, a congregation founded in 1895 and faithfully committed to serving God and community through worship, outreach, and fellowship; and

WHEREAS, for 130 years, Paul's Union Church has stood as a spiritual cornerstone in the lives of its members and the wider community, offering a sanctuary of faith, a source of strength, and a guiding light through times of both joy and challenge; and

WHEREAS, the church has not only preserved its historical legacy but has also embraced the call to evolve and serve the needs of a changing world—remaining rooted in the Word while reaching outward in love; and

WHEREAS, the church's enduring presence reflects the dedication of its pastors, leaders, congregants, and supporters—past and present—whose collective faith, labor, and vision have sustained and strengthened this beloved institution across generations; and

WHEREAS, the 130th Anniversary of Paul's Union Church marks a time to honor its rich heritage, celebrate its enduring presence, and look forward with faith and hope to the future;

NOW, THEREFORE, we the Mayor and City Council by virtue of our authority vested by the City of La Marque, Texas do hereby proclaim October 8th, 2025, as:

"Paul's Union Church Founder's Day"

in the City of La Marque and recognize and commend Paul's Union Church for 130 years of faithful ministry, and extend our heartfelt congratulations and blessings for continued growth, unity, and impact for generations to come.

In testimony whereof, witness my hand and the Seal of the City of La Marque, this the 19th day of September 2025.

Keith Bell, Mayor

AFFIDAVIT OF PUBLICATION

State of Florida, County of Orange, ss:

Edmar Corachia, 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:

Sep. 10, 2025

NOTICE ID: MnabxEpOtypdgKlh68fz

PUBLISHER ID: 1348828

NOTICE NAME: PH O-2025-0018 09.22.2025

Publication Fee: \$229.22

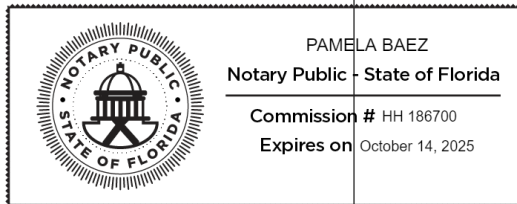
I declare under penalty of perjury that the foregoing is true and correct.

Edmar Corachia

(Signed) _____

VERIFICATION

State of Florida
County of Orange



Subscribed in my presence and sworn to before me on this: 09/11/2025

Notary Public

Notarized remotely online using communication technology via Proof.

Ordinance
ORDINANCE NO. O-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

PASSED AND APPROVED by City Council of the City of La Marque on First reading this **25th** day of **August**, 2025.

A PUBLIC HEARING WILL BE HELD DURING THE CITY COUNCIL MEETING ON MONDAY, SEPTEMBER 22, 2025, AT 6:00 P.M. IN THE COUNCIL CHAMBERS, 1109-B BAYOU ROAD, LA MARQUE, TEXAS 77568

Kasey Lott, Deputy City Clerk
City of La Marque

Published: September 10, 2025

AFFIDAVIT OF PUBLICATION

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PUBLICATION DATES:

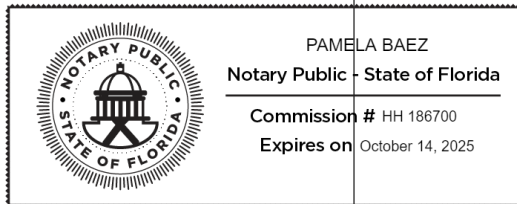
Sep. 10, 2025

NOTICE ID: 7e46KpAWNAXdzZvhr0eI**PUBLISHER ID:** 1348830**NOTICE NAME:** PH O-2025-0019 (Tax Rate)**Publication Fee:** \$343.07

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

Edmar Corachia

(Signed) _____

VERIFICATIONState of Florida
County of Orange

Subscribed in my presence and sworn to before me on this: 09/11/2025

Notary Public

Notarized remotely online using communication technology via Proof.

Legal Notice
PROPOSED TAX RATE

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

A tax rate of \$0.452161 per \$100 valuation has been proposed by the governing body of the City of La Marque.

PROPOSED TAX RATE \$0.452161 per \$100

NO-NEW-REVENUE TAX RATE \$0.398501 per \$100

VOTER-APPROVAL TAX RATE \$0.452161 per \$100

DE MINIMIS TAX RATE \$0.402980 per \$100

FOR: JOE COMPIAN, KEITH BELL, KIMBERLEY YANCY, TONIA GRIFFIN

AGAINST: JOSEPH LOWRY

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Kasey Lott, Deputy City Clerk

City of La Marque

Published: September 10, 2025



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Prepared by: Barbara Holly

Department: Administration

Agenda Item: 7.I.

Reviewed by: _____

AGENDA ITEM DESCRIPTION:

Approving the final 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.



September 17, 2025

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

We have audited the financial statements of the City of La Marque, Texas as of and for the year ended September 30, 2024, and have issued our report thereon dated September 17, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 26, 2023, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of La Marque, Texas solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting material weaknesses and material noncompliance, and other matters noted during our audit in a separate letter to you dated September 17, 2025.

Planned Scope and Timing of the Audit

The issuance date of the audit report was delayed due to complications with COVID-19 and staffing.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, and as appropriate, our firm have complied with all relevant ethical requirements regarding independence.

Our firm and staff do not have any existing relationships, conflicts of interest, or other conditions or circumstances that would impair our independence with the City under U.S. GAAS or [Government Auditing Standards](#)

For any nonattest service provided by our firm, management of the City maintained responsibility for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of La Marque, Texas is included in Note 1 to the financial statements. The City has adopted GASB Statement No. 96, Subscription Based IT Arrangements, which establishes criteria for reporting on these types of arrangements. The City has not adopted any other new accounting standards during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are.

Management's estimate of the useful lives of capital assets is based on industry standards relating to capital assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City of La Marque, Texas's financial statements relate to the City's disclosure of capital assets and long-term debt.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management or otherwise, relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, audit adjustments that were brought to the attention of management as a result of our audit procedures. See Exhibit 1 for a list of corrected and uncorrected misstatements identified during the year.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City of La Marque, Texas's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated September 17, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City of La Marque, Texas, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City of La Marque, Texas's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City of La Marque, Texas's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the governing body and management of the City of La Marque, Texas and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, slightly stylized font.

BrooksWatson & Co., PLLC
Houston, Texas

Exhibit 1

Corrected Audit Adjustments

September 17, 2025

To the City Council and Management
City of La Marque, Texas

In planning and performing our audit of the financial statements of the City of La Marque, Texas (the "City"), as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We consider the following deficiencies in the entity's internal control to be material weaknesses:

1. EFFECTIVE CONTROLS OVER FINANCIAL STATEMENT DISCLOSURE

Finding

Management is responsible for establishing, maintaining, and monitoring internal controls over financial reporting, and for the fair presentation of the financial statements and related notes in conformity with U.S. generally accepted accounting principles.

Under professional standards, we must assess the City's controls over preparing the financial statements including assessing the skills and competencies necessary to prevent, detect, and correct a material misstatement. A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. Control deficiencies exist when the City does not have controls over preparation of the financial statements which would prevent or detect a misstatement in the financial statements. As part of our audit, management requested us to prepare a draft of the City's financial statements and the related notes. Management reviewed, approved, and accepted responsibility for those statements prior to their issuance. The outsourcing of these services is not unusual for a City of this size. However, we cannot be considered part of the City's internal control over financial reporting. We also determined that certain adjustments were required that were material to the financial statements. Accordingly, we consider these control deficiencies over financial reporting to be material weaknesses.

Recommendation

We recommend that management review the existing policies, procedures, and controls over these areas to ensure that all information is recorded and reported properly.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

Finding

As disclosed in the notes to the financial statements, expenditures exceeded appropriations in several departments.

Recommendation

The City should monitor expenditures throughout the year and ensure that budget amendments are properly approved by City Council and recorded in the accounting system.

3. CASH MANAGEMENT

Finding

The City utilizes a pooled cash account. This type of account allows the City to monitor one bank account across multiple funds and provides flexibility when moving cash from one fund to another, without the need for a physical bank transfer. As all funds are pulling

from one bank account, it is possible for an individual fund to have a negative cash balance while the entire account itself is positive.

Although convenient, the individual fund cash balances should be monitored closely, and deficit positions should only be temporary. We noted one fund with negative pooled cash balance at the end of the year.

Recommendation

The City should implement a policy where all individual cash balances are reported to Council and monitored regularly. When a fund has a negative or low cash position, the need for a transfer of funds or spending reduction should be considered and the negative position should be corrected within a reasonable amount of time.

4. UNSPENT BOND PROCEEDS

Finding

The City did not timely transfer funds from unspent bond proceeds to cover bond expenditures made from the pooled cash fund. If bond proceeds are not monitored closely, the City may not know the accurate balance of unspent bond proceeds and over or underspend these funds.

Recommendation

The City should review the historical activity and ensure that all bond expenditures are paid for with unspent bond proceeds. If a different account is utilized to cover these expenditures, the account should be reimbursed timely.

5. BANK RECONCILIATIONS

Findings

The City's bank reconciliation for its consolidated cash account includes outstanding checks that date as far back as November 3, 2016. In addition, several of the City's bank and investment accounts did not have a completed bank reconciliation as of year end.

Recommendation

We recommend that the City review the outstanding checks, void, reissue or escheat them to the State Comptroller. In addition, we recommend that the City reconcile all of its accounts monthly to ensure completeness of its records and timely identification of any incorrect activity.

6. ACCOUNTS PAYABLE

Findings

The City is currently reporting accounts payable, but the amount reported in the individual funds do not match the amounts reported in the pooled cash fund. In addition, the City is not regularly reconciling the detail accounts payable balances to the open accounts payable listing. Significant adjustments were required to reconcile these accounts as part of the audit.

Recommendation

The City should maintain an accurate listing of accounts payable and reconcile those balances to the underlying fund balances no less than monthly.

7. FUND BALANCE

Finding

The City's policy is 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 is to seek to reduce expenditures prior to increasing revenues to replenish fund balance within a reasonable timeframe.

The City's general fund had a deficit unassigned fund balance as of the end of the year.

Recommendation

The City should evaluate and address the current fund balance deficit and achieve a balance that is within City policy.

Other matters are any additional noteworthy items that are unrelated to internal control such as compliance with laws and regulations. In addition, we noted other matters involving the internal control and its operation:

8. INVENTORY

Finding

The City has historically carried balances for the General Fund's inventories held. We noted that the City did not complete an inventory count as the end of the current fiscal year.

Recommendation

We recommend that the City conduct an manual inventory count annually as of the last day of the fiscal year, or the closest business day to this date, and properly update the book balances for this inventory.

9. UTILITY ACCOUNT ADJUSTMENTS

Finding

During our review of the City's internal controls, we noted that adjustments were made by a utility clerk to a customer's account with no formal proof of approval by the utility billing supervisor.

Recommendation

We recommend that a policy requiring formal utility billing supervisor's approval be documented before utility clerks may make adjustments to a customer account.

10. COMPENSATORY TIME

Finding

The City's employee policy allows for police personnel to earn compensatory time up to a maximum of 180 hours. During our review of the City's payroll data, we noted that the City's payroll system shows that some officers were carrying balances exceeding the 180 hour cap. Per the City's policy, these officers should be compensated for balances exceeding 180 hours to bring balances down to the maximum of 180 hours.

Recommendation

We recommend that the City comply with its employee policy by paying for balances exceeding the maximum of 180 hours in compensatory time and that the City regularly review compensatory time balances to ensure that no employee exceeds the maximum balance of 180 hours.

11. CAPITAL ASSETS

Comment

Currently the City does not independently maintain a detail schedule of capital assets and depreciation. As part of the audit process, we have assisted the City with the accumulation of capitalizable assets and of calculation of depreciation. As the City grows and projects become more numerous and complex, a city-wide capital asset system is more necessary than ever before. The City should have an accurate listing of current assets, depreciation and construction in progress for each ongoing project available throughout the year.

Recommendation

The City should begin tracking all capital asset additions and disposals in a formal capital asset software or my other available means. All ongoing construction in progress accounts should have an accurate listing of expenditures to date, remaining commitments, and the availability of remaining unspent bond proceeds committed to those projects.

Additionally, we noted the following other matters we'd like the City to be aware of for the coming year.

12. MONTHLY REPORTING TO COUNCIL

Finding

The City should report their financial position and results on a monthly basis to Council. The current reporting does not present a snapshot of activity in a concise and easy to read manner. Monthly financial reporting to Council should include, at a minimum, 1) budget to actual results for all funds, 2) long-term debt balances and current period activity, 3) new contracts and commitments that the City have entered into, 4) restricted and unrestricted cash position for all cash and investment accounts, 5) basic fund financial statements and 6) fund balance/net position for all funds and compliance with the City's fund balance policies.

Recommendation

We recommend that the City finance personnel meet with Council to discuss the preferred manner and format of the monthly financial information. Once established, the reporting package should be provided monthly as part of the Council packet.

13. NEW ACCOUNTING STANDARD – GASB NO. 101 – COMPENSATED ABSENCES

Finding

GASB 101, *Compensated Absences*, replaces GASB 16, *Accounting Compensated Absences*. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements. GASB Statement No. 101 is effective for fiscal years beginning after December 15, 2023. For September 30th governments that means on October 1, 2024.

The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a “full

accrual” basis). A liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

The most significant impact will be the change to sick leave and how it is accounted for. Under GASB 16, governments have two options in accounting for sick leave, both of which only require the government to accrue for sick time that will be paid in the form of a termination payment. Under GASB 101, sick leave will be calculated in the same manner as any other type of compensated absence. Governments will be required to accrue for time that has accumulated and is likely to be used, even if the employee will never be eligible for a termination payment related to unused time. In addition, the threshold for when to recognize a liability related to expected future payment (or use under GASB 101) decreased from “probable” (likely) to “more likely than not” (likelihood of 50% or higher).

Recommendation

The City should begin planning for an increase in their compensated absence liability if Sick Leave has not previously been accrued. In addition, the Town should begin assessing the approach and assessment of the likelihood that compensated absences will be utilized and therefore accrued.

This communication is intended solely for the information and use of the City Council and management, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, slightly stylized font.

BrooksWatson & Co., PLLC
14950 Heathrow Forest Pkwy | Ste 530
Houston, TX 77032

*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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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

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 September 17, 2025, 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.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
September 17, 2025

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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City of La Marque, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

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 \$31,642,032.
- The City's total net position increased by \$2,193,528. 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 \$6,264,893 at September 30, 2024, a decrease of \$4,231,246 from the prior fiscal year; this includes a decrease of \$2,127,783 in the general fund, a decrease of \$1,088,300 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 a deficit \$273,098.
- 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.

City of La Marque, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2024

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.

City of La Marque, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2024

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.

Proprietary Funds

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.

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

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 \$31,642,032 as of September 30, 2024, in the primary government.

The largest portion of the City's net position, \$28,172,136, 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

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

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	\$ 20,400,595	\$ 11,619,541	\$ 32,020,136	\$ 23,266,280	\$ 10,741,624	\$ 34,007,904
Capital assets, net	18,948,826	37,962,110	56,910,936	19,305,382	33,475,090	52,780,472
Total Assets	39,349,421	49,581,651	88,931,072	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	9,217,787	5,287,884	14,505,671	8,008,552	4,651,507	12,660,059
Long-term liabilities	25,723,250	18,604,983	44,328,233	28,148,445	19,523,280	47,671,725
Total Liabilities	34,941,037	23,892,867	58,833,904	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	7,201,306	20,970,830	28,172,136	7,119,752	18,218,097	25,337,849
Restricted	4,742,588	2,196,029	6,938,617	3,668,400	2,215,939	5,884,339
Unrestricted	(6,109,301)	2,640,580	(3,468,721)	(1,762,018)	(11,666)	(1,773,684)
Total Net Position	\$ 5,834,593	\$ 25,807,439	\$ 31,642,032	\$ 9,026,134	\$ 20,422,370	\$ 29,448,504

Current assets of governmental activities were \$20,400,595 and \$23,266,280 as of September 30, 2024 and September 30, 2023, respectively. The decrease of \$2,865,685 primarily due to less cash and investments on hand resulting from operating deficits during the year. Capital assets for business-type activities increased by \$4,487,020 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 \$1,845,612 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 \$3,343,492 primarily due to principal payments made towards long-term debt and a decrease in net pension liability in the current year.

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

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	5,532,852	-	5,532,852	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	25,105,344	12,714,336	37,819,680	22,020,421	11,773,239	33,793,660
Expenses						
General government	5,022,654	-	5,022,654	5,476,799	-	5,476,799
Public safety	13,769,211	-	13,769,211	11,045,208	-	11,045,208
Public works	2,732,536	-	2,732,536	2,645,199	-	2,645,199
Interest and fiscal charges	740,774	634,900	1,375,674	759,622	542,157	1,301,779
Utility	-	9,165,417	9,165,417	-	9,106,838	9,106,838
Sanitation	-	3,560,660	3,560,660	-	3,050,631	3,050,631
Total Expenses	22,265,175	13,360,977	35,626,152	19,926,828	12,699,626	32,626,454
Change in Net Position						
Before Transfers	2,840,169	(646,641)	2,193,528	2,093,593	(926,387)	1,167,206
Transfers	(6,031,710)	6,031,710	-	(1,586,313)	1,586,313	-
Total	(6,031,710)	6,031,710	-	(1,586,313)	1,586,313	-
Change in Net Position	(3,191,541)	5,385,069	2,193,528	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	\$ 5,834,593	\$ 25,807,439	\$ 31,642,032	\$ 9,026,134	\$ 20,422,370	\$ 29,448,504

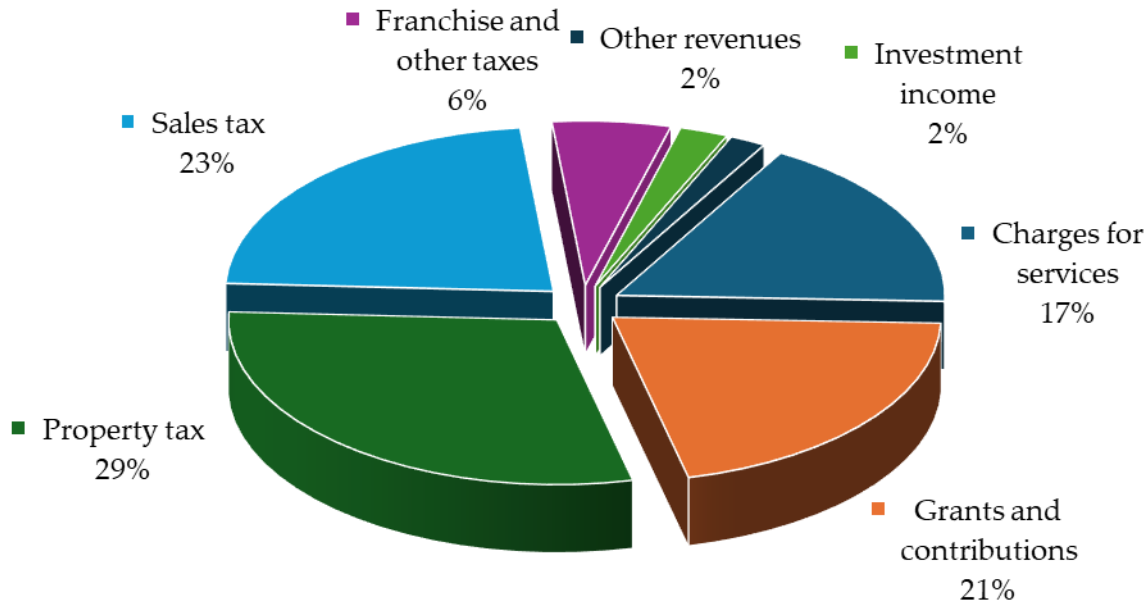
City of La Marque, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2024

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

Governmental Activities Revenues

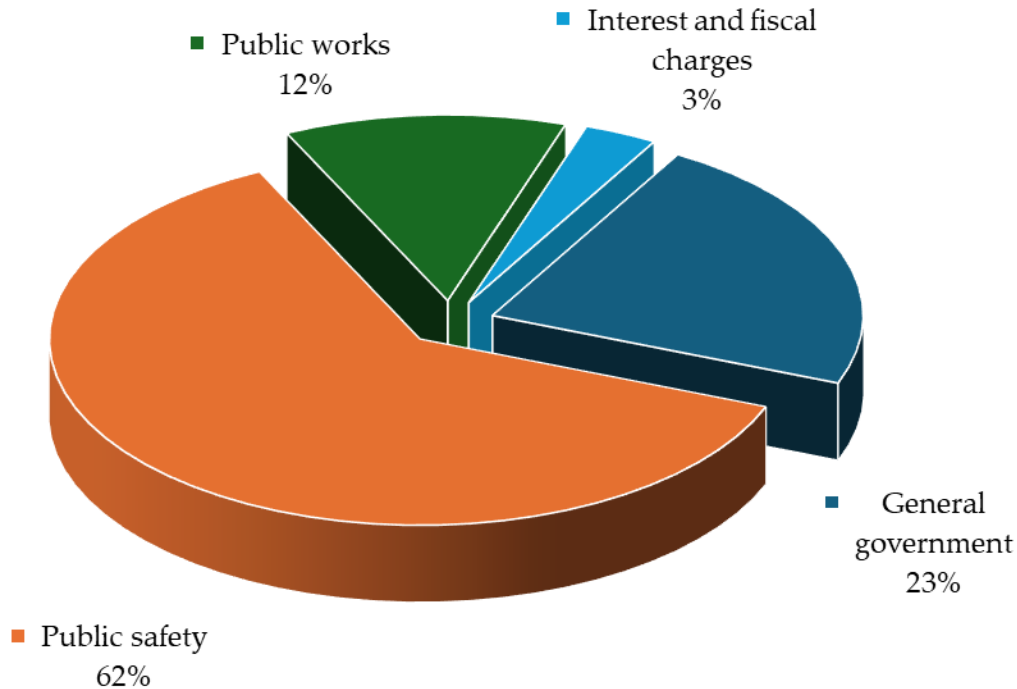


For the year ended September 30, 2024, revenues from governmental activities totaled \$25,105,344. Property tax and sales tax are the City's largest general revenue sources. Overall revenue increased \$3,084,923 or 14% from the prior year. Charges for services increased by \$997,681 or 31% primarily to greater plan review fees, ambulance fees, and fire code plan review fees in the current year. Grants and contributions increased \$1,774,730 or 47% 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.

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

This graph shows the governmental function expenses of the City:

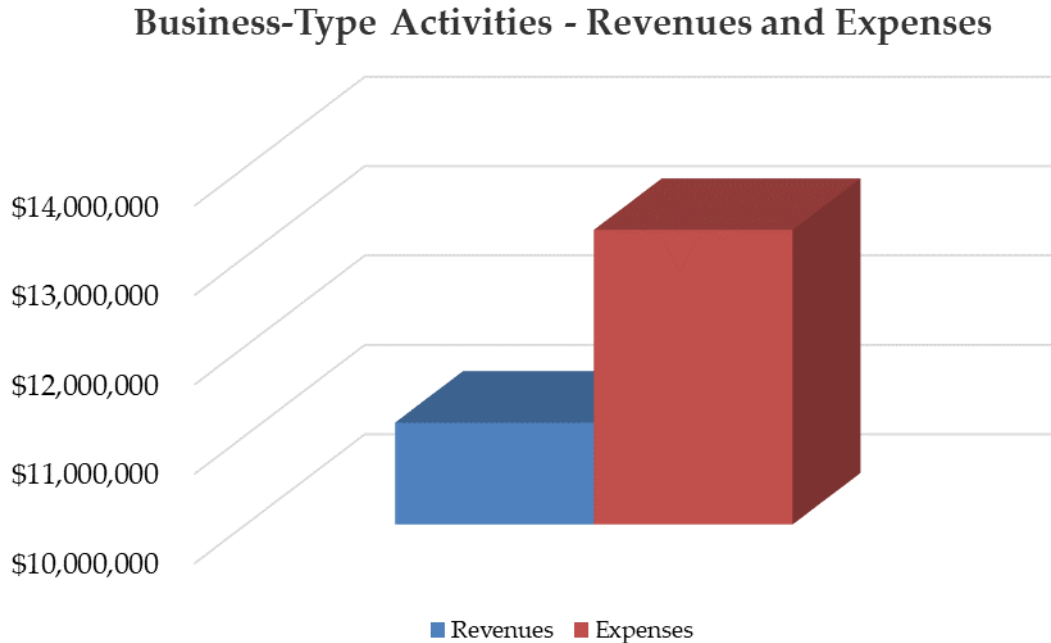
Governmental Activities Expenses



For the year ended September 30, 2024, expenses for governmental activities totaled \$22,265,175. This represents an increase of \$2,338,347 or 12% from the prior year. The City's largest functional expense is public safety totaling \$13,769,211. General government expenses decreased by \$454,145 or 8% primarily due to nonrecurring 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.

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

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 \$661,351 or 5% to a total of \$13,360,977. 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 \$92,743 or 17% 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 \$6,264,893, a decrease of \$4,231,246 in comparison with the prior year. Of this amount, \$1,761,338, constitutes *unassigned deficit fund balance*. Nonspendable fund balance totaled \$86,934 for inventories and prepaids

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

and assigned fund balance totaled \$393,158. The remainder of the fund balance is restricted for particular purposes totaling \$7,546,139.

As of the end of the year the general fund reflected a total fund balance of \$1,445,057. General fund balance decreased by \$2,127,783. 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 was a deficit of \$273,098.

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 \$46,747, a decrease of \$1,088,300. This decrease was a result of transfers to other funds exceeding current year revenues. Debt service payments totaling \$1,049,908 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 as well as revenue that will be received in the subsequent 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 \$26,513,022. Unrestricted net position at the close of the fiscal year amounted to \$3,346,163, and overall net position increased \$5,981,625 from the previous year. Total investment in capital assets, net of related debt was \$20,970,830, and capital assets, net of depreciation totaled \$37,962,110.

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 \$17,459,759, resulting in a negative revenue variance of \$874,885. Total budgeted expenditures of \$18,157,698 were less than actual expenditures of \$20,977,468, resulting in a total negative expenditure variance of

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

\$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 \$37,962,110 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.

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

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
<u>Assets</u>			
Cash and cash equivalents	\$ 11,011,816	\$ 8,720,243	\$ 19,732,059
Receivables, net	3,854,133	1,343,484	5,197,617
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	14,990,935	11,619,541	26,610,476
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	25,468,989	43,834,851
Noncurrent Assets	24,358,486	37,962,110	62,320,596
Total Assets	39,349,421	49,581,651	88,931,072
<u>Deferred Outflows of Resources</u>			
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

City of La Marque, Texas
STATEMENT OF NET POSITION (page 2 of 2)
September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 3,730,278	\$ 1,566,394	\$ 5,296,672
Customer deposits	84,528	617,455	701,983
Accrued interest payable	130,985	117,697	248,682
Unearned grant revenue	2,149,943	2,145,702	4,295,645
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	9,217,787	5,287,884	14,505,671
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	158,465	14,911	173,376
Debt due in more than one year	18,651,586	17,424,868	36,076,454
Noncurrent Liabilities	25,723,250	18,604,983	44,328,233
Total Liabilities	34,941,037	23,892,867	58,833,904
<u>Deferred Inflows of Resources</u>			
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
<u>Net Position</u>			
Net investment in capital assets	7,201,306	20,970,830	28,172,136
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
Parks	767,251	-	767,251
Grants	471,712	-	471,712
Debt service	46,747	-	46,747
Unrestricted	(6,109,301)	2,640,580	(3,468,721)
Total Net Position	\$ 5,834,593	\$ 25,807,439	\$ 31,642,032

See Notes to Financial Statements.

Component Unit
La Marque
EDC

\$	210,064
	2,128
	-
	-
	95,114
	-
	1,010,359
	<u>1,317,665</u>
	142,401
	-
	-
	-
	10,567
	-
	<u>152,968</u>
	<u>1,470,633</u>
	3,466
	-
	-
	-
	<u>3,466</u>
	7,476,508
	-
	-
	-
	-
	-
	-
	-
	974,270
	-
	-
	7,726,286
\$	<u><u>16,177,064</u></u>

City of La Marque, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 5,022,654	\$ -	\$ 849,146	\$ -
Public safety	13,769,211	517,044	676,006	-
Public works	2,732,536	3,738,543	-	4,007,700
Interest and fiscal charges	740,774	-	-	-
Total Governmental Activities	<u>22,265,175</u>	<u>4,255,587</u>	<u>1,525,152</u>	<u>4,007,700</u>
Business-Type Activities				
Utility	9,800,317	8,815,571	-	-
Sanitation	3,560,660	2,921,203	-	-
Total Business-Type Activities	<u>13,360,977</u>	<u>11,736,774</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 35,626,152</u>	<u>\$ 15,992,361</u>	<u>\$ 1,525,152</u>	<u>\$ 4,007,700</u>
Component Unit				
La Marque EDC	\$ 1,228,265	\$ -	\$ -	\$ -
Total Component Unit	<u>\$ 1,228,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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
\$ (4,173,508)	\$ -	\$ (4,173,508)	\$ -
(12,576,161)	-	(12,576,161)	-
5,013,707	-	5,013,707	-
(740,774)	-	(740,774)	-
(12,476,736)	-	(12,476,736)	-
-	(984,746)	(984,746)	-
-	(639,457)	(639,457)	-
-	(1,624,203)	(1,624,203)	-
(12,476,736)	(1,624,203)	(14,100,939)	-
			(1,228,265)
			(1,228,265)
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
(6,031,710)	6,031,710	-	-
9,285,195	7,009,272	16,294,467	2,347,074
(3,191,541)	5,385,069	2,193,528	1,118,809
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
\$ 5,834,593	\$ 25,807,439	\$ 31,642,032	\$ 16,177,064

City of La Marque, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2024

	General	Debt Service	GLO - Ike Recovery 2	Public Improvement District No. 1
<u>Assets</u>				
Cash and cash equivalents	\$ 3,771,829	\$ 895,818	\$ -	\$ 99,074
Receivables, net	1,697,225	63,157	2,024,033	-
Assessments receivable	-	-	-	5,947,128
Inventory	40,252	-	-	-
Prepays	45,782	-	-	-
Due from other funds	162,541	-	-	-
Due from component unit	-	-	-	-
Total Assets	\$ 5,717,629	\$ 958,975	\$ 2,024,033	\$ 6,046,202
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 1,451,427	\$ 56	\$ 2,099,927	\$ 98,650
Customer deposits	84,528	-	-	-
Unearned grant revenue	2,149,943	-	-	-
Due to other funds	108,626	849,015	328,851	-
Total Liabilities	3,794,524	849,071	2,428,778	98,650
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grants	-	-	1,083,495	-
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	1,083,495	5,947,128
<u>Fund Balances</u>				
Nonspendable:				
Inventories	40,252	-	-	-
Prepays	45,782	-	-	-
Assigned:	393,158	-	-	-
Restricted for:				
Capital improvements	-	-	-	-
Special revenue	-	-	-	-
Public improvement	-	-	-	424
Parks	767,251	-	-	-
Grants	471,712	-	-	-
Debt service	-	46,747	-	-
Unassigned	(273,098)	-	(1,488,240)	-
Total Fund Balances	1,445,057	46,747	(1,488,240)	424
Total Liabilities, Deferred Inflows and Fund Balances	\$ 5,717,629	\$ 958,975	\$ 2,024,033	\$ 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	3,854,133
-	-	5,947,128
-	-	40,252
-	900	46,682
196,365	626,750	985,656
1,010,359	-	1,010,359
<u>\$ 3,991,923</u>	<u>\$ 3,561,275</u>	<u>\$ 22,300,037</u>
\$ 38,413	\$ 41,805	\$ 3,730,278
-	-	84,528
-	-	2,149,943
-	1,212,075	2,498,567
<u>38,413</u>	<u>1,253,880</u>	<u>8,463,316</u>
-	-	1,083,495
-	-	252,098
-	-	5,947,128
-	-	289,107
-	-	7,571,828
-	-	40,252
-	900	46,682
-	-	393,158
3,953,510	1,140,865	5,094,375
-	1,165,630	1,165,630
-	-	424
-	-	767,251
-	-	471,712
-	-	46,747
-	-	(1,761,338)
<u>3,953,510</u>	<u>2,307,395</u>	<u>6,264,893</u>
<u>\$ 3,991,923</u>	<u>\$ 3,561,275</u>	<u>\$ 22,300,037</u>

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.

\$ 6,264,893

582,964
18,365,862

289,107
5,947,128
1,083,495
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)

\$ 5,834,593

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
<u>Revenues</u>				
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	669,961	-	-	-
Contributions and donations	81,863	-	4,007,700	-
Investment income	326,929	30,646	-	-
Other revenues	320,113	-	-	-
Total Revenues	17,459,759	1,892,190	4,007,700	787,571
<u>Expenditures</u>				
Current:				
General government	4,539,833	-	-	-
Public safety	13,818,911	-	-	-
Public works	1,755,919	-	37,004	-
Public safety	-			
Streets	-			
Debt service:				
Principal	505,190	649,600	-	543,562
Interest and fiscal charges	109,852	400,308	-	243,585
Capital outlay	247,763	-	243,911	-
Total Expenditures	20,977,468	1,049,908	280,915	787,147
Excess of Revenues Over (Under) Expenditures	(3,517,709)	842,282	3,726,785	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	676,006
-	-	4,089,563
143,585	69,723	570,883
-	115,898	436,011
<u>143,585</u>	<u>528,003</u>	<u>24,818,808</u>
-	219,825	4,759,658
-	50,457	13,869,368
-	-	1,792,923
-	-	-
-	-	-
-	-	1,698,352
-	-	753,745
246,953	21,027	759,654
<u>246,953</u>	<u>291,309</u>	<u>23,633,700</u>
(103,368)	236,694	1,185,108

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
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 1,124,712	\$ -	\$ -	\$ -
Transfers (out)	(350,142)	(1,930,582)	(5,138,807)	-
Lease issuance	615,356	-	-	-
Total Other Financing Sources (Uses)	1,389,926	(1,930,582)	(5,138,807)	-
Net Change in Fund Balances	(2,127,783)	(1,088,300)	(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	\$ 1,445,057	\$ 46,747	\$ (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)	(7,506,564)
-	-	615,356
350,000	(86,891)	(5,416,354)
246,632	149,803	(4,231,246)
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	\$ 6,264,893

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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	\$ (4,231,246)
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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.	272,645
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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	\$ (3,191,541)
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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				
<u>Current Assets</u>				
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	2,281,345	-	2,281,345	3,136
Inventories	45,845	-	45,845	-
Total Current Assets	12,036,873	354,238	12,391,111	599,125
<u>Noncurrent Assets</u>				
Capital assets:				
Non-depreciable	12,493,121	-	12,493,121	-
Net depreciable capital assets	25,468,989	-	25,468,989	-
Total Noncurrent Assets	37,962,110	-	37,962,110	-
Total Assets	49,998,983	354,238	50,353,221	599,125
<u>Deferred Outflows of Resources</u>				
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			Governmental
	Enterprise Funds			Activities
	Utility	Sanitation	Total	Internal Service
Liabilities				
<u>Current Liabilities</u>				
Accounts payable and accrued expenses	\$ 1,278,143	\$ 288,251	\$ 1,566,394	\$ -
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	-	771,570	771,570	-
Unearned grant revenue	2,145,702	-	2,145,702	-
Accrued interest	117,697	-	117,697	-
Total Current Liabilities	4,999,633	1,059,821	6,059,454	-
<u>Noncurrent Liabilities</u>				
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	17,424,868	-	17,424,868	-
Total Liabilities	23,604,616	1,059,821	24,664,437	-
<u>Deferred Inflows of Resources</u>				
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	-
<u>Net Position</u>				
Net investment in capital assets	20,970,830	-	20,970,830	-
Restricted for:				
Capital projects	2,196,029	-	2,196,029	-
Unrestricted	3,346,163	(705,583)	2,640,580	599,125
Total Net Position	\$ 26,513,022	\$ (705,583)	\$ 25,807,439	\$ 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
<u>Operating Revenues</u>				
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	-
<u>Operating Expenses</u>				
Personnel services	1,986,962	-	1,986,962	-
Contractual services	696,651	3,560,660	4,257,311	-
Materials and supplies	559,805	-	559,805	-
Utilities	451,937	-	451,937	-
Purchased water	1,709,191	-	1,709,191	-
Repairs and maintenance	1,807,123	-	1,807,123	-
Depreciation	1,783,528	-	1,783,528	-
Capital outlay	170,220	-	170,220	-
Total Operating Expenses	9,165,417	3,560,660	12,726,077	-
Operating Income (Loss)	19,069	(596,556)	(577,487)	-
<u>Nonoperating Revenues (Expenses)</u>				
Investment income	565,746	-	565,746	13,891
Interest expense	(634,900)	-	(634,900)	-
Nonoperating Revenues (Expenses)	(69,154)	-	(69,154)	13,891
Income (Loss) Before Transfers	(50,085)	(596,556)	(646,641)	13,891
<u>Transfers</u>				
Transfers in	7,069,389	-	7,069,389	-
Transfers (out)	(1,037,679)	-	(1,037,679)	-
Change in Net Position	5,981,625	(596,556)	5,385,069	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	\$ 26,513,022	\$ (705,583)	\$ 25,807,439	\$ 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
<u>Cash Flows from Operating Activities</u>				
Receipts from customers	\$ 9,318,765	\$ 3,023,589	\$ 12,342,354	\$ -
Payments to suppliers and contractors	(6,764,503)	(3,023,556)	(9,788,059)	-
Payments to employees	(1,861,562)	-	(1,861,562)	-
Net Cash Provided (Used) by Operating Activities	692,700	33	692,733	-
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers in	7,069,389	-	7,069,389	-
Transfers (out)	(1,037,679)	-	(1,037,679)	-
Net Cash Provided (Used) by Noncapital Financing Activities	6,031,710	-	6,031,710	-
<u>Cash Flows from Capital and Related Financing Activities</u>				
Purchases of capital assets	(6,214,673)	-	(6,214,673)	-
Principal paid on capital debt	(700,471)	-	(700,471)	-
Interest paid on capital debt	(667,630)	-	(667,630)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(7,582,774)	-	(7,582,774)	-
<u>Cash Flows from Investing Activities</u>				
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.

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			Governmental
	Enterprise Funds			Activities
	Utility	Sanitation	Total	Internal Service
<u>Reconciliation of Operating Income (Loss)</u>				
<u>to Net Cash Provided (Used) by Operating Activities</u>				
Operating Income (Loss)	\$ 19,069	\$ (596,556)	\$ (577,487)	\$ -
Adjustments to reconcile operating income to net cash provided (used):				
Depreciation	1,783,528	-	1,783,528	-
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	(1,739,448)	-	(1,739,448)	-
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	330,874	277,520	608,394	-
Customer deposits	(76,600)	-	(76,600)	-
Compensated absences	77,641	-	77,641	-
Due to other funds	-	259,584	259,584	-
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	\$ 692,700	\$ 33	\$ 692,733	\$ -

Schedule of Non-Cash Capital and Related Financing Activities

Lease issuance	\$ 55,875	\$ -	\$ 55,875	\$ -
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See Notes to Financial Statements.

City of La Marque, Texas
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2023

		Custodial Funds
<u>Assets</u>		
Cash and cash equivalents		\$ 4,793
	Total Assets	4,793
<u>Net Position</u>		
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
<u>Additions</u>	
Investment earnings	\$ 171
Other revenue	50
Total Additions	<u>221</u>
 Deductions	
Intergovernmental expenses	6,045
Total Deductions	<u>6,045</u>
Change in Net Position	(5,824)
 Beginning net position	10,617
Ending Net Position	<u><u>\$ 4,793</u></u>

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City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

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

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

(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

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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)	\$1,930,582
Parks Fund:	
General government	\$ 17,760
Court Technology Fund:	
General government	\$ 8,251
Court Security Fund:	
Transfers (out)	\$ 2,500

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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:

	<u>Restricted</u>
Capital improvements	\$ 5,094,375
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
Parks	767,251
Grants	471,712
Debt service (governmental)	46,747
	<u>\$ 7,546,139</u>

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	-	2,024,033	-	-	-	2,024,033
Other	56,398	-	-	-	9,065	65,463
Allowance	(885,904)	-	(147,368)	-	-	(1,033,272)
	<u>\$ 1,697,225</u>	<u>\$ 2,024,033</u>	<u>\$ 63,157</u>	<u>\$ 5,947,128</u>	<u>\$ 69,718</u>	<u>\$ 9,801,261</u>

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)
	<u>\$ 990,222</u>	<u>\$ 353,262</u>	<u>\$ 1,343,484</u>

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

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	<u>399,073</u>	<u>183,891</u>	<u>-</u>	<u>582,964</u>
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	<u>51,473,485</u>	<u>835,735</u>	<u>-</u>	<u>52,309,220</u>
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	<u>(32,567,176)</u>	<u>(1,376,182)</u>	<u>-</u>	<u>(33,943,358)</u>
Net capital assets being depreciated	18,906,309	(540,447)	-	18,365,862
Total Capital Assets	<u><u>\$ 19,305,382</u></u>	<u><u>\$ (356,556)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,948,826</u></u>

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	<u><u>\$ 1,376,182</u></u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	<u>6,628,605</u>	<u>6,067,005</u>	<u>(202,489)</u>	<u>12,493,121</u>
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	<u>66,514,589</u>	<u>203,543</u>	<u>202,489</u>	<u>66,920,621</u>
Less accumulated depreciation				
Buildings and improvements	(116,805)	-	-	(116,805)
Improvements other than buildings	(35,981,941)	(1,494,129)	-	(37,476,070)
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)	(20,429)	-	(1,523,692)
Total accumulated depreciation	<u>(39,668,104)</u>	<u>(1,783,528)</u>	<u>-</u>	<u>(41,451,632)</u>
Net capital assets being depreciated	<u>26,846,485</u>	<u>(1,579,985)</u>	<u>202,489</u>	<u>25,468,989</u>
Total Capital Assets	<u><u>\$ 33,475,090</u></u>	<u><u>\$ 4,487,020</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 37,962,110</u></u>

Depreciation was charged to business-type activities as follows:

Utility	\$ 1,945,684
Total Business-Type Activities Depreciation Expense	<u><u>\$ 1,945,684</u></u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	<u>5,250,142</u>	<u>586,314</u>	<u>(1,252,338)</u>	<u>4,584,118</u>
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	<u>2,183,414</u>	<u>21,424</u>	<u>1,252,338</u>	<u>3,457,176</u>
Less accumulated depreciation				
Buildings and structures	(335,091)	(150,946)	-	(486,037)
Equipment	-	(3,214)	-	(3,214)
Total accumulated depreciation	<u>(335,091)</u>	<u>(154,160)</u>	<u>-</u>	<u>(489,251)</u>
Net capital assets being depreciated	<u>1,848,323</u>	<u>(132,736)</u>	<u>1,252,338</u>	<u>2,967,925</u>
Total Capital Assets	<u><u>\$ 7,098,465</u></u>	<u><u>\$ 453,578</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,552,043</u></u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	(114,716)	195,250	93,645
Less deferred amounts:					
For premiums	867,622	-	(32,730)	834,892	-
Total Business-Type Activities	\$ 18,808,636	\$ 55,875	\$ (733,201)	\$ 18,131,310	\$ 706,442
Long-term liabilities due in more than one year				\$ 17,424,868	

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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 Obligation, Series 2016, due in annual installments through 2045, interest at 2-3.125%	\$ 3,987,293	\$ -	\$ 3,987,293
\$6,000,000 Certificate of Obligation, Series 2018, due in annual installments through 2048, interest at 3.5-5%	5,320,000	-	5,320,000
\$5,075,200 Certificate of Obligation, 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 Obligation, 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 Obligation, 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	\$ 195,250	\$ 1,483,426
Total Long-Term Debt	\$ 20,347,449	\$ 18,131,310	\$ 38,478,759

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

General Obligation Bonds

<u>Year ending</u> <u>September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 2,150,000</u>	<u>\$ 196,450</u>	<u>\$ 2,346,450</u>

Certificates of Obligation

<u>Year ending</u> <u>September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 9,307,293</u>	<u>\$ 4,213,530</u>	<u>\$ 13,520,823</u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Contractual Obligation

<u>Year ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 537,881</u>	<u>\$ 39,964</u>	<u>\$ 577,845</u>

Note Payable

<u>Year ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 728,693</u>	<u>\$ 146,275</u>	<u>\$ 874,968</u>

Developer Payable

<u>Year ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 5,947,129</u>	<u>\$ 1,836,791</u>	<u>\$ 7,783,920</u>

Developer payable is limited to special assessments receivable and not payable from City funds.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Certificates of Obligation

<u>Year ending September 30,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 10,597,600</u>	<u>\$ 5,396,649</u>	<u>\$ 15,994,249</u>

Contractual Obligation

<u>Year ending September 30,</u>	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 6,233,145</u>	<u>\$ 3,445,972</u>	<u>\$ 9,679,117</u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Note Payable

Year ending September 30,	Business-Type Activities		
	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
	<u>\$ 270,423</u>	<u>\$ 54,315</u>	<u>\$ 324,738</u>

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	<u>\$ 1,288,176</u>	<u>\$ 177,421</u>	<u>\$ 1,465,597</u>

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	39,675	942	40,617
Total	<u>\$ 195,250</u>	<u>\$ 13,879</u>	<u>\$ 209,129</u>

Governmental right-to-use and SBITA assets 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.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	<u>\$ 1,472,811</u>	<u>\$ 1,437,374</u>	<u>\$ (1,325,530)</u>	<u>\$ 1,584,655</u>	<u>\$ 1,426,190</u>
Long-term liabilities due in more than one year				<u>\$ 158,465</u>	
Business-Type Activities:					
Compensated Absences	\$ 71,464	\$ 142,086	\$ (64,445)	\$ 149,105	\$ 134,194
Total Business-Type Activities	<u>\$ 71,464</u>	<u>\$ 142,086</u>	<u>\$ (64,445)</u>	<u>\$ 149,105</u>	<u>\$ 134,194</u>
Long-term liabilities due in more than one year				<u>\$ 14,911</u>	
Component Unit Activities:					
Compensated Absences	\$ 90,431	\$ 96,170	\$ (80,920)	\$ 105,681	\$ 95,114
Total Component Unit Activities	<u>\$ 90,431</u>	<u>\$ 96,170</u>	<u>\$ (80,920)</u>	<u>\$ 105,681</u>	<u>\$ 95,114</u>
Long-term liabilities due in more than one year				<u>\$ 10,567</u>	

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.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

H. Interfund Transactions

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

	Transfers In:				
	Capital		Nonmajor		
Transfers out:	General	Improvements	Governmental	Utility	Total
General	\$ -	\$ 350,000	\$ 142	\$ -	\$ 350,142
GLO - Ike Recovery 2	-	-	-	5,138,807	5,138,807
Utility	1,037,679	-	-	-	1,037,679
Debt service	-	-	-	1,930,582	1,930,582
Nonmajor governmental	87,033	-	-	-	87,033
Total	\$ 1,124,712	\$ 350,000	\$ 142	\$ 7,069,389	\$ 8,544,243

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 to (payable fund):	Due from (receivable fund):					Total
	General	Capital Improvements	Nonmajor Govt.	Internal Service	Utility	
General	\$ -	\$ -	\$ -	\$ 3,136	\$ 105,490	\$ 108,626
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	-	-	-	-	-	-
Sanitation	162,541	-	-	-	609,029	771,570
Total	\$ 162,541	\$ 196,365	\$ 626,750	\$ 3,136	\$ 2,281,345	\$ 3,270,137

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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

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 settled a personal injury case arising out of a car wreck between an Officer and a driver and passenger. Each plaintiff received \$125,000 which was paid by the City's insurance carrier after year end.

The City is involved in a Title VII employment discrimination suite where the Plaintiff is a former fire fighter with the City of La Marque, Texas. The case has been mediated and a settlement has been agreed to and is pending final authorization by the City of La Marque, Texas. The settlement is fully covered by the City's insurance carrier.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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 \$787,571 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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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:

	<u>Plan Year 2022</u>	<u>Plan Year 2023</u>
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

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	<u>153</u>
Total	<u>459</u>

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

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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).

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Changes in the Net Pension Liability (Asset)

	<u>Total Pension</u>	<u>Plan Fiduciary</u>	<u>Total Net Pension</u>	<u>Primary Government</u>	<u>Component Unit</u>
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	<u>\$ 42,132,231</u>	<u>\$ 35,734,832</u>	<u>\$ 6,397,399</u>	<u>\$ 6,254,998</u>	<u>\$ 142,401</u>

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.tmr.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.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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, 2024 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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

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

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	<u><u>\$ 633,262</u></u>

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	<u><u>\$ (298,948)</u></u>

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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)
	<u>\$ (298,948)</u>

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	<u><u>\$ 412,025</u></u>

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:

<u>Primary Government</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ (40,082)
Differences in assumptions	-	(74,762)
Contributions subsequent to measurement date	11,681	-
Total	<u><u>\$ 11,681</u></u>	<u><u>\$ (114,844)</u></u>

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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:

	<u>Total</u>
2024	\$ (30,396)
2025	(45,788)
2026	(39,826)
2027	1,166
2025	-
Thereafter	-
	<u>\$ (114,844)</u>

Retiree Healthcare Plan

Plan Description

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.

Benefits

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	<u>\$ 778,118</u>

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	<u>\$ 23,411</u>	<u>\$ (192,785)</u>

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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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)
	<u>\$ (192,785)</u>

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.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	<u>\$ 9,026,134</u>	<u>\$ 3,572,840</u>

	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	<u>\$ 20,422,370</u>	<u>\$ 20,531,397</u>

	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	<u>\$ 15,058,255</u>

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 September 17, 2025, 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)
<u>Revenues</u>				
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
Emergency services			-	-
Fines and forfeitures	534,950	534,950	491,245	(43,705)
Intergovernmental	320,083	320,083	669,961	349,878
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	17,459,759	874,885
<u>Expenditures</u>				
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
Cemetery	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)	(3,517,709)	(1,944,885)
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)	(2,127,783)	\$ (1,409,671)
Beg. fund balance, as previously reported			3,833,210	
Error correction			(260,370)	
Beg. fund balance, as adjusted			3,572,840	
Ending Fund Balance			\$ 1,445,057	

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)
<u>Revenues</u>				
Special assessments	\$ 1,053,500	\$ 1,053,500	\$ 787,571	\$ (265,929)
Total Revenues	1,053,500	1,053,500	787,571	(265,929)
<u>Expenditures</u>				
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%

<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2023</u>
\$ 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%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

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 generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes

There were no benefit changes during the year.

<u>9/30/2019</u>	<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2022</u>	<u>9/30/2023</u>	<u>9/30/2024</u>
\$ 978,226	\$ 1,117,702	\$ 1,307,322	\$ 1,305,762	\$ 1,361,949	\$ 1,707,995
<u>\$ 978,226</u>	<u>\$ 1,117,702</u>	<u>\$ 1,307,322</u>	<u>\$ 1,305,762</u>	<u>\$ 1,361,949</u>	<u>\$ 1,707,995</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 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:

	<u>9/30/2017</u>	<u>9/30/2018</u>	<u>9/30/2019</u>	<u>9/30/2020</u>
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	<u>(1,637)</u>	<u>(133,142)</u>	<u>125,290</u>	<u>34,168</u>
Total pension liability - beginning	<u>928,992</u>	<u>927,355</u>	<u>794,213</u>	<u>919,503</u>
Total pension liability - ending	<u><u>\$ 927,355</u></u>	<u><u>\$ 794,213</u></u>	<u><u>\$ 919,503</u></u>	<u><u>\$ 953,671</u></u>
 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.

<u>9/30/2021</u>	<u>9/30/2022</u>	<u>9/30/2023</u>	<u>9/30/2024</u> 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)
<u>56,288</u>	<u>(296,808)</u>	<u>15,604</u>	<u>(95,493)</u>
<u>953,671</u>	<u>1,009,959</u>	<u>713,151</u>	<u>728,755</u>
<u>\$ 1,009,959</u>	<u>\$ 713,151</u>	<u>\$ 728,755</u>	<u>\$ 633,262</u> 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:

	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>
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	<u>49,470</u>	<u>(9,237)</u>	<u>94,319</u>	<u>109,604</u>
Total OPEB liability - beginning	<u>305,938</u>	<u>355,408</u>	<u>346,171</u>	<u>440,490</u>
Total OPEB liability - ending	<u><u>\$ 355,408</u></u>	<u><u>\$ 346,171</u></u>	<u><u>\$ 440,490</u></u>	<u><u>\$ 550,094</u></u>
 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:

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.

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

<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2023</u> 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)
<u>26,943</u>	<u>(197,908)</u>	<u>32,896</u>
<u>550,094</u>	<u>577,037</u>	<u>379,129</u>
<u>\$ 577,037</u>	<u>\$ 379,129</u>	<u>\$ 412,025</u> 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:

	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>
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	<u>61,041</u>	<u>5,974</u>	<u>121,830</u>	<u>120,769</u>
Total OPEB liability - beginning	<u>653,143</u>	<u>714,184</u>	<u>720,158</u>	<u>841,988</u>
Total OPEB liability - ending	<u><u>\$ 714,184</u></u>	<u><u>\$ 720,158</u></u>	<u><u>\$ 841,988</u></u>	<u><u>\$ 962,757</u></u>
 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.

<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2023</u> 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)
<u>(84,686)</u>	<u>(143,936)</u>	<u>43,983</u>
<u>962,757</u>	<u>878,071</u>	<u>734,135</u>
<u>\$ 878,071</u>	<u>\$ 734,135</u>	<u>\$ 778,118</u> 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

limits. The fund accounts for all tax and expenditure activity associated with the fund's primary purpose.

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
<u>Assets</u>				
Cash and cash equivalents	\$ 2,201	\$ 6,228	\$ 583,304	\$ 129,956
Accounts receivable, net	2,053	-	60,653	-
Due from other funds	-	-	-	-
Prepays	-	-	-	-
Total Assets	\$ 4,254	\$ 6,228	\$ 643,957	\$ 129,956
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 10,100	\$ 9,185
Due to other funds	-	-	350,647	-
Total Liabilities	-	-	360,747	9,185
<u>Fund Balances</u>				
Nonspendable:				
Prepays	-	-	-	-
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
-	-	-
-	-	-
-	-	-
<u>\$ 332,549</u>	<u>\$ 28,309</u>	<u>\$ 23,392</u>

\$ -	\$ 1,327	\$ 9,959
-	4,103	1,581
<u>-</u>	<u>5,430</u>	<u>11,540</u>

-	-	-
-	-	-
-	-	-
-	-	11,852
332,549	-	-
-	-	-
-	22,879	-
-	-	-
-	-	-
<u>332,549</u>	<u>22,879</u>	<u>11,852</u>
<u>\$ 332,549</u>	<u>\$ 28,309</u>	<u>\$ 23,392</u>

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
<u>Assets</u>				
Cash and cash equivalents	\$ 35,042	\$ 58,515	\$ 18,211	\$ 26,913
Accounts receivable, net	-	-	-	-
Due from other funds	-	-	-	-
Prepays	-	-	900	-
Total Assets	\$ 35,042	\$ 58,515	\$ 19,111	\$ 26,913
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ 152	\$ 48
Due to other funds	-	-	-	-
Total Liabilities	-	-	152	48
<u>Fund Balances</u>				
Nonspendable:				
Prepays	-	-	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
<u>\$ 255,366</u>	<u>\$ -</u>	<u>\$ 1,563,592</u>	<u>\$ 1,997,683</u>	<u>\$ 3,561,275</u>
\$ 9,960	\$ -	\$ 40,731	\$ 1,074	\$ 41,805
-	-	356,331	855,744	1,212,075
<u>9,960</u>	<u>-</u>	<u>397,062</u>	<u>856,818</u>	<u>1,253,880</u>
-	-	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
<u>245,406</u>	<u>-</u>	<u>1,166,530</u>	<u>1,140,865</u>	<u>2,307,395</u>
<u>\$ 255,366</u>	<u>\$ -</u>	<u>\$ 1,563,592</u>	<u>\$ 1,997,683</u>	<u>\$ 3,561,275</u>

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
<u>Revenues</u>				
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
<u>Expenditures</u>				
General government	-	-	117,225	-
Public safety	-	-	-	43,084
Capital outlay	-	-	-	-
Total Expenditures	-	-	117,225	43,084
Revenues Over (Under) Expenditures	-	-	34,867	54,590
<u>Other Financing Sources (Uses)</u>				
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	-
<u>146,757</u>	<u>8,911</u>	<u>11,794</u>
-	27,760	13,251
-	-	-
-	-	-
<u>-</u>	<u>27,760</u>	<u>13,251</u>
<u>146,757</u>	<u>(18,849)</u>	<u>(1,457)</u>
142	-	-
-	-	-
<u>142</u>	<u>-</u>	<u>-</u>
146,899	(18,849)	(1,457)
185,650	41,728	13,309
<u>\$ 332,549</u>	<u>\$ 22,879</u>	<u>\$ 11,852</u>

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
<u>Revenues</u>				
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	<u>14,005</u>	<u>1,918</u>	<u>8,208</u>	<u>8,801</u>
<u>Expenditures</u>				
General government	-	-	-	11,589
Public safety	-	-	7,373	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>7,373</u>	<u>11,589</u>
Revenues Over (Under) Expenditures	<u>14,005</u>	<u>1,918</u>	<u>835</u>	<u>(2,788)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	(2,500)	-	-	-
Total Other Financing Sources (Uses)	<u>(2,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>\$ 35,042</u>	<u>\$ 58,515</u>	<u>\$ 18,959</u>	<u>\$ 26,865</u>

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
<u>34,594</u>	<u>-</u>	<u>484,754</u>	<u>43,249</u>	<u>528,003</u>
-	50,000	219,825	-	219,825
-	-	50,457	-	50,457
21,027	-	21,027	-	21,027
<u>21,027</u>	<u>50,000</u>	<u>291,309</u>	<u>-</u>	<u>291,309</u>
<u>13,567</u>	<u>(50,000)</u>	<u>193,445</u>	<u>43,249</u>	<u>236,694</u>
-	-	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
<u>\$ 245,406</u>	<u>\$ -</u>	<u>\$ 1,166,530</u>	<u>\$ 1,140,865</u>	<u>\$ 2,307,395</u>

City of La Marque, Texas
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2023

	Library Memorial Fund	Seized Property	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 4,792	\$ 1	\$ 4,793
Total Assets	<u>4,792</u>	<u>1</u>	<u>4,793</u>
 <u>Net Position</u>			
Restricted	4,792	1	4,793
Total Net Position	<u><u>\$ 4,792</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 4,793</u></u>

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
<u>Additions</u>			
Investment earnings	\$ 171	\$ -	\$ 171
Other revenue	50	-	50
Total Additions	<u>221</u>	<u>-</u>	<u>221</u>
<u>Deductions</u>			
Intergovernmental expenses	-	6,045	6,045
Total Deductions	<u>-</u>	<u>6,045</u>	<u>6,045</u>
Change in Net Position	221	(6,045)	(5,824)
Beginning net position	<u>4,571</u>	<u>6,046</u>	<u>10,617</u>
Ending Net Position	<u>\$ 4,792</u>	<u>\$ 1</u>	<u>\$ 4,793</u>

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)
<u>Revenues</u>			
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
<u>Expenditures</u>			
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
<u>Other Financing Sources (Uses)</u>			
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)
<u>Revenues</u>			
Interest income	\$ -	\$ 43,249	\$ 43,249
Total Revenues	-	43,249	43,249
<u>Expenditures</u>			
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		Variance with
	Budget	Actual	Final Budget
			Positive
			(Negative)
<u>Revenues</u>			
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)
<u>Expenditures</u>			
Debt service:			
Principal	1,281,292	649,600	631,692
Interest	876,988	400,308	476,680
Total Expenditures	2,158,280	1,049,908	1,108,372
Excess of Revenues			
Over (Under) Expenditures	76,000	842,282	766,282
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	-	(1,930,582)	(1,930,582) *
Total Other Financing Sources (Uses)	-	(1,930,582)	(1,930,582)
Net Change in Fund Balance	\$ 76,000	(1,088,300)	\$ (1,164,300)
Beginning fund balance		1,135,047	
Ending Fund Balance		\$ 46,747	

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)
<u>Revenues</u>			
Investment income	\$ 50,000	\$ 143,585	\$ 93,585
Total Revenues	50,000	143,585	93,585
<u>Expenditures</u>			
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
<u>Other Financing Sources (Uses)</u>			
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)
<u>Revenues</u>			
Other revenue	\$ 8,300	\$ 8,911	\$ 611
Total Revenues	<u>8,300</u>	<u>8,911</u>	<u>611</u>
<u>Expenditures</u>			
General government	10,000	27,760	(17,760) *
Total Expenditures	<u>10,000</u>	<u>27,760</u>	<u>(17,760)</u>
Net Change in Fund Balance	<u>\$ (1,700)</u>	(18,849)	<u>\$ (17,149)</u>
Beginning fund balance		41,728	
Ending Fund Balance		<u>\$ 22,879</u>	

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)
<u>Revenues</u>			
Fines and forfeitures	\$ 5,000	\$ 11,794	\$ 6,794
Total Revenues	5,000	11,794	6,794
<u>Expenditures</u>			
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)
<u>Revenues</u>			
Fines and forfeitures	\$ 4,000	\$ 14,005	\$ 10,005
Interest income	1,000	-	(1,000)
Total Revenues	<u>5,000</u>	<u>14,005</u>	<u>9,005</u>
Excess of Revenues Over (Under) Expenditures	<u>5,000</u>	<u>14,005</u>	<u>9,005</u>
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	-	(2,500)	(2,500) *
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,500)</u>	<u>(2,500)</u>
Net Change in Fund Balance	<u>\$ 5,000</u>	<u>11,505</u>	<u>\$ 6,505</u>
Beginning fund balance		23,537	
Ending Fund Balance		<u>\$ 35,042</u>	

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)
<u>Revenues</u>			
Interest income	\$ 500	\$ 1,120	\$ 620
Other revenue	500	798	298
Total Revenues	<u>1,000</u>	<u>1,918</u>	<u>918</u>
Excess of Revenues Over (Under) Expenditures	<u>1,000</u>	<u>1,918</u>	<u>918</u>
Net Change in Fund Balance	<u>\$ 1,000</u>	<u>1,918</u>	<u>\$ 918</u>
Beginning fund balance		56,597	
Ending Fund Balance		<u>\$ 58,515</u>	

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)
<u>Revenues</u>			
Interest income	\$ 500	\$ 600	\$ 100
Other revenue	-	7,608	7,608
Total Revenues	500	8,208	7,708
<u>Expenditures</u>			
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)
<u>Revenues</u>			
Other revenue	\$ 1,000	\$ 8,801	\$ 7,801
Total Revenues	1,000	8,801	7,801
<u>Expenditures</u>			
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
<u>Other Financing Sources (Uses)</u>			
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)
<u>Revenues</u>			
Franchise fees	\$ 38,500	\$ 31,644	\$ (6,856)
Interest income	3,000	2,950	(50)
Total Revenues	41,500	34,594	(6,906)
<u>Expenditures</u>			
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)
<u>Revenues</u>			
Property taxes	\$ -	\$ 146,757	\$ 146,757
Total Revenues	-	146,757	146,757
Excess of Revenues Over (Under) Expenditures	-	146,757	146,757
<u>Other Financing Sources (Uses)</u>			
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
Receivables, net	334,803
Prepays	20,568
Total Assets	\$ 10,047,482

Liabilities

Accounts payable and accrued liabilities	\$ 210,064
Customer deposits	2,128
Due to primary government	1,010,359
Total Liabilities	1,222,551

Fund Balances

Restricted for: Economic development	8,824,931
Total Fund Balance	8,824,931
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	\$ 8,824,931
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	\$ 16,177,064

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.
<u>Revenues</u>		
Sales tax	\$	1,859,628
Other revenue		25,361
Investment income		462,085
	Total Revenues	<u>2,347,074</u>
<u>Expenditures</u>		
Current:		
Economic development		1,061,114
Capital outlay		607,738
	Total Expenditures	<u>1,668,852</u>
	Net Change in Fund Balance	678,222
Beginning fund balance, as previously reported		8,124,709
Error correction		22,000
Beginning fund balance, as adjusted		8,146,709
	Ending Fund Balance	<u><u>\$ 8,824,931</u></u>

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	\$ 678,222
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	\$ 1,118,809

See Notes to Financial Statements.

ORDINANCE NO. O-2025-00XX

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 COUNCIL 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 Regular 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 Special 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: September 22, 2025

Agenda Item: 7.III.

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. A tax rate of \$0.452161 per \$100 valuation has been proposed by the governing body of the City of La Marque - *Administration*

MAINTENANCE AND OPERATIONS (M&O) TAX RATE: \$0.336908 Per \$100

INTEREST AND SINKING (I&S) TAX RATE: \$0.115253 per \$100

PROPOSED TAX RATE: \$0.452161 per \$100

THIS IS THE FIRST READING

STAFF BRIEFING:

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

Proposed Tax Rate: .452161

No-New Revenue Tax .398501

Rate: .452161

Voter Approval Tax Rate: .402980

De Minimis Rate:

HISTORY:

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

September 8, 2025 — presentation given by Interim City Manager Holly and Finance Director Ferguson showing a need to increase the tax rate. A new rate was agreed upon at **0.452161** on a 4-1 (Lowry) vote.

September 22, 2025 - this is the first reading with the new tax rate of **0.452161**

FISCAL IMPACT:

Approximately \$900k in increased revenue for the City of La Marque

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 \$.336908 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 \$0.452161 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 Regular 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 Special 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: September 22, 2025

Prepared by: Kasey Lott

Department: City Clerk

Agenda Item: 7.IV.

Reviewed by: Galilea Berrera,
Executive Assistant

AGENDA ITEM DESCRIPTION:

Appointing, reappointing, and/or removing members of boards, commissions, and committees
- *City Clerk*

STAFF BRIEFING:

Several Boards and Commissions still need to fill in or replace appointments. The following have vacancies:

District A: Parks Board

District B: KLMBC (Alternate)

District C: Board of Adjustments, Building Standards Commission, Cemetery Board, KLMBC

Mayor: Cemetery Board

HISTORY:

12/9/2024 - Council Agenda - several appointments / reappointment made

01/13/2025 - Council Agenda; appointments made by Mayor & District D

03/10/2025 - Council Agenda, appointment made by District B (Parks)

03/24/2025 - Council Agenda, appointments made by District A (BOA, BSC, Ordinance Review Board, District B (EDC & BSC), and District D

06/09/2025 - Special Events Committee ordinance (O-2025-0012) passed and adopted by council.

07/2025 - Youth Advisory Board Filled

08/2025 - District C made appointment to Ordinance Review Committee, Mayor made 1 appointment to Special Events Committee

FISCAL IMPACT:

N/A

BOARD OF ADJUSTMENTS COMMISSION ATTENDANCE 2025				
Name	Jan	April	July	Oct
Alexa Cross	P	P		
Ginger Mannett	AN	AN		
Billy Jefferson - Chairperson	P	P		
Ariel Guillory	AE	P		
Sheila Brown	P	AN		
Crystal Cooper		AE		

"P" Present
 "AE" Absent Excused
 "AN" Absent Not
 Excused
 3 for a Quorum
 "NQ" Cancelled, No
 Quorum
 "NM" No Meeting

Building Standards 2025												
Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
David Pennington	P	P	P	P	P	P	P	P	P			
Sally Austin	A	P	P	P	P	P	P	RESIGNED				
Maggie Manuel	P	P	P	P	AN	RESIGNED						
Veverly Sumlin	P	P	A	AN	P	A						
Kaleb Smith	A	A	RESIGNED									
Carla Jefferson				P	P	P	P	P	P			
Melanie Stowe							P	P	P			
Christine Linscomb				P	AN	A	P	AN	AN			

"P" Present

"AN" Absent Not Excused

"AE" Absent Excused

3 for a Quorum

"NM" No Meeting

Cemetery Board 2025				
Name	March- NQ	June- NQ	Sept.	Dec
Bim Crowder	NQ	P - NQ	P	
Kurt Koopman	NQ	AE	A	
Brigette Johnson	NQ	AN	P	
Joel Camacho	NQ	AN	P	
"P" Present				
"AN" Absent Not Excused				
"AE" Absent Excused				
3 for a Quorum				

Civil Service Commission 2025												
Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Morris Martin Jr.	P	n/a	n/a	n/a	P	n/a						
Lucy Glenn	P	n/a	n/a	n/a	P	n/a						
Jackie Pennington	P	n/a	n/a	n/a	P	n/a						
"P" Present												
"AN" Absent Not Excused												
"AE" Absent Excused												
3 for a Quorum												

Economic Development Corporation 2025											
Name	Jan	Feb	March	April	May	June	July 29 (Spec. meeting)	Aug	Sept	Oct	Nov
Gene Smith	No	P	P	P	AE	P	P	P	P		
Cleveland Lane	Meeting	P	P	P	P	P	AE	P	P		
Bobby Hocking		resigned									
Joe Compian				P	P	P	P	AE	P		
James Osteen		AE	AE	P	P	P	P	P	P		
Tracie Steans		P	P	P	P	AE	P	P	P		
"P" Present											
"AN" Absent Not Excused											
"AE" Absent Excused											
3 for a Quorum											

Dec

Keep La Marque Beautiful Commission 2025												
Name	Jan	Feb-NQ	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Lyndsey Gonzales	A	P-NQ	A	P	P	P	P	P	P			
Re'Chard Loftis	P	A	P	P	P	P	P	P	P			
Terry Pettijohn	P	A	P	P	AE	P	AE	P	P			
Kathy Herrin	A	P-NQ	A	P	P	P	P	P	P			
Ashley Gooden-Stewart	P	A	P	A	P	AN	P	P	AN			

"P" Present
 "AN" Absent Not Excused
 "AE" Absent Excused
 3 for a Quorum
 "NM" No Meeting

Parks Board 2025												
Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Mike "Rock" Bock	P	CANCELLED	P	P	NO QUORUM	P	A	P				
Tonia Giffin	P		A	P		P						
Mike Wev	P		P	P		A	P	P				
Tamara Smith	P		RESIGNED									
Mary Limones	P		P	P		A	P	P				
Robert Young				P		P	P	P				
"P" Present "AN" Absent Not Excused "AE" Absent Excused 3 for a Quorum												

PLANNING & ZONING COMMISSION ATTENDANCE 2025												
Name	Jan	Feb	March	April x2	May	June	July	Aug x2	Sept	Oct	Nov	Dec
Alan Waters, Chair	A	NO QUORUM			CANCELLED		CANCELLED					
Greg Cornett, Vice Chairperson	P		P	P / P		P		P/P				
Bradley Stephenson	P		P	P / P		P		P/P				
Corey McCarra	P		P	A/P		P		P/A				
Jared Williams				P / P		A		P/P				
Jasline Randle								A/P				
"P" Present												
"AN" Absent Not Excused												
"AE" Absent Excused												
3 for a Quorum												
NM - No Meeting												

Public Safety Building Committee 2025												
.	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Jamie Loftis	P	A	P	P	A/P	CANCELLED	NO MEETING	P				
Wilmon Smith	P	P	P	P	P/P			P				
Robert Michetich	P	P	A	P	P/P			P				
Jose Divora	P											
Orlando Archibald		P	P	P	P/A			P				
Dash Cantu	P	P	P	A	P/P			P				
Sally Austin (A)	P	A	P	P	P/P							
Jackie Pennington (A)	P	A	P	P	A/P			P				
Conan King (A)	P	A	A	P	A/A							

"P" Present
 "AN" Absent Not Excused
 "AE" Absent Excused
 3 for a Quorum

TIRZ 2025												
Name	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	14-Nov	12-Dec
Patty Shipley	P	NO MEETING	P	NO MEETING	P	P	NO MEETING	NO MEETING				
Leslie Cruz	P		A		P	P						
Darlene Barnes	P		P		A	P						
Doug Boudin	P		P		P	P						
Sheryl Ann Farrell	P		A		A	P						
Sherryl Gray	P		P		P	P						
Al Horcica	P		P		P	P						
"P" Present												
"AN" Absent Not Excused												
"AE" Absent Excused												
3 for a Quorum												

Boards and Commissions Terms for Reappointment

1. Mayor Appointments
 - Cemetery Board – VACANT
 - Building Standards - VACANT
2. District A Appointments
 - Parks Board – VACANT
3. District B Appointments
 - KLMBC (Alternate) – VACANT
4. District C Appointments
 - Board of Adjustments – Ariel Nixon Guillory **Up for appointment**
 - Building Standards – VACANT
 - Cemetery – Joel Camacho **Up for appointment**
 - Planning & Zoning – Greg Cornett **Up for appointment**
5. District D Appointments
 - NO VACANCIES AT THIS TIME

Board / Commission / Committee:	Name:	Year Applied:	Currently on Board?:
Board of Adjustments:	Billy Jefferson	2023	Y
	Virginia (Ginger) Mannett	2023	Y
	Jaylen Henderson (2)	2025	
	Jaylyn Perry	2025	
Building Standards:	Scott Moon	2023	
		2024	RESIGNED FROM BUILDING STANDARDS AUGUST 2025
	Sally Austin		
	Jamie Ray Loftis	2024	Y - Public Safety Building Committee
	Marima Gutierrez (2)	2024	
	Kathy Kidd	2024	
	Carolyn Small (2)	2025	
		2024	RESIGNED FROM BUILDING STANDARDS AUGUST 2025
	Sally Austin		
	Jamie Ray Loftis	2024	Y - Public Safety Building Committee
Charter Review:	Robert Michetich	2024	Y - Public Safety Building Committee
	Ray Medina	2024	Y - Ordinance Review
	Terry Taylor (3)	2025	Y - Ordinance Review
Civil Service:	Rashad Davis (2)	2023	
	Collin Cooper	2023	
	Jackie Pennington	2023	Y
	Deborah Stewart (2)	2024	Y - Ordinance Review
	Shawntale Woodland (2)	2024	Y- Ordinance Review
	Larinda Essary	2024	
	Carla Jefferson	2025	Y - Building Standards
	Jaylen Henderson	2025	
Cemetery:	Michael Augustus	2023	
	Michael Pruden (2)	2024	
	Terry Taylor	2025	Y - Ordinance Review
Economic Development:	Jeremy Silva	2023	
	Rashad Davis	2023	
	Stephanie Gordon	2023	
	Scott Moon (2)	2023	

	Deborah Stewart	2024	RESIGNED IN SEPTEMBER 2025
	Sade Williams (2)	2024	
	Marima Gutierrez	2024	
	Kathy Kidd (2)	2024	
	Orlando Archibald	2024	Y - Public Safety Building Committee
	Kelley Woods	2024	
	Jared Williams (2)	2024	Y - P&Z
	Philip Sukal	2024	
	Ikeysha Lewis	2024	
	Greg Cornett	2025	Y - P&Z
	Robert Young (2)	2025	Y - Parks Board
	Jamie Ray Loftis	2025	Y - Public Safety Building Committee
	Felix Brown (2)	2025	
	Chandra Stafford (2)	2025	
	Sade Williams (2)	2025	
Library Board:	Michael Augustus (2)	2023	
	Shawntale Woodland	2024	Y- Ordinance Review
	Kimberly Phillips	2024	
	Ronald Caraway	2024	
	Terry Taylor (2)	2025	Y- Ordinance Review
	Melanie Stowe	2025	Y - Building Standards
Keep La Marque Beautiful:	Deborah Stewart (3)	2024	Y - Ordinance Review
	Mardella Park	2024	
	Sade Williams	2024	
	Larinda Essary (2)	2024	
	Kimberly Phillips (2)	2024	
	Michael Porter (2)	2024	
	Ronald Caraway (2)	2024	
	Ikeysha Lewis (2)	2024	
	Jaylyn Perry (2)	2025	
Ordinance Review:	Jerry Edwards	2025	
	Robert Michetich	2025	Y - Public Safety Building Committee
	Chandra Stafford	2025	
	Melanie Stowe	2025	Y- Building Standards
	Carolyn Small	2025	
	Felix Brown	2025	Y - Special Events Committee
Parks:	Collin Cooper	2023	
	Mike Bock	2023	Y

	Allen Honish	2024	
	Michael Pruden	2024	
	Ray Medina	2024	Y - Ordinance Review
	Allen Honish	2025	
	Robert Young	2025	Y
		2025	Y - Public Safety
	Jamie Ray Loftis		Building Committee
	Jason Wells	2025	
Planning & Zoning:	Jeremy Silva (2)	2023	
	Stephanie Gordon (2)	2023	
	Allen Honish (2)	2024	
		2024	Y - Public Safety
	Orlando Archibald (2)		Building Committee
	Michael Porter	2024	
	Jared Williams	2024	Y
	Philip Sukal (2)	2024	
		2025	Y - Building Standards
	Carla Jefferson		
	Greg Cornett (2)	2025	Y
	Terry Taylor (4)	2025	Y - Ordinance Review
	Allen Honish (2)	2025	
	Sade Williams	2025	
	Jason Wells (2)	2025	



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Agenda Item: 8.I.

Prepared by: _____

Reviewed by: _____

Department: Code Compliance

AGENDA ITEM DESCRIPTION:

Amending Fire Prevention and Emergency Services fees in the La Marque Code of Ordinances
Schedule of Fees - *Fire*

STAFF BRIEFING:

New schedule of fees to coincide with the 2024 Fire Code that Council adopted in January 2025.

HISTORY:

FISCAL IMPACT:

Unknown

Fire prevention and emergency services permit fees.

- (a) As stated in the 2018 2024 International Fire Code, Section 105.7 105.6 Required construction permits. The fire code official is authorized to issue construction permits for work as set forth in Sections 105.7.1 Sections 105.6.1 through 105.7.25 105.6.25.
- (b) As stated in the 2018 2024 International Fire Code, Section 105.6 105.5 Required operational permits. The fire code official is authorized to issue operational permits for the operations set forth in Sections 105.6.1 105.5.1 through 105.6.50 105.5.57.
- (c) As stated in the 2018 2024 International Fire Code, Section 106.1 108.1 Fees. A permit shall not be issued until the fees have been paid, nor shall an amendment to a permit be released until the additional fee, if any, has been paid.
- (d) As stated in the 2018 2024 International Fire Code, Section 106.2 108.2 Schedule of permit fees. A fee for each permit shall be paid as required, in accordance with the schedule as established by the applicable governing authority.
- (e) As stated in the 2018 2024 International Fire Code, Section 106.3 108.4 Work commencing before permit issuance. A person who commences any work, activity or operation regulated by this code before obtaining the necessary permits shall be subject to an additional fee established by the applicable governing authority, which shall be in addition to the required permit fees.
 - i. Additional fee equal to 2 TIMES of the applicable permit fee will be applied to any person who commences work, activity or operation regulated by this code before obtaining the necessary permits.
- (f) As stated in the 2018 2024 International Fire Code, Section 106.4 108.5 Related fees. The payment of the fee for the construction, alteration, removal or demolition of work done in connection to or concurrently with the work or activity authorized by a permit shall not relieve the applicant or holder of the permit from the payment of other fees that are prescribed by law
- (g) Permit fees shall be required, and fees applied to the extent set forth:

(1) Fire code plan review fee schedule.

a. Fire Alarm System Plan Review & Inspection (Aggregate Total)

Base Fee	\$200.00
FACP [Fire Alarm Control Panel]	\$150.00
Fire Alarm EVAC Panel	\$250.00
Annunciation Panels [Sub-Panel]	\$50.00

Sprinkler/Hood System Tie In	\$75.00
0-10 Devices	\$100.00
11-25 Devices	\$150.00
26-100 Devices	\$275.00
101-200 Devices	\$375.00
201-600 Devices	\$475.00
Over 600 Devices	\$575.00 \$525 Plus \$1/head for each additional device.
Re-inspection Fees	\$200.00 for the first hour, then \$100/hour thereafter
Plan Re-Check Fee	\$150.00 each submittal

a. Fire Alarm System Plan Inspection (Aggregate Total)

Base Fee	\$200.00
FACP [Fire Alarm Control Panel]	\$150.00
Fire Alarm EVAC Panel	\$250.00
Annunciation Panels [Sub-Panel]	\$50.00
Sprinkler/Hood System Tie In	\$75.00
0-10 Devices	\$100.00
11-25 Devices	\$150.00
26-100 Devices	\$275.00
101-200 Devices	\$375.00
201-600 Devices	\$475.00
Over 600 Devices	\$525 Plus \$1/head for each additional device.

b. Emergency Responder Communications Enhancement Systems (ERCES)

Plan Review & Inspection	\$500.00
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c.1 Access Control Systems Plan Review

Base Fee	\$200.00
1-25 Devices	\$150.00

26-50 Devices	\$200.00
Over 50 Devices	\$250.00

c.2 Access Control Systems Inspection

Base Fee	\$200.00
1-25 Devices	\$150.00
26-50 Devices	\$200.00
Over 50 Devices	\$250.00

d.1 Fire Sprinkler System Plan Review & Inspection (Aggregate Total)

Base Fee	\$200.00	\$250.00
Underground Base Fee	\$350.00	
Kitchen Hood Suppression System	\$250.00	
Alternative Fire Suppression Agents	\$250.00	
Fire Sprinkler Break Tank (Base Fee)	\$250.00	
Fire Pumps	\$250.00	\$500.00 per fire pump
1-10 Sprinkler Heads	\$150.00	
11-25 Sprinkler Heads	\$200.00	
26-100 Sprinkler Heads	\$300.00	
101-200 Sprinkler Heads	\$425.00	
201-600 Sprinkler Heads	\$475.00	
Over 600 Sprinkler Heads	\$575.00	\$525 Plus \$1/head for each additional head.
Plan Re-Check Fee	\$150.00	each submittal

d.2 Fire Sprinkler System Plan Inspection (Aggregate Total)

Base Fee	\$250.00
Underground Base Fee	\$350.00
Kitchen Hood Suppression System	\$250.00
Alternative Fire Suppression Agents	\$250.00

Fire Sprinkler Break Tank (Base Fee)	\$250.00
Fire Pumps	\$500.00 per fire pump
1-10 Sprinkler Heads	\$150.00
11-25 Sprinkler Heads	\$200.00
26-100 Sprinkler Heads	\$300.00
101-200 Sprinkler Heads	\$425.00
201-600 Sprinkler Heads	\$475.00
Over 600 Sprinkler Heads	\$525 Plus \$1/head for each additional head.

e. Fire Marshal Building Plan Review

\$1.00 to \$10,000	\$75.00
\$10,001 to \$25,000	\$175.00
\$25,001 to \$50,000	\$275.00
\$50,001 to \$100,000	\$425.00
\$100,001 to \$250,000	\$575.00
\$250,001 to \$500,000	\$1000.00
\$500,001 to \$1,000,000	\$1,300.00
\$1,000,001 to \$3,000,000	\$1,900.00
\$3,000,001 to \$6,000,000	\$2,800.00
\$6,000,001 and up	\$3,100.00 plus \$1.00 for each additional \$1,000
Plan Re-Check Fee	\$350.00 each submittal (projects \$50,001.00 and up)

(2) Fire code inspection service fee schedule.

Certificate of Occupancy	\$125.00
\$1.00 to \$10,000	\$75.00
\$10,001 to \$25,000	\$175.00
\$25,001 to \$50,000	\$275.00
\$50,001 to \$100,000	\$450.00
\$100,001 to \$250,000	\$875.00

\$250,001 to \$500,000	\$1,250.00
\$500,001 to \$1,000,000	\$1,750.00
\$1,000,001 to \$3,000,000	\$2,750.00
\$3,000,001 to \$6,000,000	\$3,250.00
\$6,000,001 and up	\$3,750.00 plus \$1.00 for each additional \$1,000

f. Vehicle Charging Station

1-4 Connections	\$150.00 + Project Valuation Building Plan Review
5+ Connections	\$250.00 + Project Valuation Building Plan Review

(3) Temporary operation permits.

a. As stated in the **2018** **2024** International Fire Code:

Additive Manufacturing	\$125.00 annually
Aerosol Products	\$125.00 annually
Amusement Buildings Areas	\$175.00 per event \$250.00 annually [Note 1]
Aviation Facilities	\$200.00 annually
Carnivals and Fairs	\$175.00 per event [Note 2]
Cellulose Nitrate Film	\$175.00 annually
Combustible Dust-producing Operations	\$150.00 annually
Combustible Fibers	\$150.00 annually
Compressed Gases	\$200.00 annually
Covered and Open Mall Buildings	\$250.00 annually
Cryogenic Fluids	\$175.00 annually
Cutting and Welding	\$150.00 annually
Dry Cleaning Plants	\$200.00 annually [Note 3]
Energy Storage Systems	\$200.00 annually
Exhibits and Trade Shows	\$150.00 per event [Note 4]
Explosives	\$200.00 annually
Fire Hydrants and Valves	\$200.00 per event

Flammable and Combustible Liquids	\$200.00 annually
Floor Finishing	\$150.00 per event
Fruit and Crop Ripening	\$200.00 annually
Fumigation and Thermal Fogging	\$150.00 per site [Note 5]
Hazardous Material	\$200.00 annually
HPM Facilities	\$175.00 annually [Note 6]
High Pile Storage	\$175.00 annually
Hot Work Operations	\$100.00 per event
Indoor Plant Cultivation	\$200.00 annually
Industrial Ovens	\$200.00 annually
Lumber Yards and Woodworking Plants	\$200.00 annually
Fueled Vehicles in Assembly Buildings	\$150.00 per event
Lithium Battery Storage	\$150.00 annually [Note 10]
LP Gas	\$200.00 annually
Magnesium	\$200.00 annually
Miscellaneous Combustible Storage	\$150.00 annually
Mobile Food Preparation Vehicles	\$100.00 annually [Note 8]
Motor Fuel-dispensing Facilities	\$200.00 annually
Open Burning (Land Clearing)	\$150.00 \$750.00 per event [Note 11]
Open Flames and Torches	\$150.00 per event
Open Flames and Candles	\$75.00 annually
Organic Coating	\$175.00 annually
Outdoor Assembly Event	\$150.00 per event
Place of Assembly	\$200.00 annually
Plant Extraction Systems	\$150.00 annually
Private Fire Hydrants	\$150.00 per event
Pyrotechnic Special Effects Material	\$200.00 annually
Pyroxylin Plastics	\$175.00 annually
Refrigeration Equipment	\$100.00 annually

Repair Garages and Motor Fuel Dispensing	\$200.00 annually
Rooftop Heliports	\$200.00 annually
Spraying or Dipping Facility	\$150.00 annually
Storage of Scrap Tires and Tire Products	\$200.00 annually
Temporary Heating or Cooking in Tent/TMS	\$100.00 per event
Temporary Heating or Cooking in Wildfire Risk	\$250.00 per event
Temporary Heating for Construction Sites	\$150.00 per site
Temporary Membrane Structures & Tents	\$100.00 per event [Note 7]
Tire-Rebuilding Plants	\$200.00 annually
Waste Handling	\$200.00 annually
Wood Products	\$150.00 annually

(4) Other Additional Fees

Health Care Facility/Nursing Homes	\$100.00 annually
Day Care Facility (up to 12 clients)	\$75.00 annually
Day Care Facility (over 12 clients)	\$100.00 annually
Apartment Complex (less than 16 units)	\$75.00 annually
Apartment Complex (more than 16 units)	\$150.00 annually
Hospital (less than 50 beds)	\$75.00 annually
Hospital (more than 50 beds)	\$150.00 annually
Foster Home	\$50.00 annually
Smoke Control Systems	\$200.00 per system
Flammable and Combustible Storage Tanks	\$100.00 per tank
Kitchen Hood Suppression System	\$250.00 includes plan review
Standpipe Systems	\$150.00 per riser
Access Control Systems	\$100.00
Pyrotechnics/Fireworks Permit	\$400 per event
Temporary Above Ground Fueling Tanks	\$150 per site
Pyrotechnics/Fireworks Standby	Current FEMA rate

Certified Fire Watch \$45.00 per hour as required [Note 9]

Outside Jurisdiction Fire Investigation \$250 Base Fee + \$50/Hour [Note 12]

False Alarm Fee (Non-Residential).

- 1) The first three (3) false alarm calls within a twelve (12) month period are free of charge.
- 2) The fee for the fourth (4th) and fifth (5th) false alarm calls within a twelve (12) month period is \$150.00 per call.
- 3) The fee for the sixth (6th) and seventh (7th) false alarm calls within a twelve (12) month period is \$500.00 per call.
- 4) The fee for the eighth (8th) false alarm call and any false alarm call beyond the eighth (8th) within a twelve (12) month period is \$1,000.00 per call.

Square Footage Fees for Undefined Use Occupancy

- 1) 1 - 1,500 sq. ft. - \$50.00 annually.
- 2) 1,501 - 3,000 sq. ft. - \$60.00 annually.
- 3) 3,001 - 5,000 sq. ft. - \$75.00 annually.
- 4) 5,001 - 10,000 sq. ft. - \$100.00 annually.
- 5) 10,001 - 25,000 sq. ft. - \$125.00 annually.
- 6) 25,001 - 50,000 sq. ft. - \$150.00 annually.
- 7) 50,001 - 75,000 sq. ft. - \$175.00 annually.
- 8) 75,001 - 100,000 sq. Ft. - \$200.00 annually.
- 9) 100,001 - 200,000 sq. ft. - \$250.00 annually.
- 10) 200,001 sq. ft. and greater - \$300.00 annually.

~~(5) Re-inspection fees for certificate of occupancy inspections or annual certificate of occupancy maintenance inspection.~~

(5) Re-inspection Fees.

~~When it has been determined that a fire hazard or violation exists in or upon the property, structure, vehicle, system or process, and the period of time given to correct the fire hazard or violation has expired, the fire official or authorized representatives shall conduct a re-inspection. If after the inspection the violations still exist a re-inspection fee will be imposed.~~

a. Re-inspection fee: A re-inspection fee of \$150.00 shall be charged for the re-inspection. This fee shall be paid to the fire marshal's office before the inspection is conducted.

b. Second re-inspection fee: A re-inspection fee of \$300.00 shall be charged for the second and subsequent re-inspections. The fee shall be paid to the fire marshal's office before the inspection or subsequent inspections are conducted.

(6) Fire/Arson Investigation Reports

When requested by an outside investigation or insurance party, a \$50 fee will be assessed to the report requester prior to release of the requested fire/arson investigation report.

Notes:

Note 1. Amusement **Buildings** **Areas** – **Halloween** Haunted houses, **Escape Rooms, Game Rooms**, or similar **structures** **occupancy use types**.

Note 2. Carnival and Fairs – Fire inspections of tents, rides, and other hazards.

Note 3. Dry Cleaning Plants – only if the plant produces the dry cleaning process in house using hazardous chemicals or solvents. Plants that only receive and ship orders do not fall into this category.

Note 4. Exhibit and Trade Shows – Special events or trade shows. These events can either be indoor or outdoor events.

Note 5. Fumigation and Thermal Fogging – insecticidal fogging operations inside structures using hazardous or flammable common fumigants. Does not regulate other regular pest or insecticide control operations.

Note 6. HPM (Hazardous Production Materials) - Semiconductors manufacturing and storage. Hazardous Materials associated with the manufacturing of semiconductors.

Note 7. Temporary Membrane Structures & Tents – to erect an air supported temporary membrane structure or a tent having an area in excess of 200 sq. ft. or a canopy in excess of 400 sq. ft. shall require an inspection under this section. Many times during special holidays, tents are erected for the sale of merchandise to the public that exceed 400 square feet. At times, they are enclosed and could present a hazard for egress or flame impingement, especially if they are not certified.

~~Note 8. Food Truck Permit was renamed in the 2018 IFC to Mobile Food Preparation Vehicles.~~

Note 9. Fire Watch – at times, a fire suppression or fire protection system may be out of service causing a system not to operate in the normal manner. When the system is out of service an

approved fire watch is required. Therefore, a properly trained individual is required to operate within the scope of the code until the system is back in service. A certified watch may also be required when a mass gathering of people presents a hazard or unsafe condition. Also required for additional events/permits at the discretion of the Fire Marshal's Office. This fee is directly paid to the person or individual completing such work.

Note 10. An operational permit is required for an accumulation of more than 15 cubic feet (0.42 m) of lithium-ion and lithium metal batteries, where required by Section 320.2.

Note 11. In addition to this fee, a certified fire watch is required and will be billed to the permit applicant based on hourly rate.

Note 12. When requested by an outside jurisdiction to perform fire cause and origin or arson investigation duties.



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Agenda Item: 8.II.

Prepared by: _____

Reviewed by: _____

Department: Code Compliance

AGENDA ITEM DESCRIPTION:

Adopting an Amended Ordinance for Article III of the La Marque Code of Ordinances Coin Operated Amusement Machines - *Code Enforcement*

STAFF BRIEFING:

This update would help with covering administrative costs.

HISTORY:

08.26.2025 - Requested by Fire Chief Merryman

FISCAL IMPACT:

Unknown

ARTICLE III. COIN-OPERATED AMUSEMENT MACHINES¹

Sec. 17-54. Definitions.

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Amusement redemption machine means and includes every (1) skill or pleasure coin-operated machine or device which is operated by or with coins, currency, metal slugs, tokens, electronic payment or checks, that is designed, made and adapted solely for bona fide amusement purposes, and that by operation of chance or a combination of skill and chance, affords the user, in addition to any right of replay, an opportunity to receive exclusively non-cash merchandise prizes, toys, novelties, or a representation of value redeemable for those items; (2) any electronic, electromechanical, or mechanical contrivance designed, made and adapted solely for bona fide amusement purposes if the contrivance rewards the player exclusively with non-cash merchandise, prizes, or novelties, or a representation of value redeemable for those items, that have a wholesale value available from a single play of the game or device of not more than ten times the amount charged to play the game or device once or \$5.00, whichever is less.

Amusement redemption machine game room means any establishment where five or more amusement redemption machines, with the exception of excluded machines, are displayed or exhibited for public use.

Coin-operated machine means and includes every machine or device of any kind or character which is operated by or with coins, currency, metal slugs, tokens, electronic payments or checks. Music coin-operated machines and skill or pleasure coin-operated machines, as defined in this section, shall be included in such terms.

Music coin-operated machine means and includes every coin-operated machine of any kind or character which dispenses or vends or which is used for dispensing or vending music and which is operated by or with coins, currency, metal slugs, tokens, electronic payments or checks. The following are expressly included within this term: phonographs, pianos, graphophones, and all other coin-operated machines which dispense or vend music.

Operator means and includes any person who exhibits, displays, or permits to be exhibited or displayed, in a place of business other than his own, any coin-operated machine in this city.

Owner means and includes any person owning or having the care, control, management, or possession of any coin-operated machine in this city.

Representation of value means cash paid under authority of sweepstakes contests as provided in the V.T.C.A. Business and Commerce Code ch. 43(B), or a gift certificate or gift card that is presented to a merchant in exchange for merchandise.

Service coin-operated machine means every pay toilet, pay telephone, and all other machines or devices which dispense service only and not merchandise, music, skill, or pleasure.

¹Editor's note(s)—Ord. No. O-2016-0017, § 1, adopted Oct. 10, 2016, repealed art. III, §§ 17-54—17-60, and reenacted said article, as set out herein. Former art. III pertained to similar subject matter and derived from Ord. No. 964, adopted Aug. 28, 2006; Ord. No. 972, § 1, adopted Dec. 11, 2006; Ord. No. 988, § 1, adopted Sept. 24, 2007; Ord. No. 1017, § 1, adopted Feb. 23, 2009; and Ord. No. O-2012-1068, § 1, adopted Nov. 12, 2012.

Skill or pleasure coin-operated machine means and includes every coin-operated machine, of any kind or character, when the machines dispense or are used or are capable of being used or operated for amusement or pleasure, or when the machines are operated for the purpose of dispensing or affording skill or pleasure, or for any other purpose other than the dispensing or vending of merchandise or music or service exclusively as those terms are defined in this section. The following are expressly included within this term: marble machines, marble table machines, marble shooting machines, miniature racetrack machines, miniature football machines, miniature golf machines, miniature bowling machines, and all other coin-operated machines which dispense or afford skill or pleasure. Every machine or device of any kind or character which dispenses or vends merchandise, commodities or confections, or plays music in connection with or in addition to these games or dispensing of skill or pleasure shall be considered as skill or pleasure machines and taxed at the higher rate fixed to these machines.

(Ord. No. O-2016-0017, § 1, 10-10-2016)

Sec. 17-55. Occupation tax levied.

- (a) Every person who owns, controls, exhibits, displays, or permits to be exhibited or displayed in this city any coin-operated machines shall pay, and there is hereby levied on every coin-operated machine except such as are exempted in this article, an annual occupation tax on one-fourth the tax charged and collected by the state.
- (b) Nothing in this section shall prevent the operator of the machines from paying the tax levied in this section for the account of the owner, but the payment of the tax by the operator or other person shall not relieve the owner from the responsibility of complying with all provisions of this article.

(Ord. No. O-2016-0017, § 1, 10-10-2016)

Sec. 17-56. Payment of occupation tax: receipt to be attached to machine.

- (a) The occupation tax levied by this article shall be paid to the permit clerk, who shall issue an occupation tax receipt.
- (b) The occupation tax receipt shall be attached to the coin-operated machine mentioned in the receipt and shall bear the serial number of the particular machine.
- (c) It shall be unlawful for any person to operate, exhibit, or display any coin-operated machine in the city without having attached thereto an occupation tax permit, and no occupation tax permit issued for a certain coin-operated machine shall be transferred to any other machine.

(Ord. No. O-2016-0017, § 1, 10-10-2016)

Sec. 17-57. Exemptions.

Utility meters, pay telephones, pay toilets, food vending machines, confection vending machines, beverage vending machines, merchandise vending machines, and cigarette vending machines which are subject to an occupation or gross receipts tax and service coin-operated machines are expressly exempt from the tax levied in this article and the other provisions of this article.

(Ord. No. O-2016-0017, § 1, 10-10-2016)

Sec. 17-58. Illegal machines not authorized.

Nothing in this article shall be construed or have the effect to license, permit, authorize, or legalize any machine, device, table, or coin-operated machine, the keeping, exhibition, operation, display, or maintenance of which is illegal or in violation of any article of the Penal Code of this state or the constitution of this state.

(Ord. No. O-2016-0017, § 1, 10-10-2016)

Sec. 17-59. Skill or pleasure coin-operated machines prohibited near schools.

No skill or pleasure coin-operated machine shall be permitted within 300 feet of any school building, church or hospital.

(Ord. No. O-2016-0017, § 1, 10-10-2016)

Sec. 17-60. Amusement redemption machines and game rooms.

(a) *Licensing and permitting.*

- (1) *License.* No person shall operate an amusement redemption machine game room in the city without first obtaining a license from the chief of police Fire Marshal, as required by this section. No license shall be issued until the license fee has been paid by the operator for each machine within the premises, as required by section 17-56.
- (2) *Permit.* No person shall operate an amusement redemption machine game room in the city without first obtaining a permit from the chief of police Fire Marshal. No permit shall be issued until the occupation tax has been paid by the operator, as required by section 17-56.

(b) *Excluded machines.* An amusement redemption machine game room does not include:

- (1) A machine that awards the user non-cash merchandise prizes, toys, or novelties, solely and direct from the machine, including claw, crane, or similar machines; nor
- (2) A machine from which the opportunity to receive non-cash merchandise prizes, toys, or novelties, or a representation of value redeemable for those items, varies depending upon the user's ability to throw, roll, flip, toss, hit, or drop a ball or other physical object into the machine or a part thereof, including basketball, skeet ball, golf, bowling, pusher, or similar machines; nor
- (3) A machine or any device defined in V.T.C.A. Penal Code § 47.01 as a gambling device, or any activity prohibited or described in V.T.C.A. Penal Code ch. 47.

(c) Local license fee for amusement redemption machine and amusement redemption machine game room required.

- (1) *Payment of fee and issuance of license.* An owner, operator, or lessee of an amusement redemption machine game room shall be required to secure a license annually. An amusement redemption machine game room shall be required to secure a license by paying to the city an annual inspection and amusement redemption machine game room license fee of ~~\$1,000.00~~ \$1,500.00 per machine. All fees must be paid in full. No partial payments will be accepted. Upon payment of fee and compliance with all licensing requirements, the license shall be issued by the chief of police Fire Marshal, or designee.
- (2) *Application.* There is a non-refundable ~~\$1,000.00~~ \$1,500.00 application fee for all game rooms. An applicant for a license shall file with the chief of police Fire Marshal a written application on a form provided for that purpose, which shall be signed by the applicant, who shall be the owner, operator, or

lessee of the amusement redemption machine game room. Should an applicant maintain an amusement redemption machine game room at more than one location, a separate application shall be filed for each location. The following information is required in the application:

- a. Name, address, telephone number and driver's license number of the applicant if a natural person; name, address, telephone number and driver's license number of all persons who own 25 percent or more interest in the amusement redemption machine game room; name, address, telephone number and driver's license number of all corporate officers, if any, of the such business; name, address, telephone number of the business; if incorporated, the name of the business registered with the secretary of state; if a partnership, the name, address, telephone number and driver's license of each of the general and limited partners; a copy of the applicant's d/b/a, if applicable. If applicant is not the owner of the premises, the applicant shall furnish the name, address, and telephone number of the property owner.
- b. The previous occupation(s) of the applicant and, if applicable, all corporate officers and partners of the applicant within the preceding five years.
- c. Whether a previous license or permit of applicant, or, if applicable, corporate or partner of applicant, has been revoked within two years of filing of the application.
- d. Must provide proof of ownership, bill of sale, or lease agreement for amusement redemption machines, including serial numbers.
- e. Number of amusement redemption machines at the designated amusement redemption machine location.
- f. A statement that:
 1. The amusement redemption machines are not and will not be used as gambling devices;
 2. That all the facts contained in the application are true and correct;
 3. The location and operation of the amusement redemption machine will not violate any applicable deed restrictions; and
 4. The amusement redemption machine will be operated in accordance with all laws; and
- g. Name, address, and telephone number of an emergency contact person who can be reached after hours.

(3) *Expiration and renewal.*

- a. *Expiration.* An annual amusement redemption machine game room license issued by the city shall automatically expire on the 31st day of December following its issuance, except as otherwise stated. Such license shall automatically expire if the licensee sells the property or the business, transfers equity to accomplish same, or otherwise disposes of such devices. An amusement redemption machine game room license is not assignable or transferable. The city shall not refund any portion of a license after the license is issued, nor shall it prorate or reduce in amount any fee due to the city.
- b. *Late penalty.* Upon the expiration of a license, the licensee shall obtain a renewal if the licensee wishes to continue operating an amusement redemption machine game room. Failure to obtain the renewal within ten days after expiration will require such person to pay a late fee in an amount equal to 20 percent of the fee actually due. Failure to obtain the renewal within 15 days after expiration will require such person to pay a late fee in an amount equal to 25 percent of the fee actually due. Failure to obtain the renewal within 20 days after expiration will require such person to pay a late fee in an amount equal to 30 percent of the fee actually due. After 20 days,

the license will be irrevocably suspended. No licensee shall be authorized to operate after the expiration of a license and before a renewal is effective.

- (4) *Sealing.* The city shall have the authority to seal any coin-operated machine for which a license fee has not been secured. A ~~\$5.00~~ \$15.00 -fee will be charged for the release of any machine sealed for non-payment of said license fee.
- (5) *Posting of license.* The license shall be conspicuously posted inside the building.
- (6) *Restrictions, regulations, controls, and limitations.* The following restrictions, regulations, controls, and limitations shall apply to all amusement redemption machine game rooms:
- a. *Condition of premises.* All building and fire code standards must be met. Inspection by building officials and certificate of occupancy shall be obtained before license is issued. Game room must be located in an area zoned for that activity.
 - b. *Methods of conduction of business.* No alcoholic beverages shall be served or allowed on premises. No activities allowed outdoors.
 - c. *Hours of operation.* Premises may only be operated between the hours of 7:00 a.m. and 2:00 a.m.
 - d. *Parking requirements.* One space for each two machines, plus one space per employee per shift.
 - e. *Location requirements.* Premises shall not operate within 300 feet of an established church, school, or hospital.
 - f. *Location requirement.* Premises shall not operate within 1,500 feet of another amusement redemption machine game room.
 - g. The owner, operator, or manager of the premises must be present to supervise the operation of the machines. The machines shall not be left unattended.
 - h. Machines must be situated within the premises as to be in full and open public view, which entails being visible to all patrons of the establishment.
 - i. Minors may not operate machines during school hours on days when school is in session.
 - j. A game room operator must be a person who is at least 18 years of age.
 - k. Total number of machines in one establishment shall be limited to 50.
 - l. *Security requirements.* Premises shall not operate without recorded video surveillance and a panic alarm button. Surveillance shall capture all points of ingress and egress, and shall be maintained for at least 72 hours.
- (7) Any establishment which contains four or less "amusement redemption machines" as the term is defined in section 17.54 is exempt from the provisions of section 71-60(c).
- (d) *Refusal or termination of license/appeal.* If the chief of police ~~Fire Marshal~~ refuses to approve the issuance of a license or the renewal of a license to an applicant, or revokes a license issued to a licensee under this chapter, such action is final, unless the licensee, within ten days after the receipt of written notice of the action, files with the city manager a written appeal. The city manager shall, within ten days after the appeal is filed, consider all evidence in support of or against the action appealed. The city manager has the authority to sustain, reverse or modify the action appealed. The decision of the city manager is final. Filing of an appeal stays the previous action of the ~~police chief~~ Chief Fire Marshal. Failure or refusal to renew or revocation of an amusement redemption machine game room license does not affect operation of the principal business of which the amusement redemption machine game room is a part.

-
- (e) *Disclaimer.* By issuing the required license, the city is not certifying the installation or use of the amusement redemption machines applying for a license. The applicant shall acknowledge that the city is not certifying or sanctioning the installation or use of such machines.
- (f) *Limitation of regulations on existing business.* Those businesses operating amusement redemption machines or amusement redemption machine game rooms permitted by the city prior to August 29, 2006, are exempt from the regulations specified in sections 17-59, 17-60(c)(6)c., d., e., f., h., and k. The relocation of the business, or the closing of the business for any reason, whether temporarily or permanently, or the loss of or failure to renew licenses or permits required by these regulations, or the violation of any regulation causing the closure or loss of license required, shall make these exemptions void. These exemptions are specific and do not include any other regulation or code that would otherwise be applicable.

(Ord. No. O-2016-0017, § 1, 10-10-2016)

Secs. 17-61—17-78. Reserved.

ORDINANCE NO. O-2025-00[]

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS, AMENDING THE FEES CHARGED FOR COIN OPERATED AMUSEMENT MACHINES, MAKING VARIOUS FINDINGS, PROVIDING FOR AN EFFECTIVE DATE AND ESTABLISHING A PENALTY

WHEREAS, the City Council of La Marque, Texas desires to amend the fees charged for permits for coin operated amusement machines to more adequately recover the City of La Marque's costs in administering the permit program.

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

Section 1. The findings and recitals set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

Section 2. Section 17-60 Amusement Redemption Machines and Game Rooms is amended as follows:

Sec. 17-60. Amusement redemption machines and game rooms.

(a) *Licensing and permitting.*

- (1) *License.*** No person shall operate an amusement redemption machine game room in the city without first obtaining a license from the chief Fire Marshal, as required by this section. No license shall be issued until the license fee has been paid by the operator for each machine within the premises, as required by section 17-56.
- (2) *Permit.*** No person shall operate an amusement redemption machine game room in the city without first obtaining a permit from the chief Fire Marshal. No permit shall be issued until the occupation tax has been paid by the operator, as required by section 17-56.

(b) *Excluded machines.* An amusement redemption machine game room does not include:

- (1)** A machine that awards the user non-cash merchandise prizes, toys, or novelties, solely and direct from the machine, including claw, crane, or similar machines; nor
- (2)** A machine from which the opportunity to receive non-cash merchandise prizes, toys, or novelties, or a representation of value redeemable for those items, varies depending upon the user's ability to throw, roll, flip, toss, hit, or drop a ball or other physical object into the machine or a part thereof, including basketball, skeet ball, golf, bowling, pusher, or similar machines; nor

- (3) A machine or any device defined in V.T.C.A. Penal Code § 47.01 as a gambling device, or any activity prohibited or described in V.T.C.A. Penal Code ch. 47.
- (c) Local license fee for amusement redemption machine and amusement redemption machine game room required.
- (1) *Payment of fee and issuance of license.* An owner, operator, or lessee of an amusement redemption machine game room shall be required to secure a license annually. An amusement redemption machine game room shall be required to secure a license by paying to the city an annual inspection and amusement redemption machine game room license fee of \$1,500.00 per machine. All fees must be paid in full. No partial payments will be accepted. Upon payment of fee and compliance with all licensing requirements, the license shall be issued by the chief Fire Marshal, or designee.
- (2) *Application.* There is a non-refundable \$2,500.00 application fee for all game rooms. An applicant for a license shall file with the chief Fire Marshal a written application on a form provided for that purpose, which shall be signed by the applicant, who shall be the owner, operator, or lessee of the amusement redemption machine game room. Should an applicant maintain an amusement redemption machine game room at more than one location, a separate application shall be filed for each location. The following information is required in the application:
- Name, address, telephone number and driver's license number of the applicant if a natural person; name, address, telephone number and driver's license number of all persons who own 25 percent or more interest in the amusement redemption machine game room; name, address, telephone number and driver's license number of all corporate officers, if any, of the such business; name, address, telephone number of the business; if incorporated, the name of the business registered with the secretary of state; if a partnership, the name, address, telephone number and driver's license of each of the general and limited partners; a copy of the applicant's d/b/a, if applicable. If applicant is not the owner of the premises, the applicant shall furnish the name, address, and telephone number of the property owner.
 - The previous occupation(s) of the applicant and, if applicable, all corporate officers and partners of the applicant within the preceding five years.
 - Whether a previous license or permit of applicant, or, if applicable, corporate or partner of applicant, has been revoked within two years of filing of the application.
 - Must provide proof of ownership, bill of sale, or lease agreement for amusement redemption machines, including serial numbers.
 - Number of amusement redemption machines at the designated amusement redemption machine location.

- f. A statement that:
 - 1. The amusement redemption machines are not and will not be used as gambling devices;
 - 2. That all the facts contained in the application are true and correct;
 - 3. The location and operation of the amusement redemption machine will not violate any applicable deed restrictions; and
 - 4. The amusement redemption machine will be operated in accordance with all laws; and
 - g. Name, address, and telephone number of an emergency contact person who can be reached after hours.
 - h. All persons employed or working at said establishment shall be subject to background check
 - 1. A fee of \$150.00 shall be paid for each background check preformed.
- (3) *Expiration and renewal.*
- a. *Expiration.* An annual amusement redemption machine game room license issued by the city shall automatically expire on the 31st day of December following its issuance, except as otherwise stated. Such license shall automatically expire if the licensee sells the property or the business, transfers equity to accomplish same, or otherwise disposes of such devices. An amusement redemption machine game room license is not assignable or transferable. The city shall not refund any portion of a license after the license is issued, nor shall it prorate or reduce in amount any fee due to the city.
 - b. *Late penalty.* Upon the expiration of a license, the licensee shall obtain a renewal if the licensee wishes to continue operating an amusement redemption machine game room. Failure to obtain the renewal within ten days after expiration will require such person to pay a late fee in an amount equal to 20 percent of the fee actually due. Failure to obtain the renewal within 15 days after expiration will require such person to pay a late fee in an amount equal to 25 percent of the fee actually due. Failure to obtain the renewal within 20 days after expiration will require such person to pay a late fee in an amount equal to 30 percent of the fee actually due. After 20 days, the license will be irrevocably suspended. No licensee shall be authorized to operate after the expiration of a license and before a renewal is effective.
- (4) *Sealing.* The city shall have the authority to seal any coin-operated machine for which a license fee has not been secured. A \$15.00 fee will be charged for the release of any machine sealed for non-payment of said license fee.
- (5) *Posting of license.* The license shall be conspicuously posted inside the building.

- (6) *Restrictions, regulations, controls, and limitations.* The following restrictions, regulations, controls, and limitations shall apply to all amusement redemption machine game rooms:
- a. *Condition of premises.* All building and fire code standards must be met. Inspection by building officials and certificate of occupancy shall be obtained before license is issued. Game room must be located in an area zoned for that activity.
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 - d. *Parking requirements.* One space for each two machines, plus one space per employee per shift.
 - e. *Location requirements.* Premises shall not operate within 300 feet of an established church, school, or hospital.
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 - j. A game room operator must be a person who is at least 18 years of age.
 - k. Total number of machines in one establishment shall be limited to 50.
 - l. *Security requirements.* Premises shall not operate without recorded video surveillance and a panic alarm button. Surveillance shall capture all points of ingress and egress, and shall be maintained for at least 72 hours.
- (7) Any establishment which contains four or less "amusement redemption machines" as the term is defined in section 17.54 is exempt from the provisions of section 71-60(c).
- (d) *Refusal or termination of license/appeal.* If the chief Fire Marshal refuses to approve the issuance of a license or the renewal of a license to an applicant, or revokes a license issued to a licensee under this chapter, such action is final, unless the licensee, within ten days after the receipt of written notice of the action, files with the city manager a written appeal. The city manager shall, within ten days after the appeal is filed, consider all evidence in support of or

against the action appealed. The city manager has the authority to sustain, reverse or modify the action appealed. The decision of the city manager is final. Filing of an appeal stays the previous action of the Chief Fire Marshal. Failure or refusal to renew or revocation of an amusement redemption machine game room license does not affect operation of the principal business of which the amusement redemption machine game room is a part.

- (e) *Disclaimer.* By issuing the required license, the city is not certifying the installation or use of the amusement redemption machines applying for a license. The applicant shall acknowledge that the city is not certifying or sanctioning the installation or use of such machines.
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Section 3. 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 be 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.

Section 4. Publication and Effective Date. This Ordinance shall be effective immediately, after final passage by City Council, a 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.

PASSED, APPROVED, AND ADOPTED 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 and Final Reading this ____ day 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

ORDINANCE NO. O-2025-00[]

AN ORDINANCE OF THE CITY OF LA MARQUE, TEXAS, AMENDING THE FEES CHARGED FOR COIN OPERATED AMUSEMENT MACHINES, MAKING VARIOUS FINDINGS, PROVIDING FOR AN EFFECTIVE DATE AND ESTABLISHING A PENALTY

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- (3) A machine or any device defined in V.T.C.A. Penal Code § 47.01 as a gambling device, or any activity prohibited or described in V.T.C.A. Penal Code ch. 47.
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 - b. The previous occupation(s) of the applicant and, if applicable, all corporate officers and partners of the applicant within the preceding five years.
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 - d. Must provide proof of ownership, bill of sale, or lease agreement for amusement redemption machines, including serial numbers.

- e. Number of amusement redemption machines at the designated amusement redemption machine location.
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- g. Name, address, and telephone number of an emergency contact person who can be reached after hours.
- h. All persons employeeed or working at said establishment shall be subject to background check
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- (7) Any establishment which contains four or less "amusement redemption machines" as the term is defined in section 17.54 is exempt from the provisions of section 71-60(c).
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notice of the action, files with the city manager a written appeal. The city manager shall, within ten days after the appeal is filed, consider all evidence in support of or against the action appealed. The city manager has the authority to sustain, reverse or modify the action appealed. The decision of the city manager is final. Filing of an appeal stays the previous action of the ~~police chief~~ **Chief Fire Marshal**. Failure or refusal to renew or revocation of an amusement redemption machine game room license does not affect operation of the principal business of which the amusement redemption machine game room is a part.

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Section 3. 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 be 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.

Section 4. Publication and Effective Date. This Ordinance shall be effective on **[EFFECTIVE DATE]**, after final passage by City Council, a 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.

PASSED, APPROVED, AND ADOPTED 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 and Final Reading this ____ day 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: September 22, 2025

Prepared by: Venisha Henderson

Department: Utility Billing

Agenda Item: 8.III.

Reviewed by: _____

AGENDA ITEM DESCRIPTION:

Approving an Ordinance for increasing residential solid waste collection fees and charges -
Utility Billing

STAFF BRIEFING:

Current monthly residential rate: \$27.69

Percentage Increase: 5%

The contract with Waste Management has a clause where an increase in the City's account would increase by 5% after 1 year of inception. In order to account for the increase on the City's financial responsibility, the decision to increase the rate for residents at the 5% rate is in line with covering increased costs.

HISTORY:

09.04.2024 - Solid Waste Contract renewal approved by Council

FISCAL IMPACT:

N/A

ORDINANCE NO. O-2025-00

AN ORDINANCE AMENDING APPENDIX A, SCHEDULE OF FEES AND CHARGES OF THE CODE OF ORDINANCES, CITY OF LA MARQUE, TEXAS BY AMENDING PRESCRIBED SOLID WASTE COLLECTIONS CHARGES AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS:

Section 1. That Appendix A, Schedule of Fees and Charges, Solid Waste Collection Charges, of the La Marque Code of Ordinances is hereby amended to read as follows:

APPENDIX A: SCHEDULE OF FEES AND CHARGES

Solid Waste Collection Charges

There are hereby levied the following charges, to be collected from the owner occupying any premises located or from the occupant or person in possession or control of any premises located on an established garbage and rubbish route within the city, for the removal and disposition of garbage and rubbish;

- (1) Residential Rates Per Month per Residential Service Unit (not including sales tax)
 - (a) Twice a week Residential Collection Rate- \$27.97.
 - (b) Every other week Recycling Collection- Included.
 - (c) Once a week Bulky Waste Collection- Included.
 - (d) At Your Door Household Hazardous Waste/Electronics Collection- Included.
 - (e) Residential Service Unit- Additional Cart- \$6.58 per Cart.
 - (f) Bulky Waste in excess of 5 cubic yards- \$197.47 per occurrence.
 - (g) Replacement Cart- \$92.15 per Cart.

Section 2. The rates established herein shall increase annually on beginning on October 1, 2026 and thereafter annually by a total of six percent (6%), comprising of five percent (5%) to cover increased costs from Waste Management and one percent (1%) for City administrative costs. Such increases shall be automatically applied to all rates specified in Section 1.

Section 3. 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 be 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.

Section 4. Publication and Effective Date. This Ordinance shall be effective on **October 15, 2025**, after final passage by City Council, a 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.

PASSED, APPROVED, AND ADOPTED 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 and Final Reading this ____ day of _____, 2025.

CITY OF LA MARQUE, TEXAS

Keith Bell, Mayor

ATTEST:

Kierra Nance, City Clerk

APPROVED AS TO FORM:

Gus Knebel, City Attorney



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Agenda Item: 8.IV.

Prepared by: _____

Reviewed by: _____

Department: Finance

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 Finance Director Worth Ferguson to the City's TexPool Account

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

08.25.2025 - Interim City Manager was added to the account

08.29.2025 - Finance Director Ferguson started new role with City of La Marque

FISCAL IMPACT:

N/A



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,

City of La Marque

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. Barbara Holly Interim City Manager

Name

Title

Phone

Fax

Email

Signature

2. Worth Ferguson Finance Director

Name

Title

Phone

Fax

Email

Signature

3. Kierra Nance City Clerk

Name

Title

Phone

Fax

Email

Signature

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 , 20.

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.

City of La Marque
Name of Participant*

SIGNED

Signature*

Printed Name*

Title*

ATTEST

Signature*

Printed Name*

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: September 22, 2025

Agenda Item: 8.V.

Prepared by: _____

Reviewed by: _____

Department: Finance

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:

Requesting the addition of Finance Director Worth Ferguson to be added to the LOGIC account.

HISTORY:

8/29/2025 - Worth Ferguson joined City of La Marque as Finance Director

FISCAL IMPACT:

N/A

**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: _____

2. Name: Worth Ferguson Title: Finance Director

Signature: _____ Phone: _____

Email: _____

3. Name: Kierra Nance Title: City Clerk

Signature: _____ Phone: _____

Email: _____

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: September 22, 2025

Agenda Item: 8.VI.

Prepared by: _____

Reviewed by: _____

Department: Finance

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:

Requesting the addition of Finance Director Worth Ferguson to be added to DWS Investment account.

HISTORY:

8.29.2025 - Worth Ferguson started his new role as Finance Director with the City of La Marque

FISCAL IMPACT:

N/A

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 BECOME AUTHORIZED REPRESENTATIVES TO LA MARQUE INVESTMENT ACCOUNTS THROUGH DWS DISTRIBUTORS, INC.

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

Section 1. That the following officers of the City shall be authorized to access and move funds to or from 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

Worth Ferguson

Finance Director

Kierra Nance

City Clerk

Section 2. That 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.

Section 3. That the bank which is now a depository for city funds is hereby authorized to honor or accept all account activity 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 September 23, 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: _____

Kierra Nance, City Clerk

By: _____

Keith Bell, Mayor



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Agenda Item: 8.VII.

Prepared by: _____

Reviewed by: _____

Department: Finance

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 Finance Director Worth Ferguson to the Texas Class account

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

08.25.2025 - Interim City Manager Holly was added to designated account

08.29.2025 - Worth Ferguson started working with the City of La Marque as the new Finance Director

FISCAL IMPACT:

N/A

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 BECOME AUTHORIZED REPRESENTATIVES TO LA MARQUE INVESTMENT ACCOUNTS THROUGH TEXAS CLASS.

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

Section 1. That the following officers of the City shall be authorized to access and move funds to or from 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

Worth Ferguson

Finance Director

Kierra Nance

City Clerk

Section 2. That 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.

Section 3. That the bank which is now a depository for city funds is hereby authorized to honor or accept all account activity 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 September 23, 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: _____

Kierra Nance, City Clerk

By: _____

Keith Bell, Mayor



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Agenda Item: 8.VIII.

Prepared by: _____

Reviewed by: _____

Department: Finance

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 Finance Director Worth Ferguson to Texas First Bank account

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

08.25.2025 - Interim City Manager Holly was added to the accounts

08.29.2025 - Worth Ferguson started at the City of La Marque as the new Finance Director

FISCAL IMPACT:

N/A

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

Worth Ferguson

Finance Director

Kierra Nance

City Clerk

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 September 23, 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: _____

Kierra Nance, City Clerk

By: _____

Keith Bell, Mayor



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Agenda Item: 8.IX.

Prepared by: _____

Reviewed by: _____

Department: Finance

AGENDA ITEM DESCRIPTION:

Requesting to amend the city's hiring freeze to add a Financial Accountant II - *Finance / Administration*

STAFF BRIEFING:

Per discussion at the Economic Development Corporation Revitalization meeting, this position would be an Accountant II role that would help with the reconciliation of accounts for the City of La Marque.

HISTORY:

9/16/2025 - Request placed by both Finance and EDC Board to add an Accountant II to City Staff to help with reconciling accounts

FISCAL IMPACT:

\$79,112.59. This position would be covered by EDC funding.



***City of La Marque Position Description
Accountant II
Finance Department***

Title: Accountant II
FLSA Status: Exempt

Department: Finance
Reports To: Finance Director

Grade Level:

JOB SUMMARY

The Accountant II is responsible for performing advanced accounting functions with a primary focus on account reconciliations, ensuring accuracy and compliance with applicable standards and regulations. This position supports the City's financial operations, including activities related to the Economic Development Corporation, by preparing and reviewing reconciliations, maintaining accurate financial records, and assisting with reporting requirements. The Accountant II also provides support in general ledger maintenance, financial analysis, and other accounting duties as assigned, contributing to the integrity and transparency of the City's financial management.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Reconciles employee benefit invoices to assure proper payment to insurance vendors as backup.
- Performs monthly bank reconciliations as backup.
- Performs monthly balance sheet accounts reconciliations include but not limited to:
 - UB Receivables
 - Security Deposits
 - Payroll liabilities
 - Property taxes
 - Investments
- Performs a variety of payroll duties:
 - 941 Quarterly
 - TMRS
 - 945 Filing
 - TEC Processing
 - Proof payroll register each payroll run to ensure accuracy
 - Process W-2's;
- Assists with monthly/quarterly/annual State Comptroller's payments include but not limited to:
 - Monthly sales tax
 - Court quarterly
 - Child Safety annual
- Assists with fixed assets.
- Serves as backup for full scale payroll processing during Accountant I's absence.
- Edits journal entries.
- Assists with capital projects.
- Assists with certain purchasing functions within the department.
- Performs quarterly investment reports.
- Assists with EDC monthly financial reports.
- Assists with grants administration.
- Performs Seizure fund reconciliations and annual filings.
- Performs PIDs, TIRZ, MUD, etc. reconciliations, payments, and maintains proper records.
- Coordinates with auditor to complete city's annual audits.
- Assists with budgeting.
- Delivers cash deposit bags to bank location during City Marshal's absence.
- Indirectly supervises accounts payable staff and serves as accountant I's backup.
- Adheres to all City policies and procedures as outlined in the Employee Handbook, in particular:
 - Attendance Policy
 - All Safety Policies and Procedures
 - Appropriate business casual attire for office personnel and proper uniform attire for those departments that are so designated (Police, Fire, and Public Works Departments)
- All other duties as assigned.



City of La Marque Position Description
Accountant II
Finance Department

EDUCATION AND EXPERIENCE REQUIREMENTS

- Bachelor's Degree from a U.S. accredited college or university in accounting or related field;
- 3 - 6 years of progressively responsible related experience; experience in a position of comparable scope and size to the City of La Marque highly desirable;
- Alternatively, any equivalent combination of education, experience, and training that provides the required knowledge, skills, and abilities;

Knowledge, Skills and Abilities

- General knowledge of municipal accounting practices and procedures.
- General knowledge of arithmetic.
- General knowledge of state and local fiscal regulations, policies and procedures.
- General knowledge of terminology used within the department.
- General knowledge of office accounting methods and procedures.
- Ability to organize and effectively process and maintain financial records and files, and prepare reports from them.
- Ability to analyze and record information and balance figures.
- Ability to verify documents and forms for accuracy and completeness.
- Ability to exercise tact, courtesy and firmness in contract with the general public and City employees.
- Ability to establish and maintain effective working relationships as necessitated by work assignments.
- Ability to work flexibly and remotely.
- Ability to continue functioning during emergency situations.
- Ability to communicate clearly and effectively.
- Ability to serve with professional and courteous manner.

EMERGENCY OPERATION CLASSIFICATION: TIER 1 - Employees with specific responsibilities who remain in the City, on the job, and/or at a designated location during an emergency

NOTE: The above statements are intended to describe the general nature and level of work being performed by the person assigned to this job. They are not intended to be an exhaustive list of all responsibilities, duties, skills and physical demands required of personnel classified.

APPLICANT: Are you capable of performing in a reasonable manner the activities involved in the job or application for which you have applied? Yes/No _____

The City of La Marque is an Equal Opportunity Employer of Qualified Individuals
(Circle One)

I have read the job description above and can perform the job duties **with** **without** any reasonable accommodation.

Witness: Supervisor's Signature	Date	Employee's Signature	Date

NEW / REVISED PAYROLL CALCULATIONS FOR NEW / EXISTING EMPLOYEE

MUST BE ATTACHED WITH PERSONNEL/ASSET REQUEST FORM			
Position Title	Accountant II		
Department / Division	Finance		
NEW Position			
# of Hours per week	40	FTE:	1.00
City	City		
Benefits	Costs		
Ful-time Wages	\$48,880.00		
SS City (6.2%)	\$3,030.56		
Medicare City (1.45%)	\$708.76		
TMRS City	\$5,132.40	TMRS Rate (Oct-Sept)	14.00%
Health Insurance-Family	\$1,647.04	Family Coverage at Primary plan rate	
Dental Insurance-Family	\$89.57	Family Coverage at PPO plan rate	
Life Insurance	\$129.04		
AD&D	\$11.73		
LTD	\$206.37		
Workers' Comp	\$121.85	WC Rate =	0.41%
EAP (\$4.38 Mo)	\$52.56		
--Interface EAP			
NextLevel			
Add Pays		List Certificate/Incentive	Yearly Amount
Certification Pay (in total)	\$0.00	License/Certification	\$0.00
		Degree	\$0.00
		Bilingual	\$0.00
		Cell Phone Allowance	\$0.00
Shift Diff (for Police Officers)	\$0.00		
Clothing Allowance	\$0.00		
<i>Subtotal Add Pays</i>	<i>\$0.00</i>		
CITY ANNUAL TOTAL	\$79,112.59		

Summary of Costs: Information for MYFP

Salary/Wages	\$48,880.00
Taxes	\$3,739.32
Benefits	\$26,493.27
Add Pays	\$0.00
	\$79,112.59



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Agenda Item: 8.X.

Prepared by: _____

Reviewed by: _____

Department: Administration

AGENDA ITEM DESCRIPTION:

Entering into a contract with the Economic Development Corporation for a loan agreement
- *Finance*

STAFF BRIEFING:

At the EDC meeting on September 16, 2025, a lengthy discussion about approving a loan from the EDC Revitalization Fund in the amount of \$1 million to help with city expenses and \$500,000 as an emergency fund for disaster needs. In the event that the State of Texas does not declare a state of emergency, the City can give back the \$500,000 by April 1, 2026, with no interest. In the event that all funds are used, the \$500,000 will be absorbed into the \$1 million for repayment with a 1% interest rate. This will be a 5-year loan.

HISTORY:

09.16.2025 - EDC held a Revitalization meeting and came up with a loan option for the city. Contract is forthcoming.

FISCAL IMPACT:

\$1.5 million (Loan) with 1% interest rate.



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Prepared by: Mikala Halbrook

Department: Human Resources

Agenda Item: 8.XI.

Reviewed by: _____

AGENDA ITEM DESCRIPTION:

Approving the economic and non-economic negotiations of the Fire Collective Bargaining Agreement 2025-2028 - *Fire / Administration*

STAFF BRIEFING:

A three-year contract with the International Association of Firefighters Local 3282 negotiating the economic and non-economic terms for FY 26-28.

HISTORY:

Negotiations occur every 3 years.

FISCAL IMPACT:

8% raise over the duration of the contract (2% in FY 26 beginning 1/1/2026, 3% in FY 27, 3% in FY 28)

Tentative Agreement Term Sheet

Shift Schedule Changes (Article 27)

The Department will implement a 48/96 shift work schedule for Employees assigned to suppression and EMS operations. The "Kelly Day" (a 12-hour shift off every 27 days under the current model) shall be eliminated and all CBA references to the Kelly Day or the 27-day cycle are replaced accordingly .

The shift start time for Employees is set at 6:00 a.m. Each 48-hour shift will commence at 6:00 a.m., with corresponding adjustments made to call-back, overtime, and holiday references where applicable.

Cost of Living Adjustments (COLA) (Article 9)

Employees shall receive the following COLA increases to base pay:

2% COLA effective January 1, 2026

3% COLA effective October 1, 2026

3% COLA effective October 1, 2027

These increases apply to all base wages set forth in Article 9 and will be reflected in updated wage schedules.

Holidays (Article 13)

Juneteenth and Veterans Day are added to the list of holidays in Article 13, Section I. Employees shall receive holiday benefits for these dates in accordance with existing provisions.

Automatic Inclusion Clause: "In the event the City awards additional holidays to non-bargaining civilian employees during the term of this Agreement, those holidays shall be included for Employees covered by this Agreement without further bargaining."

Boot Allowance (Article 22)

The annual boot allowance for each Employee shall be raised to \$200, amending Article 22, Section VI.

Unspent Funds Clause: "Any boot allowance funds not claimed by Employees by March 1 of the applicable year shall be transferred to the Department's quartermaster for approved safety footwear or uniform purchases for the benefit of Employees."

Addition of EMS Captain and Deputy Fire Marshal to Employee (Article 1, Article 3)

The bargaining unit definition of "Employee" in Article 1 shall be expanded to include EMS Captain and Deputy Fire Marshal positions, excepting only those excluded by title.

Physical Agility Test Stipend (PAT) (Article 25)

The annual benefit for Employees passing all four quarters of the Department's Physical Fitness Test shall be increased to \$2,000 per year, effective for the next testing cycle.

Article 25 Section II should be amended to reflect a quarterly payment of \$500 for each passing quarter.

Effective Date for All Pay Increases

All pay increases set forth in this term sheet will become effective January 1, 2026. This applies to COLA, incentive pays, stipend increases, on-call rates, and any future certification pay adjustments.

Fire Marshal On-Call Pay (Article 18)

Employees assigned as Fire Marshal who are designated as primary on-call during weekends shall receive four (4) hours of pay at their regular rate per weekend of on-call status. This new provision will be added to Article 18 (Overtime and Callback), and reference established definitions of "Employee" and "regular rate of pay." For the purposes of clarity if the Employee is called in then it will be at the Employee's overtime rate for hours worked.

Paramedic Incentive Pay Increase (Article 9, Section V)

The Paramedic monthly certification pay incentive described in Article 9, Section V is increased from \$500 to \$1,000. All Employees holding eligible Paramedic certifications, as defined in Article 9, are entitled to the new amount starting January 1, 2026.

Additional Certification Pay Increases (Article 9, Section V)

All certification pays set out herein are per month.

The Parties agree to the following certification pay:

1. Fire Officer 3 is \$25.00
2. Fire Officer 4 is \$50.00
3. Instructor 2 is \$25.00
4. Instructor 3 is \$50.00
5. Hazmat Tech is \$50.00
6. Hazmat Incident Commander is \$75.00
7. Residency pay is \$300.00
8. Fire Inspector is \$100.00
9. Fire cause and origin is \$100.00
10. Arson investigator is \$150.00

This term sheet tracks all amendments to the contract with reference to defined terms (“Employee” means full-time, non-probationary, paid personnel except Chief, Deputy Chief, EMS Coordinator) and incorporates the agreement structure and procedures as codified in the Fire Fighters CBA [9].

City of La Marque, Texas

Local 3282

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Prepared by: Mikala Halbrook

Department: Human Resources

Agenda Item: 8.XII.

Reviewed by: _____

AGENDA ITEM DESCRIPTION:

Approving the economic and non-economic negotiations of the Police Collective Bargaining Agreement 2025-2026 - *Police / Administration*

STAFF BRIEFING:

A one-year agreement with the La Marque Police Association negotiating economic and non-economic benefits for the La Marque Police Department.

HISTORY:

Historically, a three-year contract is negotiated. This one-year contract allows for an increase in benefits to the Police Department while allowing the City time to stabilize and move forward with negotiations next Fiscal Year.

FISCAL IMPACT:

4% raises for Police Officers effective January 1, 2026.

AGREEMENT BETWEEN THE CITY OF LA MARQUE

TENTATIVE AGREEMENT

AND THE LA MARQUE POLICE ASSOCIATION

Gus Knebel, City Attorney, Lead Negotiator

John Kerr, CLEAT, Lead Negotiator

Richard Hernandez, Association President

Randall Aragon, Police Chief

Joshua Human, Association Member

Stephen Leacroy, Association Member

Conan King, Association Member

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Article 1: Definitions

1. “*Agreement*” means the Collective Bargaining Agreement (“CBA”) negotiated by and between The City Of La Marque (“The City”) and the La Marque Police Association (“Association” or “The Association”).
2. “*Association*” means the La Marque Police Association.
3. “*Base Pay*” means the base hourly rate as established in Article 11, Section I.
4. “*Board of Directors*” (“the Board”) means those members of the Association who are elected or appointed and serve as members of the Board of Directors of that organization pursuant to the Constitution and By-Laws of the Association.
5. “*Chief*” means the Chief of Police of the City of La Marque, Texas.
6. “*City*” means the City of La Marque, Texas.
7. “*City Manager*” means the City Manager of the City of La Marque, Texas.
8. “*Department*” means the Police Department of the City of La Marque, Texas.
9. “*Disciplinary Action*” means suspension of up to fifteen (15) days, indefinite suspension, demotion in rank, and termination.
10. “*Officer*” means any sworn full-time paid Police Officer employed in the Police Department of the City of La Marque with the exception of the Chief of Police, and the one position further identified in Article 3, Recognition—Section I, and Article 29, Promotions—Section III, Exempt Position. Wherever the word “he” is used in this Agreement, the term is intended to cover all officers, male and female officers in this agreement. Further, the words “Officer” and “employee” are interchangeable when referring to sworn employees of the La Marque Police Department.
11. “*Grievance Dispute*” is defined as a disagreement involving interpretation, application, or alleged violations of any provision of this Agreement.
12. “*Immediate Family*” is defined in the articles which reference this term.
13. “*Layoff*” is defined as a termination of employment resulting from a reduction in Department size.
14. “*Promotion*” is defined as advancement from a lower rank to a higher rank within the department.

15. “*Regular Pay*” is defined as the total salary or wages paid to an Officers, exclusive of overtime pay, but including longevity pay, certification or incentive pay, and any other supplemental pay provided to the Officer on a recurring basis.
16. “*Strike*” means failing to report for duty in concerted action with others, wilfully being absent from one's position, stopping work, abstaining from the full, faithful, and proper performance of the duties of employment, or interfering with the operation of a municipality in any manner, to induce, influence, or coerce a change in the conditions, compensation, rights, privileges, or obligations of employment.
17. *Preemption of Chapter 143*: To the extent that any provision of this Article conflicts with or changes Chapter 143, Chapter 174 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 2: Preamble, Purpose of Agreement

Section I

This agreement is made and entered into by and between the City, a municipal corporation domiciled in the State of Texas, and the La Marque Police Association, in accordance with the Fire and Police Employee Relations Act of Texas (Chapter 174 of the Texas Local Government Code).

Section II

The general purpose of this Agreement is to promote the mutual interests of the City and the Association; Provide for equitable and peaceful adjustments of differences that may arise; To establish proper standards of wages, hours, and other conditions of employment, with the objective of providing a sound basis for the efficient and effective delivery of police services to the public. The parties to this Agreement will cooperate fully to secure the advancement and achievement of these purposes.

Section III

The City and the Association acknowledge and agree to their mutual obligation to bargain in good faith as set forth in the Texas Local Government Code, Chapter 174, Fire and Police Employee Relations, Subchapter D, Section 174.105.

Article 3: Recognition

Section I

The City hereby recognizes the Association as the sole and exclusive collective bargaining agent for the unit consisting of all paid, full-time sworn Officers except the Chief and one (1) single position, above the rank of lieutenant, directly below the rank of Police Chief, as referred to in Article 29, Classification and Promotions.

Section II

The Association recognizes that those persons duly appointed by the City Council have been authorized as the sole and exclusive negotiators of a contract subject to the approval of the City Council.

Article 4: Duration of Agreement

Section I

This agreement shall be effective as of October 1, 2025 and shall remain in effect and full force through midnight, September 30, 2026. If a new agreement has not been reached by September 30, 2026 then this Agreement shall automatically be extended until a new agreement is executed, but in no event shall this Agreement extend beyond midnight, March 31, 2027. The parties acknowledge the wages set out in Article 11 shall become effective on October 1, 2025.,

Section II

Whenever wages, rates of pay, or any other matters requiring appropriation of the monies by the City are included as a matter of collective bargaining. It shall be the obligation of the Association to serve written notice of request for collective bargaining on the City at least one hundred and twenty (120) days prior to the expiration of this Agreement.

Section III

The City and the Association acknowledge and agree to their mutual obligation to bargain in good faith as set forth in the Texas Local Government Code, 174.105.

Article 5: Maintenance of Standards

Section I

All economic benefits and working conditions enjoyed by the members of the bargaining unit as of the effective date of this Agreement shall remain unchanged for the duration of this Agreement, unless inconsistent with this Agreement.

Section II

Privileges may be granted or revoked at the sole direction of Management. Revocation may occur at any time that Management determines that the normal operations of the Department are adversely affected by the privilege.

For purposes of this Article, "Privileges" are defined as any on-the-job special consideration enabled by Management to an Officer or Officers, that is not directly related to the pursuit of the basic police function.

Preemption of Chapter 143: To the extent that any provision of this Agreement conflicts with or changes Chapter 143, Chapter 174, or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 6: No Strike Clause

Section I

The Association and Officers shall not: 1) cause, counsel, or permit its members to strike as defined in Article 1, Definition no. 16, slow down, disrupt, impede or otherwise impair the functions of the Department; 2) refuse to cross any picket line by whomever it is established; 3) engage in “blue flu,” “ticket blitzes,” or slowdowns; or 4) refuse to perform other usual and customary duties, including traffic enforcement, where such refusal would interfere with or impede the performance of the Officer. The City shall not lock out any Officers.

Section II

Preemption of Chapter 143. To the extent that any provision of this Agreement conflicts with or changes Chapter 143, Chapter 174, or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 7: Non-Discrimination

Section I

The City and the Association agree that the provisions of this Agreement shall be applied to all Officers within the bargaining unit without regard to affiliation or membership or non-membership in the Association. Neither the City nor the Association shall interfere with, restrain, or coerce Officers in the exercise and rights granted in this Agreement.

Section II

Membership in the Association is voluntary. Each Officer has the right to join and maintain membership in the Association, and the Officer likewise has the right to refrain from joining, and the right to withdraw from membership of the Association. Neither the Association nor the City shall exert any pressure against any Officer covered by this Agreement in regard to such matters.

Section III

The City agrees that it will not dominate, interfere, assist in the formation, existence or administration, or contribute financial support to any employee organization that can possibly be

certified under the Texas Local Government Code Chapter 174, as an exclusive bargaining representative. Neither the City nor the Association shall discriminate against any Officer covered by this Agreement in a manner which would violate any applicable laws pertaining to race, creed, color, national origin, age, sex, disability, or veteran's status.

The City agrees that it will not encourage or discourage membership in any employee organization by discrimination in hiring, tenure, training, or other terms or conditions of employment.

Section IV

The City agrees that no Officer shall be discharged or otherwise discriminated against due to the filing of an affidavit, petition, or complaint; or the giving of any information or testimony alleging violations of this Agreement; or because the Officer has formed, joined, or chose to be represented by any employee organization.

Article 8: Association Activities

Section I

Within five (5) working days of the execution of this Agreement; the Association shall furnish to the Employer a list of those Officers authorized by the Association to administer this Agreement on its behalf. The Association shall notify the City in writing of subsequent changes within five (5) working days.

Section II

No more than two (2) of those authorized in Section I shall have the right when off duty to visit the premises of the Police Department for the purpose of administering this Agreement. When on duty, one (1) of those persons authorized in Section I, per shift, shall be granted reasonable time without loss of pay to investigate and settle grievances arising from this Agreement. Such investigations shall be conducted so as not to interfere with the efficient functioning of the department.

Section III

The Association's negotiating team, not to exceed three (3) members, shall be permitted, without loss of pay, to attend negotiating sessions with City representatives, when such sessions are scheduled during working hours. Members of the Association's negotiating team shall not be paid to attend negotiating sessions with City representatives when such sessions are scheduled

during non-work time; however, the negotiating team member may elect to be relieved from duty up to four (4) hours early and use his sick leave to rest prior to a bargaining session scheduled during the team member's off-duty time.

Section IV

One (1) of the Officers identified in Section I of this Article, may speak at shift roll call meetings to impart information about Association business for a period up to, and not to exceed five (5) minutes. The Officer shall provide at least one (1) days' notice to the shift supervisor that the Officer intends to speak, and as to the subject matter to be discussed. Such appearances may not be made more than once per month, unless the Chief approves more frequent appearances.

Article 9: Rights of Management

Section I

Subject to the terms of this Agreement, the Association recognizes the prerogative of the City to operate and manage its affairs in all respects and in accordance with its responsibilities. The City retains all power and authority which has not been explicitly abridged, delegated, granted, or modified by this Agreement.

Section II

Except as may be limited by this Agreement, the City retains all rights in accordance with the Constitution, the laws of the State of Texas, the Charter of the municipality, and the responsibilities and duties contained in the ordinances and regulations promulgated hereunder, including by way of illustration and not limited to the following rights:

- A. To determine Police Department policy, including the rights to manage the affairs of the Police Department in all respects, except as stated above;
- B. To assign working hours, including overtime;
- C. To direct the members of the Police Department, including the rights to hire, terminate, suspend, discipline, promote, or transfer any Officer;
- D. To allocate and assign work to Officers and with the Department, and to determine the methods, processes, and manner in which Officers will perform work;
- E. To establish and implement work performance measurements and standards for all Officers in the Department;

- F. To utilize civilian personnel in the Department to perform those duties not customarily recognized by the professional police community as requiring licensed Police Officers to perform: by example and not intended to be all inclusive, secretarial duties, clerical duties, dispatch duties, meter enforcement duties, or jailer duties;
- G. To allocate and assign supplies and equipment to Officers;
- H. To determine the specifications and quantity of all supplies, materials and equipment to be acquired by the Police Department.
- I. To be the sole judge of the qualifications and fitness of applicants;
- J. To schedule Departmental operations, and consistent with applicable state statutes and the Fair Labor Standards Act, to determine the number of, and duration of hours of assigned duty per week;
- K. To establish and enforce Departmental rules, regulations, and orders;
- L. To introduce new, improved or different methods and techniques of operations of the Department, or change existing methods or techniques;
- M. To determine the amount of supervision necessary;
- N. To take whatever actions may be deemed reasonably necessary to carry out the mission of the Department in situations of emergency; and
- O. To control the Departmental budget.

Section III

It is agreed that the management rights as set forth in this Article shall not be exercised in an arbitrary, capricious, or discriminatory manner.

Section IV

If in the sole discretion of the City Council or City Manager, it is determined that extreme civil emergency conditions exist, including but not limited to riots, civil disorders, tornado conditions, hurricanes, floods, or other similar catastrophes, the provisions of the Agreement may be suspended by the Mayor or the City Manager during the time of the declared emergency, provided that wage rates and monetary fringe benefits shall not be suspended. Should an emergency arise, the Mayor or City Manager shall follow-up said advice in writing as soon thereafter as practicable and shall forward said written notice to the President of the Association.

Article 10: Payroll Deduction of Dues

Section I

The City agrees to deduct, once each month, dues in an amount authorized by the employee, from the pay of Officers who individually request, in writing, that such deduction be made. Such dues payment shall be made to the Association.

The authorization shall provide that the deduction shall remain in full force and effect until terminated, in writing, by the Officer. The authorization form shall also authorize the City, without further authorization from the Officer, to change the amount of the deduction for Association dues to the amount specified in a written notice of Association dues change provided to the City by the Association. The City shall begin making deductions in that amount within thirty (30) days of receipt of written notice. The amount of this deduction shall not be changed more than one (1) time in a twelve (12) month period.

Section II

The deduction authorization is completely voluntary and may be terminated by the Officer in writing at any time. The City shall provide a list of those from whom dues were deducted each month when payment is made to the Association.

Section III

The Association shall indemnify the City, and hold it harmless against all claims, demands, suits, or other forms of liability that may arise out of, or by any reason of any action taken by the City for the purpose of complying with the provisions of this Article.

Section IV

Preemption of Chapter 143: To the extent that any provision of this Article conflicts with or changes Chapter 143, Chapter 174 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 11: Salaries

Section I

Base Salaries for October 1, 2025—December 31, 2025

POLICE OFFICER BASE PAY

Step	Status	Hourly Rate	Monthly Rate	Annual Rate
A	First year in rank	\$28.953	\$5,018.53	\$60,222.34
B	After 1 year in rank	\$30.112	\$5,219.37	\$62,632.39
C	After 3 years in rank	\$31.231	\$5,413.38	\$64,960.58
D	After 5 years in rank	\$33.203	\$5,755.27	\$69,063.20
E	After 7 years in rank	\$34.866	\$6,043.38	\$72,520.57
F	After 9 years in rank	\$36.602	\$6,344.34	\$76,132.04
G	After 11 years in rank	\$40.079	\$6,947.05	\$83,364.59
H	After 13 years in rank	\$42.083	\$7,294.35	\$87,532.22
I	After 15 years in rank	\$43.886	\$7,606.94	\$91,283.32

CORPORAL

Step	Status	Hourly Rate	Monthly Rate	Annual Rate
A	First 3 years in rank	\$36.726	\$6,365.80	\$76,389.65
B	After 3 years in rank	\$40.215	\$6,970.52	\$83,646.28
C	After 5 years in rank	\$44.036	\$7,632.83	\$91,593.91

SERGEANT

Step	Status	Hourly Rate	Monthly Rate	Annual Rate
A	First 3 years in rank	\$44.747	\$7,756.22	\$93,074.61
B	After 3 years in rank	\$46.772	\$8,107.13	\$97,285.57
C	After 5 years in rank	\$49.623	\$8,601.30	\$103,215.60

LIEUTENANT

Step	Status	Hourly Rate	Monthly Rate	Annual Rate
A	First 2 years in rank	\$50.491	\$8,751.78	\$105,021.33
B	After 2 years in rank	\$52.504	\$9,100.68	\$109,208.22

BASE SALARIES FOR JANUARY 1, 2026 TO SEPTEMBER 30, 2026

POLICE OFFICER				
STEP	STATUS	RATE/HOURLY	MONTHLY/RATE	ANNUAL/RATE
A	First Year in Rank	\$30.111	\$5,219.26	\$62,631.13
B	After 1 Year in Rank	\$31.316	\$5,428.19	\$65,138.28
C	After 3 Years in Rank	\$32.480	\$5,629.91	\$67,558.90
D	After 5 Years in Rank	\$34.531	\$5,985.39	\$71,824.73
E	After 7 Years in Rank	\$36.261	\$6,285.18	\$75,422.13
F	After 9 Years in Rank	\$38.066	\$6,598.12	\$79,177.45
G	After 11 Years in Rank	\$41.682	\$7,224.91	\$86,698.89
H	After 13 Years in Rank	\$43.766	\$7,586.16	\$91,033.95
I	After 15 Years in Rank	\$45.641	\$7,911.18	\$94,934.20

CORPORAL				
STEP	STATUS	RATE/HOURLY	MONTHLY/RATE	ANNUAL/RATE
A	FIRST 3 YEARS IN RANK	\$38.195	\$6,620.47	\$79,445.68
B	AFTER 3 YEARS	\$41.824	\$7,249.42	\$86,993.09
C	AFTER 5 YEARS	\$45.797	\$7,938.22	\$95,258.68

SERGEANT				
STEP	STATUS	RATE/HOURLY	MONTHLY/RATE	ANNUAL/RATE
A	First 3 Years in Rank	\$46.537	\$8,066.39	\$96,796.71
B	After 3 Years in Rank	\$48.643	\$8,431.43	\$101,177.19
C	After 5 Years in Rank	\$51.608	\$8,945.37	\$107,344.47

LIEUTENANT				
STEP	STATUS	RATE/HOURLY	MONTHLY/RATE	ANNUAL/RATE
A	First 2 Years in Rank	\$52.511	\$9,101.84	\$109,222.13
B	After 2 Years in Rank	\$54.604	\$9,464.72	\$113,576.65

Any Officer covered under this Agreement who is promoted to the next rank higher shall suffer no loss of pay and shall be placed in the promotional pay step at the base promotional step, provided however, if the base promotional pay step is not equivalent to a five (5) percent increase in salary, the Officer will begin at next higher promotional salary step which will be equivalent to the Officer receiving a minimum five (5) percent salary increase for the promotion. Promoted Officers will then progress to the next respective Pay Step based on their time in the promoted grade as it relates to the actual Pay Step the Officer was promoted into.

In order for a probationary Officer to be eligible for a step increase the Officer must have actually worked twelve (12) months in the preceding step. Any probationary Officer who is off work with or without pay for a period of more than two (2) weeks shall have his step raise delayed until he has worked for twelve (12) actual months at the prior step.

Section II

Lateral Transfer Program ("LTP"). An Officer hired under the LTP with three (3) years of experience as a Texas Peace Officer will be credited with three (3) years of Service Credit, for pay purposes only, and will receive a starting pay equal to "Step C" of a "Police Officer's Base Pay." Thereafter, the LTP-hired Officer will progress to each respective Pay Step as though they were in grade for three (3) years plus the additional years required to progress to the next Pay step.

An Officer hired under the LTP with five (5) to nine (9) years of experience as a Texas Peace Officer will be credited with five (5) years of Service Credit, for pay purposes only, and will receive a starting pay equal to "Step D" of a "Police Officer's Base Pay." Thereafter, the LTP-hired Officer will progress to each respective Pay Step as though they were in grade for nine (9) years plus the additional years required to progress to the next Pay step.

An Officer hired under the LTP with more than nine (9) years of experience as a Texas Peace Officer will be credited with nine (9) years of Service Credit, for pay purposes only, and will receive a starting pay equal to "Step F" of a "Police Officer's Base Salary." Thereafter, the LTP-hired Officer will progress to each respective Pay Step as though they were in grade for nine (9) years plus the additional years required to progress to the next Pay step.

LTP Officers will accrue all other benefits (all other benefits minus pay/wages/salary described in Sections I and II above) based on their original hire date by the City.

Section III

Certification Pay. Officers who acquire Certificates issued by the Texas Commission on Law Enforcement (TCOLE) shall be paid the additional amount for the one highest Certificate as specified below:

Intermediate Certification:	\$75.00/month
Advanced Certification:	\$150.00/month
Master Certification:	\$200.00/month

Section IV

Education Pay. Officers who obtain a degree classified as below will be paid (in addition to Certification Pay) for having obtained the degree. If an Officer has obtained more than one degree in the same classifications, or degrees from multiple classifications, the Officer shall **only** be paid one degree, of their highest obtained degree.

Associate's degree	\$55.00/month
Bachelor's degree	\$110.00/month
Master's degree (or higher)	\$135.00/month

Section V

Residency Pay. In addition to base wages/salary, any present or future employee who resides within the City of La Marque shall be entitled to receive an incentive pay of \$250.00 per month during such residency. In the event such residency ceases it shall be the responsibility of the Officer to furnish thirty (30) days' written notice to the Chief, that the Officer's residence shall no longer be in the City of La Marque. The residency incentive shall be discontinued as of the date the employee is no longer a resident of the City of La Marque.

Section VI

Shift Differential Pay. Officers who work the midnight shift, 6:00 PM—6:00 AM, shall receive shift differential pay of fifty-five (\$0.55) cents per hour. Shift differential pay shall be in addition to all other pay.

Shift differential pay is to be paid only for actual hours in which the Officer is physically present on the job and shall not apply to any paid leave time.

Shift differential pay shall not apply to call-back. Call-back pay shall be paid pursuant to the call-back provisions in this Agreement.

Whenever an Officer's work is extended beyond the hours of the shift to which the Officer is assigned, the Officer shall be paid for time worked into the next shift at the shift differential rate that applies to the hours of the day that are worked.

Section VII

Longevity Pay. The City shall provide pay to the Officer at a rate of six (\$6.00) dollars per month for each year of service completed with the City. The payment shall be paid by the City in the same manner as it is paid to all other City employees except in the instance when the Officer terminates employment. That final payment shall be made for the amount of longevity earned based on the number of months completed for which the Officer has not been compensated.

Section VIII

Assignments Pay. An officer who is assigned to perform duties in the below listed police department assignments or who are assigned extra duties in addition to their normal assignment will be paid "Assignments Pay" at a rate proscribed and incorporated below:

Assignment	Monthly Pay
Investigator Pay	\$200.00/month
Special Response Team	\$200.00/month
Community Oriented Policing	\$300.00/month

Section IX

Field Training Officer Pay. An Officer with at least one year and who has obtained the rank of Patrol Officer in the Department shall be selected as a “Field Training Officer” for each patrol shift by the Chief, after receiving recommendation from a board consisting of all patrol supervisors. Those selected and not previously certified, shall be scheduled for TCOLE certified FTO training. After successful completion of training, the Officer shall serve for one (1) year and shall receive two dollars and fifty (\$2.50) cents per hour, in addition to the base rate, for all time spent functioning as a Field Training Officer. Each Officer selected will not be eligible to act as a Field Training Officer unless the Officer has been through a certification course approved by TCOLE.

Section X

Temporary Duty in a Higher Classification. The Chief may designate an Officer from the next lower rank to temporarily fill a position in a higher classification. If such assignment is for a full shift (eight hours or more) the Officer shall receive one (\$1.00) dollar per hour in addition to the base rate, or the next higher classification pay, whichever is lowest. Such temporary assignments shall not exceed thirty (30) consecutive days.

Section XI

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 of any other statute, executive order, local ordinance, or rule, this agreement shall supersede such provisions.

Article 12: Compensatory Time/Overtime

Section I

All hours worked outside an Officer’s regular full-time schedule shall be deemed overtime, and shall be compensated on the basis of time and one-half the Officer’s regular rate of pay, either in salary or in compensatory time. Each Officer may elect which method of compensation is preferred for each instance of overtime worked. Officers cannot earn overtime and burn compensatory time in the same twenty-four (24) hour period.

Section II

An Officer may elect to receive compensatory time in lieu of overtime pay to an accumulated maximum of one-hundred and eighty (180) hours. An Officer’s accumulated

compensatory time balance shall not exceed one-hundred and eighty (180) hours. If at any time an Officer's accumulated compensatory time balance exceeds one hundred and eighty (180) hours, and the Officer works additional overtime hours, the Officers shall be paid for any overtime worked and may not accrue additional compensatory hours. Notwithstanding the foregoing any Officer with accumulated compensatory time exceeding one hundred and eighty (180) hours on October 1, 2025 will have the opportunity to burn his or her accumulated compensatory time or receive a payout of the excess amount after January 1, 2026. The Chief may request those wishing to receive compensatory time or paid overtime, depending on the need of the specific program or project, to have first choice in working overtime.

Section III

An Officer shall be entitled to pay for all unused, accrued compensatory time upon termination of employment as an Officer of the City.

Section IV

Whenever overtime work is required, and it extends beyond the assigned shift of those Officers already on duty, such Officers shall be given first opportunity to volunteer to work overtime. If additional personnel for overtime are needed, or in the case of a lack of volunteers from the preceding shift, volunteers from the shift following the lacking shift will be given the opportunity. Otherwise, Officers will be subject to a call, but may decline to volunteer.

Overtime assignments shall be made by the Chief or his/her designee. After the above fails then, when possible, overtime work will first be filled by volunteers. Such volunteers shall be selected by rotation on a list compiled alphabetically.

Each Officer who works or turns down voluntary overtime or has signed up not to be called shall have their name placed at the bottom of the list. The management representative will make a reasonable effort to contact each person whose name is next on the list in each instance.

If an Officer cannot be contacted, the Officer's name shall be placed at the bottom of the list. If no volunteer accepts the assignment, the management representative may designate a person to work the overtime assignment.

In no instance will an Officer be allowed to work more than sixteen (16) continuous hours, unless it is an emergency declared by Management. When possible, overtime shall be limited to twelve (12) continuous hours so long as it does not require non-voluntary overtime. Management

will take into consideration any extra activity and amount of rest an Officer has had in the past twenty-four (24) hours before making that assignment.

Section V

Declared Emergency Closing. If the City Manager or Mayor and City Council declares a state of emergency and normal City operations are suspended which includes closing facilities of the City, then all Officers required to work during the closure shall be compensated on the basis of time and one -half of the Officer's regular pay rate for all hours worked during the City's declared state of emergency closure. The time period covered by this section shall be time from when the City Manager or Mayor and City Council closes City Hall and sends non-essential personnel home through when the City Manager or Mayor and City Council declares the emergency terminated, or is safe for all employees to return to work.

Section VI

Preemption to Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 13: Shift Change

Section I

Change for Entire Shift. Whenever the City implements a revised work schedule affecting all Officers in the Department, or in a division of the Department, notice of such change shall be posted on the Departmental bulletin board at least forty-five (45) calendar days in advance of the implementation date.

Section II

Change for Individual Officers Not Assigned to Administrative Assignments: Whenever assigned days off or hours of work for less than an entire unit are rescheduled, the affected Officer(s) shall be notified at least seven (7) calendar days in advance of the change. Prior notice shall not be required in emergency situations or in cases where such notice would unduly disrupt the operations of the Department. An "emergency" in this Article is defined as a time when there are not enough Officers to adequately staff the shift. It is not a violation of the seven (7) day rule if the change is by mutual agreement.

Change for Individual Officers Assigned to Administrative Assignments. With regards to the payment for overtime within a work week, the Chief may require an Officer assigned to an Administrative Assignment to temporarily flex their workday hours within their assigned seven day work cycle no more than twelve (12) individual work days within a calendar year, provided however, that the Chief shall cause the Officer to be notified at least 72 hours in advance of the required work hour change.

Section III

It is agreed that required attendance in training classes, out-of-town trips to transport vehicles, or any other assignment which can be reasonably scheduled in advance do not constitute an emergency nor shall they be deemed unduly disruptive of Departmental operations for the purposes of this Section.

Section IV

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 14:Call-Back/Standby

Section I

Officers who are called back to scheduled-duty from off-duty shall be compensated for a minimum of two (2) hours pay at a straight time rate. Officers who are called back to unscheduled-duty from off-duty shall be compensated for a minimum of three (3) hours pay at a straight time rate, except those cases where such call-back time exceeds the amount of hours worked in the Officer's regularly scheduled number of hours in a work week, in which case the pay for the time worked in excess of such normal hours shall be paid at time and one-half. Scheduled call-back is defined as 72-hours or more notice. Unscheduled call-back is defined as less than 72 hours' notice. Call-back time includes court appearances.

Section II

Standby. Officers who are required to be on standby during off-duty time in anticipation of any job-related matter, including a court appearance or any other legal hearing or proceeding, shall be compensated for at least one (1) hour at a rate of time and one-half. Whenever any such standby occurs immediately prior to or after the Officer's regular shift, the Officer shall be paid only for the actual time worked. The Officer will be required to provide written documentation for any standby time earned.

Any time spent for the purposes referenced herein within the normal duty time of the Officer shall be paid at straight time.

Section III

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143, or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 15: Seniority

Section I

Definition. Seniority shall be the continued, non-interrupted length of service from the last hiring date by an Officer in the Department. Time spent on military leave of absence in the armed forces of the United States, other authorized leaves, and time lost to duty connected disability shall be included in length of service.

Except as noted in Article 29 Sections IX and X, seniority for the purpose of asserting a Departmental seniority preference shall be determined as follows: 1) the date of commission as a La Marque Police Officer; 2) If the commission dates are the same for two or more Officers, the date the officers were hired by the City of La Marque Police Department; 3) If the hire dates are the same for two or more Officers, the score on the certified written civil service entrance examination (excluding military points). In the case of Lateral Entry Program Officers, seniority for the purpose of asserting a Departmental seniority preference shall be determined as follows: 1) the date of commission as a La Marque Police Officer; 2) If the commission dates are the same for two or more Lateral Entry Officers, the date the department extended a conditional offer of employment will be used.

Section II

Applicability to Vacation Assignments. Seniority, regardless of rank or shift, and the time of earliest notice of intent to take vacation, are the determining factors in the assignment of vacation days. Notice may be given no more than twelve (12) months prior to the beginning of the requested vacation.

Section III

Applicability to Layoff/Recall. Seniority shall be the sole factor in lay off and recall, with layoff being accomplished beginning with the least senior and recall beginning with the most senior.

Section IV

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 16: Insurance

Section I

The City agrees to pay one hundred (100%) percent of the Officers' cost for employee only health insurance, based upon the premium cost of the basic health insurance benefit plan offered to all employees but not including any optional employee pay benefit plans offered by the City. The benefit levels and premiums for medical insurance for both Officer and dependent coverage shall be the same as is applied to other non-collective bargaining employees of the City. The City agrees to provide the CLEAT Benefit Plan for Officers and dependents at no cost to the Officer. For all other insurance benefits, Officers shall be treated the same as other non-collective bargaining for City employees.

Section II

For any Officer who selects dependent insurance coverage, the City will contribute fifty (50%) percent of the premium cost for child coverage and/or fifty (50%) percent of the premium cost for family coverage, whichever applies.

The City will contribute one hundred (\$100.00) dollars per month to each Officer under this agreement, not selecting any dependent coverage. The one hundred (\$100.00) dollars will be contributed to a health reimbursement account ("HRA"), restricted to help related expenses (deductibles, co-pays, prescriptions, etc.).

Article 17: Vacations

Section I

The City shall provide each Officer with vacation time based on the following schedule:

Years of Service	Vacation Time
1—5 years	80 hours
6—10 years	120 hours
11—20 years	160 hours
21 years or more	200 hours

Accrual of vacation time shall be monthly, and shall commence upon the date of employment, however, vacation time shall not be taken until the appropriate anniversary date has passed.

Section II

With the written approval of the City Manager, vacation may be carried forward for a period not to exceed one (1) additional year of employment. At the time of approval of this contract, any Officer who has unused vacation time from prior years that was carried forward with proper approval shall retain all such vacation.

At the discretion of the City, the City may pay an Officer covered by this Agreement for accrued vacation time more than 125% of the Officer's annual accrual.

Section III

Department seniority, and the time of earliest notice of intent to take vacation, shall determine the preference to be given in the scheduling of vacations. Scheduling of vacations shall always be subject to departmental staffing requirements as determined by the Chief.

Section VI

Upon separation from the City's employment, other than for a disciplinary termination which is upheld or for resignation while under investigation, an Officer shall be paid for unused vacation time which has been accrued to the date of termination.

Section V

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 18: Holidays

Section I

The following listing identifies the thirteen (13) holidays provided under this Agreement, upon which observance is designated:

Holiday Calendar

New Year's Day

Martin Luther King Day

Good Friday

Memorial Day

Juneteenth

Independence Day

Labor Day

Veteran's Day

Thanksgiving Day

Day after Thanksgiving

Christmas Eve

Christmas Day

***Floating Holiday**

* The Floating Holiday may be taken at any time during the calendar year upon approval of the Chief.

Section II

For the purposes of this Article, the holiday shall consist of a twenty-four (24) hour time span beginning at 12:00 AM, and ending at 11:59 PM, on the designated date. Only shifts beginning during the 24 hour period shall be considered as holiday work.

Section III

Officers assigned to work within the designated hours on a holiday shall have the option of either accumulating eight (8) hours compensatory time or receive eight (8) hours of pay for time worked. The rate of pay or compensatory time, for holiday work shall be time and one-half. If the Officer chooses to be paid, the pay shall be reflected within the Officer's next regular payroll check that is applicable to the time period within which the work was performed. If the Officer chooses to accumulate compensatory time, such time is to be taken (or compensated) in accordance with the provisions of Article 12, Compensatory Time/Overtime of this Agreement.

Article 19: Sick and Injury Leave

Sick and injury leave issues shall be handled in accordance with Chapter 143 of the Texas Local Government Code, except as set out below.

Section I

On-duty injury benefits shall be provided pursuant to Chapter 143 of the Texas Local Government Code. If the Officer's worker's compensation claim is rejected on final appeal under the law, the Officer shall be limited to the use of accumulated leave only, and shall not be eligible for injury leave pay. The City may retroactively change an Officer's use of injury leave to sick leave, where the on-the-job injury claim is rejected on final appeal. If the officer does not have enough sick leave or vacation accumulated to substitute for the injury leave, the City may reduce future accruals of sick and vacation leave at a rate not to exceed fifty (50%) percent to make up the difference.

Section II

Sick leave shall accrue from the date of employment; however, sick leave shall not be used until after completion of six (6) months of employment with the City.

Section III

Officers who leave employment with the City for any reason other than “just cause” termination or resignation while under investigation shall be paid for up to seven hundred and twenty (720) hours of accrued, unused sick leave at the time of separation.

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Section IV

The Chief may authorize the use of accrued sick leave in cases of serious illness or injury of an Officer’s spouse, child, or parent, which necessitates the Officer’s personal care or attention.

Section V

The purpose of sick leave is to avert loss of earnings in the event of bona fide illness. While sick leave is an earned benefit, it is the responsibility of each Officer not to misuse or abuse this benefit. It is likewise the responsibility of the City to take appropriate steps or action against Officers who abuse this benefit.

Section VI

The City shall create and maintain a sick leave pool for the full-time sworn Peace Officers covered under this collective bargaining agreement. The management of the sick leave pool shall be administered by the City to ensure accurate record of sick leave donations and balances of banked sick leave time.

The City administration, the Chief of Police, and the Association shall each designate a representative to act as a board member for the distribution and oversight of the sick leave pool. The three board members shall be the sole decision makers for requests made to use sick leave from the sick leave pool and their decision shall not be appealable through the grievance process of this collective bargaining agreement or City policy. The Board members shall meet as soon as possible upon receiving a written request to utilize sick leave pool banked time. The Board shall determine each request based upon need, history of sick leave usage of the requesting Officer and other circumstances as determined by the Board. The Board members shall determine the amount

of banked sick leave that may be offered to the requesting officer and may grant sick leave on an as-needed basis. If an Officer returns to duty, all unused sick leave pool hours will be returned to the sick leave pool.

Full-time City Officers become eligible to request sick leave from the sick leave pool if the Officer has used all of their available sick leave, vacation time and compensatory time while recovering from an injury or illness not covered by an on-the-job injury or under a worker's compensation claim. The Officer shall make a written request for usage of sick leave bank hours to the Human Resources Coordinator and such request shall specify the hours requested but is not obligated to provide details regarding their illness or injury or medical care information.

Full-time City Officers may donate sick leave from their personal sick leave accounts to the City sick leave pool by providing to the Human Resources Coordinator a memo of the intent to donate and the specific hours that they desire to donate. Officers who have less than one hundred fifty (150) hours of sick leave shall not be eligible to donate sick leave hours to the City sick leave pool. Personal sick leave donated to the City sick leave pool will not be refunded or returned to the Officer who voluntarily donated such time to the sick leave pool and shall not be eligible for payment of such hours upon separation from employment with the City.

Article 20: Family and Medical Leave Act (FMLA)

Section I

Officers shall be entitled to the benefits described below provided under the Family and Medical Leave Act of 1993.

- A. An Officer who has at least twelve (12) months of service with the City, and who has worked one-thousand two-hundred and fifty (1,250) hours within the last twelve (12) months, shall be entitled to unpaid leave during any twelve (12) month period for:
 - 1. The birth of a child;
 - 2. The adoption or undertaking of foster care of a child;
 - 3. The care of a spouse, son, or daughter under eighteen (18) years of age, or a biological parent if such person has a "serious health condition." The term "serious health condition" includes an illness, injury, impairment, or physical or mental

condition that involves inpatient care at hospitals or other medical facilities or the continuing treatment by a doctor or other health care provider.

4. A serious health condition of the Officer that renders the Officer unable to perform the functions of the job. The Officer shall be required to use any accrued and used sick leave in this case as a part of the leave.
- B. Officers requesting predictable leaves (adoptions, birth, scheduled medical treatment) must give at least thirty (30) days advance notice. The City may put an Officer on FMLA leave, even if not requested by the Officer, where the Officer's condition or the condition of his family member qualifies as a "serious health condition." The City will notify the Officer when the Officer has been placed on FMLA leave.
- C. Documentation of the circumstance necessitating the leave shall be required. The City may request a second opinion from a party of the City's choice at the expense of the City.
- D. Officers shall be allowed to return to the same or a comparable job following the leave, provided that the Officer is physically and mentally able to fully perform the job duties. The City may require a medical certification from the Officer or his physician stating that the Officer is able to resume the performance of the Officer's usual and customary job duties.
- E. Officers shall not accrue seniority or any other benefit while on this leave.
- F. The City shall continue to maintain coverage under the applicable group health plan for the duration of the Officer's leave as a part of the leave.
- G. The Officer shall be required to take any accrued vacation or sick leave as a part of the leave.
- H. The City shall require the Officer to report periodically on the Officer's status and intention to return to work.
- I. The aggregate number of weeks shall be limited to twelve (12) weeks when both spouses are employed by the City.
- J. An employee who is the spouse, child, parent, or next of kin of a covered service member may be granted up to twenty-six (26) weeks of leave in a "single twelve (12) month period to care for a service member who has a serious injury or illness incurred while on active duty. The City requires certification of the family member's serious

injury or illness, both before the leave begins and on a periodic basis thereafter, by the family member's health care provider.

Article 21: Death In Family Leave

Officers shall be granted up to a maximum of 36 hours off, with regular pay, due to a death in the immediate family. For purposes of this section, "Immediate Family" shall mean the Officer's spouse, child, parent, spouse of a parent, sibling, spouse of a child, parent of spouse, grandchild, grandparent, spouse of sibling, or any relative who is a member of the immediate household.

Article 22: Jury Duty

When an Officer is called to jury duty, the Officer shall be compensated at the Officer's normal rate of pay (excluding overtime) regardless of money received for jury service. In order to receive such pay and benefits, the Officer must present his/her official notification of jury service to his/her immediate supervisor.

Article 23: Military Leave

Section I

Military Leave. An Officer who leaves his/her position for the purpose of entering the Armed Forces of the United States, or enters state service as a member of the Texas National Guard or Texas State Guard, or as a member of any of the reserve components of the Armed Forces of the United States shall, if discharged, separated or released from such active military service under honorable conditions, be restored to employment in the same position held at the time of induction, enlistment or orders to active Federal or State military duty or service, or to a position of like seniority, status and pay, if still physically and mentally qualified to perform the duties of such position.

The officer shall make written application for employment within ninety (90) days after discharge or release.

Section II

Annual Military Training. An Officer shall be entitled to leave of absence without loss of time or efficiency rating or vacation time or salary on all days during which he or she shall be engaged in authorized training or duty ordered or authorized by proper authority, not to exceed fifteen (15) days in one calendar year.

Section III

Any Officer ordered to military leave, annual duty training or emergency call-up shall request such leave in advance and shall provide the City with a copy of the official orders.

Section IV

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 24: Retirement Plan

Officers in the Police Department shall continue to participate in the Texas Municipal Retirement System in accordance with the statutes of the State of Texas now applicable, or as they may hereafter be amended, to the same extent and with the same City and Officer contributions as other City employees which shall be set at 7%: 2-to-1 match. Effective January 1, 2016 the City shall adopt the 7% 2-to-1 match.

Article 25: Safety and Equipment

Section I

General. Within the City's available revenues, and balanced against the other demands upon such revenues, the City is committed to place a high priority on the acquisition and maintenance of such equipment. The safety of Officers and the public shall be the foremost consideration in the City's equipment maintenance program. Whenever an Officer determines the vehicle that has been designated for him/her to drive is not safe for operation, the Officer shall immediately notify his/her supervisor who shall provide an alternative vehicle. The vehicle shall then be examined and restored to safe condition. At the first opportunity thereafter, the Officer shall execute a report wherein the unsafe condition is described. Prior to returning the vehicle to

service, a copy of a mechanic's work order addressing each unsafe condition note in the Officer's report shall be forwarded to the Sergeant's office.

Section II

Vehicles, Communications Equipment and Uniforms. Vehicles may be assigned on a take-home basis by the Chief or his/her designee whenever the interests of the Department, including assignments to those Officers who are regularly called to perform work outside of their regular work schedules, are best served by such assignments. Clear criteria for take-home car and radio assignments and off duty uniform use shall be developed by the City and posted on the Department's bulletin board.

The City and the Association, recognizing the benefit of uniformed police presence within the City, agree that it is in the best interest of both the City and its Officers, to allow Officers who work extra jobs within the City limits to wear City of La Marque police uniforms. Recognizing that it is also in the interest of the City to create an environment of maximum safety for its Officers, the City further agrees that Officers are authorized to use and monitor City issue police radios while working extra jobs within the City limits.

Section III

Bullet-Proof Vests. The City shall equip each Officer with body armor. Each Officer will be issued body armor upon entry into the La Marque Police Department. Each Officer's issued body armor will be replaced according to the manufacturer's advertised lifespan of the body armor.

Section IV

Duty Gear. Each Officer will be issued one plain leather "duty rig" comprising of duty belt, magazine holder, two handcuff holders, flashlight ring and keepers.

Section V

Patrol Car Cages. All vehicles that are used to transport prisoners will be equipped with cages that provide a proper barrier between the Officer and the prisoner, and that protects the Officer from any bodily fluids that may be expelled at the Officer from the prisoner. The rear vision of the Officer shall not be unreasonably impaired by this equipment.

Section VI

Flashlights. Each Officer shall be issued a rechargeable flashlight and charger.

Section VII

Clothing and Equipment Allowance. Each Officer shall initially receive an issue of three complete sets of uniforms. Included will be three long sleeve and three short sleeve shirts, three pairs of uniform pants, one light uniform jacket, a complete set of rain gear, one badge and one complete Class A dress uniform with all adornments.

Each Officer shall be entitled to have any of the above clothing and equipment replaced as needed for normal wear and tear, except that if lost or destroyed as a result of negligence or failure to follow written rules or procedures, the Officer may be required to replace such items.

Each Officer shall receive eighty-five (\$85.00) monthly for uniform maintenance and cleaning, purchase of ammunition, and for maintenance of the service weapon.

Officers shall keep their clothing and equipment in good condition that results in a neat and professional appearance and properly functioning equipment.

Section VIII

Headgear. Headgear worn while performing patrol functions will be at the discretion of each Officer. However, any headgear items to be worn on patrol will be uniform and must be approved by the Chief of Police.

Section IX

Footwear. Uniformed Officers shall wear black military style lace-up dress shoes or black “Wellington” style boots while in uniform. Boots must have rubber grippers on the soles. Unless inappropriate due to specific duty assignment, Officers shall report for duty with clean and shined footwear.

Section X

Duty Weapons. The Chief shall determine the specifications for all on-duty firearms, and the weapon carried by each Officer must fully conform to such specifications.

The City shall purchase an approved firearm for each new Officer, upon the Officer’s request, who does not have an approved weapon upon employment.

For Officers who have a minimum of two (2) years of service with the Department, the City may at its discretion purchase a firearm approved by the Chief for on-duty use. The amount paid by the City toward the purchase of a firearm shall not exceed five hundred (\$500.00) dollars. Only one such purchase shall be allowed per Officer within a three (3) year period.

In either case, the requesting Officer shall provide the Chief with an executed Payroll Deduction Authorization form provided by the City prior to the purchase, and the City shall be fully reimbursed, through payroll deduction by the Officer.

If an Officer separates from the City's employment before the City has been fully reimbursed, the amount still owed shall be deducted from any monies owed to the terminating Officer by the City. In the event that a terminating Officer's final pay is insufficient to enable the City to recover the remaining amount due, the Officer shall either pay the City the entire balance owed or shall turn in the firearm to the Chief of Police. Payroll deduction shall begin with the first appropriate pay period after the Officer has received the firearm, and the City shall be reimbursed for the entire amount within ten (10) months from the date of purchase.

Section XI

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143, Chapter 174 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 26: Training

The City shall provide the number of training hours required by the Texas Commission on Law Enforcement ("TCOLE"). The cost of such training shall be paid by the City, and the Officers shall not suffer loss of pay while in attendance at such training.

All training shall be scheduled, and the affected Officer notified of the training date and time at least seven (7) calendar days prior to the scheduled date for such training.

The City shall provide firearms qualification as may be required by TCOLE or by the Department. Each Officer shall qualify with each weapon that the Officer is authorized by the Chief to use for departmental duty or is required by the Chief to carry while off-duty. Ammunition shall be furnished by the City for the first two (2) attempts only, and reasonable on-duty time for such qualification at a prescribed course shall be authorized by the Chief. Failure to meet TCOLE requirements for weapons qualifications may be cause of discipline at the Chief's discretion.

The Police Department's Physical Fitness Program which has been developed and is administered by the Department's Health and Safety Committee, may be modified from time to time with the concurrence of the Association through a signed Memorandum of Understanding between the Chief and the Association if approved by La Marque City Council, the Chief, and the

Association, the Health and Safety Committee may determine what four fitness exercise components will be used to promote fitness. A graduated incentive will be paid based on successful completion of each of the four selected exercise components based on the monetary incentive amounts incorporated below. The current program provides for a quarterly testing procedure and the City will pay all certified Police personnel that pass the exercise components, a benefit up to five hundred (\$500.00) dollars per each quarter with a passing score for a maximum benefit for each Officer of two thousand (\$2000.00) dollars per year. All payments earned in the calendar year for passage of the physical fitness testing will be paid to Officers on or about December 15 of the calendar year in which the benefit is earned, or upon the termination of their employment with the City. The program is subject to reevaluation on an annual basis and may be revised in whole or in part at that time, provided that the La Marque City Council, Chief of Police, and the Association agree with the revisions or new provisions.

Article 27: Off-Duty Employment

Officers shall be permitted to work off-duty employment consistent with guidelines established by the Department. Each Officer shall be provided with a copy of the guidelines. Permission to work such jobs shall not be unreasonably withheld, and no Officer shall be required to perform off-duty employment. All work that is assigned by the Department shall not be considered as off-duty employment.

Article 28: Physical and Mental Standards

Any question regarding physical or mental fitness of an Officer shall be resolved under Chapter 143.

Article 29: Classification and Promotions

Section I

The Police Department shall consist of Officers, Corporals, Sergeants, and Lieutenants and any additional classifications as may be adopted by the City Council. These classifications shall be civil service ranks and shall be governed by Chapter 143 of the Local Government Code and the Local Civil Service Commission rules and regulations as set forth for each of the existing ranks, to include promotion exams. All promotions, except for a single position immediately below the

rank of Chief of Police and above the rank of Lieutenant, shall be filled in accordance with Chapter 143 of the Local Government Code and this Article 29. Should the City Council adopt additional classifications by any other name below the rank of Chief and above the rank of Lieutenant, the Chief may only appoint one single position directly below the rank of Chief.

Exempt Position. Upon execution of the Release of Liability Agreement, a copy of which is Attachment two (2) of this Agreement, the Chief may appoint from within the bargaining unit, at his sole discretion one (1) position below the rank of Chief. The person so appointed shall serve at the pleasure of the Chief of Police and may be demoted to his previously held rank without cause. No Officer shall be coerced, threatened or otherwise intimidated in an effort to cause him/her to accept the position. The City shall authorize additional staffing positions to avoid such “bumping”; however the City may reduce the extra position later by attrition to the previous authorized number of positions.

The City agrees that it shall require the execution of the Release of Liability Agreement prior to such appointment and shall immediately provide the original document to the Association President.

Section II

The entry-level hiring procedures listed in the La Marque Police Officers' Civil Service Rules and Regulations (“Local Rules”) will be used for hiring entry-level police officers when not in conflict with this Article. The entry-level hiring Minimum Standards listed in the La Marque Police Department General Orders will be used for hiring entry-level police officers when not in conflict with this Article or the Texas Local Government Code.

Section III

Subject to City Council review, approval, and oversight authority, the Civil Service Commission (“Commission”) or the Civil Service Director acting as the Commission’s designee shall maintain authority and jurisdiction over the entry-level hiring process as described in this Article, including issues related to the enforcement, interpretation, or revision of the entry-level recruitment and hiring process described in this Article. The Commission shall approve any changes to the classification structure and entry-level hiring procedures in the Local Rules. During this Agreement, the City will first discuss with the Association any changes to be recommended to the Commission relating to entry-level hiring procedures in the Local Rules. For the limited purpose of interpreting this Article, the provisions of Section 143.021 (a) and

(b) of the TLGC will apply to the extent such provisions are not modified or superseded by the provisions of this Agreement.

Section IV

All entry-level candidates (Candidates) for police officer and lateral law enforcement officers hired under the modified hiring process shall be required to pass the identical steps in the hiring process, unless otherwise stated in this Agreement, including but not limited to the City authorized medical examination (the “physical examination” referenced in TLGC 143.022), drug screening, physical fitness evaluation should the City decide to institute one, and psychological examination, to be considered for employment as a police officer. Any candidate who fails to pass the medical examination or psychological examination may appeal that result by following the procedures described in TLGC 143.022 and the Local Rules.

Section V

Eligibility to become a police officer will be determined by a candidate’s ability to meet the minimum standards established in the La Marque Police Department General Orders. Candidates must meet all minimum standards and requirements to be eligible for future licensing by the Texas Commission on Law Enforcement. A candidate must be 21 years of age and cannot yet be 45 years of age on the date of the entry-level test required of that candidate.

Section VI

The selection of a candidate to be a police officer shall be based primarily upon the candidate’s suitability to serve as a police officer, as determined by the Chief or the Chief’s designee, who shall be above the rank of lieutenant, in his sole discretion. All testing and selection procedures shall be designed and intended to identify the most suitable candidates for selection from those who apply and to exclude those candidates who are deemed not likely to possess the characteristics and abilities to be successful in the performance of police work. All candidates that are not hired under the Modified Hiring Process for Reappointed City of La Marque Officers as described in Section 9 and Lateral Entry Officers as described in Section 10 of this Article shall be required to pass an entry-level test intended and designed to measure the candidate’s suitability and ability to perform police work. A passing score will be established, based on the psychometric

characteristics of the test as recommended by the test publisher. A candidate may be tested only once for a specific eligibility list. Candidates may be tested at different times and in different locations as long as adequate test security and test monitoring is used to ensure the safety and fairness of the test. Examinations for beginning positions in the police department do not have to be held within the municipality. The same test will be used to test all candidates for a specific eligibility list. The City can limit the number of applicants who will be allowed to sit for a particular test. If the number of applicants is limited by the City, the number of applicants who will be allowed to sit for the test may be included in the announcement related to the test. Those who will be allowed to sit for the test will be determined based on minimum standards and by the order in which they submitted their completed applications.

Candidates who have been honorably discharged from United States military service must provide proof of an honorable discharge by submitting a DD 214 which shows an honorable discharge at least twenty-four (24) hours prior to the date and time of the entry-level test.

Section VII

Candidates with passing test scores will be placed on an eligibility list in the order of their overall eligibility scores (test score plus additional points). The entire eligibility list will be provided to the police department at one time for further processing and all those applicants will be considered to have been “referred” at that time. New eligibility lists may be created while an active list is being processed. The effective dates of an eligibility list may be set to coincide with the expiration of an existing list or a time period between three (3) and twelve (12) months. The conditions that will determine when an active list may be closed, other than by the Commission, must be determined prior to the posting of the exam. Candidates may not be hired from an eligibility list that is created after an existing active eligibility list has been established until the existing list has been exhausted or has expired. An exception to this is that a Reappointed City of La Marque Officer and Lateral Entry Program Officer (“LEO”) may be processed and hired while an existing eligibility list is in effect. With the approval of the Commission, the Civil Service Director may close an eligibility list and cancel all candidates processing if sufficient reason, as determined by the Commission, exists to do so.

The rank order of candidates having the same eligibility score will be determined by the Local Civil Service Rules. The final eligibility list may be certified by the Director of Civil Service.

Certification of the final list by the Civil Service Commission is not required. The eligibility list becomes effective on the day it is certified by the Director.

The Department will determine those candidates from the final eligibility list who are most suitable to be hired as police officers based on a structured and job-related selection process. The selection process will include testing for physical ability; personal characteristics linked to the performance of essential job functions, decision-making, communication skills, and interpersonal skills. The Department may utilize interview boards, assessment exercises, written tests, electronically administered test, polygraph examinations, background reviews, personal references, or other appropriate selection methods to assess candidates as long as the methods have been reviewed by the Human Resources Department and found to be objective and job-related and applied consistently in processing candidates. Pass/fail standards or relative weighting standards may be established for the various selection methods. A candidate must complete and pass each step in the entry-level hiring process before being allowed to proceed to the next step in the process. Any candidate needing a reasonable accommodation in order to complete a step in the process will be afforded an opportunity to request that accommodation. A final review will be conducted by the Chief or the Chief's designee, who shall be above the rank of lieutenant, who will make the final determination whether to hire a candidate.

All candidates on an eligibility list must be processed and either hired or rejected before candidates from subsequent eligibility lists may be hired. In the event there is a delay in processing one or more candidates that could prevent the Department from timely seating personnel into a prescheduled academy class selected by the department, the Civil Service Director may, upon written request and appropriate justification by the Chief or the Chief's designee, who shall be above the rank of lieutenant, allow the candidate(s) to be by-passed for candidate(s) lower on the list, or from another eligibility list, to be hired.

Section VIII

All new hires for police positions, including those hired under the Lateral Entry Program, and reappointed officers will serve a one-year probationary period beginning on the date of employment (or reemployment) as a La Marque police officer. This does not include time off for injury and illness and the probation period shall be extended any time a probationary Officer is off work for seven (7) or more consecutive days due to illness, injury, or other unavailability,

provided the probationary employee was served with a written notice of the extension of the probationary period. During the initial probationary period, the probationary Officer is an at will-employee and may be discharged without cause. The probationary Officer is not covered under Internal Investigations, Disciplinary Actions, and Dispute Resolution Procedure Articles, except where the Agreement utilizes Articles to protect his/her rights covered elsewhere within the Agreement such as receiving Holidays, Uniforms, Salaries, Compensatory Time, etc.

Section IX

Modified Hiring Process for Reappointed City of La Marque Officers

- a. The Chief may reappoint former City of La Marque Officers in accordance with the Rules and Regulations (Local Rules) of the City of La Marque Police Officers' Civil Service (or any successor or superseding provisions), beginning with the provisions of 5.03 in Chapter 5. All former City of La Marque Officers who are reappointed pursuant to this Article will be reappointed at the rank of Police Officer.
- b. Beginning compensation for Officers who are reappointed twelve months or more after their last day of work as an Officer for the City, will be the respective salary step in the Civil Service Police Pay Plan that corresponds with the reappointed Officer's years of service with the City plus any additional time of service with one or more Comparable Law Enforcement Agencies, which corresponds with the officer's total years of experience. All benefits, including leave accruals and seniority for Departmental purposes, will be based on their date of reemployment to the City (excluding longevity pay). For longevity pay purposes, all cumulative time working for the La Marque Police Department as a police employee shall count towards longevity pay.
- c. Beginning compensation for Officers who are reappointed less than twelve months after their last day of work as a Police Officer for the City will be that of a Police Officer, at the step in the City of La Marque Civil Service Police Pay Plan, based on the reappointed Officer's years of service with the City before their voluntary resignation, rounded down to the nearest year. For example, an Officer who, at the time they voluntarily resigned their employment with the City, was at the rank of Sergeant with 7 years and six months of service, who is reappointed eight months after their resignation, would be reappointed at the rank of Police Officer, and their beginning

compensation would be at the step for a Police Officer with 7 years of service. All benefits including leave accruals and seniority for Departmental purposes, (excluding longevity pay), will be based on their date of reemployment to the City. For longevity pay purposes, all cumulative time working for the La Marque Police Department as a police employee shall count towards longevity pay.

d. Reappointed Officers outlined in this Section, who were hired within the previous twenty four (24) months of the approval of this Agreement shall be compensated at the respective salary step in the Civil Service Police Pay Plan that corresponds with the reappointed Officer's years of service with the City plus any additional years police service with one or more Comparable Law Enforcement Agencies, which corresponds with the officer's total years of experience.

e. The Chief may adopt a written policy on commissioning and training requirements of reappointed officers.

Section X

Modified Hiring Process for Lateral Entry Officers

The Chief shall establish requirements for applicants for lateral transfer program hiring from other comparable law enforcement agencies. The requirements need not be the same as those established by Chapter 143 or those applicable to applicants for the position of cadet for a regular training academy. The requirements may be modified by the Chief in his sole discretion, but shall include at least the following:

- a. At the time of application, each LEO applicant must:
 - 1. be actively employed as a full-time paid police officer with a municipal, county or state law enforcement agency or Honorably Discharged from a full-time paid police officer position with such an agency within the previous 24 months, provided that the applicant currently holds an active Texas Peace Officer License, and:

- (a) the applicant has a total of 3 years of active service for one or more municipal, county, or state law enforcement agencies that has at least 30 sworn police officers (i.e., respond to all types of calls for law enforcement services);
 - (b) LEO applicants who work or worked for an agency that has fewer than 30 sworn police officers will be evaluated on a case-by-case basis.
- 2. LEO applicants must be 21 years of age and may not have reached their 50th birthday at the time they apply to be hired under the modified LEO program; and
- b. The Chief, or designee who shall be above the rank of lieutenant, at his or her sole discretion may deny the application of any LEO applicant. The Chief will take the necessary steps for all applicants to make sure that they accomplish the required hours and learn the necessary curriculum to receive a Texas Peace Officer License by TCOLE.
- c. The Chief shall establish the selection criteria and procedures for the Modified Hiring Process, consistent with this Agreement. Applicants who meet the selection criteria and procedures may be hired without being placed on an eligibility list.
- d. Upon commissioning with the City of La Marque, the LEO applicant will be placed in a position senior to those applicants in any Police Training Academy selected by the department to train newly employed recruits who have not been commissioned.
- 1. Officers hired through the Lateral Transfer Hiring Process who are commissioned on the same day as an Officer hired under the normal hiring process shall have a seniority preference for Departmental purposes. In addition, should the same two Officers take a promotional examination and if their final ranking is the same after all tiebreakers set forth in Local Rule are applied, the Officer hired through the Modified Lateral Hiring Process shall be considered senior and shall be placed on the final eligibility list ahead of the other candidate.

Section XI

Preemption of Chapter 143. To the extent that any of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 30: Probationary Period

Section I

As a condition of employment, all Patrol Officers will serve a probationary period of one (1) year from the date of employment as a Police Officer. This does not include time off for injury and illness and the probation period will be extended any time a probationary Officer is off work for seven (7) or more consecutive days due to illness or injury.

Section II

During the initial probationary period, the Patrol Officer is an at-will employee and may be discharged without cause. The probationary Officer is not covered under Internal Investigations, Disciplinary Actions, and Dispute Resolution Procedure Articles, except where the Agreement utilizes the Articles to protect his/her rights where covered elsewhere within the contract such as receiving holidays, uniforms, compensatory time, etc.

Section III

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 31: Alcohol and Substance Abuse

Section I

The employer may implement a policy that may require any Officer to submit to a urine or blood screening for illegal drugs or excessive use of alcohol when there is (1) reasonable cause to believe the Officer may be involved in alcohol or substance abuse; (2) on a random basis; (3) following accidents; and (4) upon return from medical leave of absence or injury leave. If random testing is conducted, the employer will utilize a computer-generated method for selecting Officers to be tested.

Section II

In all cases in which an Officer tests positive for a prohibited substance, the employer shall direct a second urine or blood screening test from the same sample and from a second testing laboratory.

Section III

In cases of a positive drug test or of alcohol abuse, the employer shall consider all factors leading to such abuse, and may direct treatment for this condition in lieu of disciplinary action, at the sole discretion of the Chief. The results of the drug or alcohol test shall be maintained in the Officer's personnel file within the confidential medical section of the file.

Section IV

Any policy implemented by the employer relating to this issue shall be in conformance with the Federal Drug Free Work Place Act and the Texas Worker's Compensation Act.

Section V

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143, Chapter 174 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 32: Affirmative Action

Section I

The Association acknowledges that the employer is empowered to establish and maintain an Affirmative Action program, which provides for equal employment opportunities for entry level positions in the Department for all qualified persons, regardless of race, religion, sex, creed, national origin, handicap, or other non-merit factors.

Section II

The goal of the employer is to establish an Affirmative Action program that will ultimately achieve a composition of the workforce in the Department that will be reflective of the makeup of the community with regards to the employment of qualified minorities and women.

Section III

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 33: Miscellaneous Provisions

Section I

Stress Leave and Counseling. Any Officer who takes the life of, or causes the serious injury to another person, in the performance of his/her job duties, or who likewise sustains serious injury as a result of the overt act of another person, shall be provided with initial psychological or psychiatric screening treatment at the expense of the City if requested by the Officer. If subsequent psychological or psychiatric treatment is recommended in a narrative report provided to the Officer and the City by the attending professional, such treatment shall be provided at the expense of the City upon approval of the Chief.

Any Officer requesting such treatment shall provide information concerning the anticipated length and frequency of such treatment. The Officer receiving such treatment shall not suffer loss of pay due to required absence from duty to receive such treatment. Outpatient treatment shall be allowed for a period of time not exceeding one calendar year from the date of the incident.

Section II

Reimbursement for Damaged or Stolen Items. Upon submission of a written request for replacement, reimbursement or repair to the Chief, the City shall reasonably reimburse any Officer for the replacement value or repair for any professional or personal equipment item that is damaged, destroyed or stolen due to an Officer's negligence or failure to adhere to Departmental policy, nor to any personal item, except clothing, not work in the interest of the Department. The Chief shall make the final determination as to what is reasonable.

- A. *Police Professional Equipment Items.* Items that are recognized professional equipment necessary for the performance of Police Officer duty. Reimbursement will not exceed one thousand (\$1,000.00) dollars per occurrence.
- B. *Personal Items.* Items identified as industry standard gear used or worn in the normal course of duty as an Officer, but are not exclusively Police Officer items and are not extravagant in nature or cost. Reimbursement will not exceed five hundred (\$500.00) dollars per occurrence.

Section III

Badge Upon Retirement. Each Officer who retires from the La Marque Police Department shall be given his/her badge at no cost to the Officer.

Section IV

Personnel Files. The City shall maintain one master personnel file for each Police Officer. The personnel file shall contain any letter, memorandum, or any other document relating to:

- A. Any commendation, congratulation or honor bestowed on the Officer for an action, duty, or any activity relating to the Officer's official duties.
- B. Any periodic evaluation for the Officer by supervisory personnel.
- C. Any complaints, reprimands, or any other documents pertaining to disciplinary action. A copy of any such document of this nature shall be given to the Officer prior to the time that the document is placed in the file. The Officer shall have the opportunity to file a written response to any such document within ten (10) working days after the personnel file. Six (6) months after a Letter of Counseling or a Letter of Reprimand has been placed in the Officer's file, the Officer may request through a memo that his/her letter of counseling or reprimand be removed from the file after a review and at the discretion at the Chief of Police.
- D. Necessary records, such as, but not limited to college transcripts, training and pay records, employment application and other related pre-employment documents, accident and injury reports, medical and psychological reports, certification data, attendance records and promotional history.
- E. A letter, memorandum, or document relating to alleged misconduct by an Officer may not be placed in the Officer's personnel file if the Department determines that there is insufficient evidence to sustain the charge of misconduct. Any such documents placed in the Officer's personnel file as provided herein that do not result in a disciplinary charge after a hearing, shall be removed from the Officer's file if the disciplinary action was determined to have been taken without just cause, or if the charge of misconduct was not supported by sufficient evidence.

Any Officer may review his/her personnel file at a pre-arranged, mutually acceptable time and in the presence of the appropriate representative of the City. The Officer should make an appointment to review his file.

The Employer may not release any information contained in an Officer's personnel file without first obtaining the Officer's written permission, unless such information is exempted from

the release under the Texas Public Information Act, and is properly requested for release. In the event of release of information, the Officer shall be notified accordingly.

Section V

Bulletin Boards. The Association may maintain one (1) bulletin board, no larger than three (3) feet by three (3) feet at the Police Station in a conspicuous location approved by the Chief. No information shall be placed on any bulletin board on the employer's property which is personally critical of any individual, or of the Association or of the management representatives of the City. No endorsement or "non-endorsement" of any candidate for public office shall be placed on bulletin boards; however, this does not prohibit Association announcements concerning political forums, receptions, etc.

Section VI

Provision of Copies. The employer shall provide to each Officer a copy of this Agreement, all special orders, general orders, training bulletins, City Personnel Policy, Police Department Operations Manual, Departmental Rules and Regulations, Penal Code, and traffic code updates, and applicable City ordinances.

Section VII

Joint Responsibility Recognition. The employer and the Association recognize their joint responsibility to a reasonable, fair, and consistent interpretation of this Agreement.

Section VIII

Mental Health Committee. The employer shall establish an advisory mental health committee to the City Manager and allow the Association to appoint three members to a mental health committee. The mental health committee will be an advisory committee of the City Manager and be made up of nine city employees, three from the Association, three from the employer and three from the fire department membership. Service on the mental health committee shall be voluntary but Officer's selected shall be paid for their service. The sole purpose of the mental health committee shall be to create a Request For Proposals package and evaluate responses to make recommendations to the City Manager for consideration of a mental health provider for all city staff.

Beginning within the last quarter of 2022, the advisory mental health committee shall meet at mutually agreed upon times.

Section IX

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 34: Internal Investigations

Section I

Conduct of Interview. In all investigations alleging serious misconduct or criminal activity by a Police Officer and which are initiated as the result of a citizen complaint, the complaining citizen(s) shall be required to submit a written statement to an Officer assigned in Internal Affairs and that statement must be signed by the complainant in the presence of the receiving Officer or City Clerk. The City may designate a location other than the Police Department for the taking of the statement. For purposes of this section, "Serious misconduct" means some action, or failure to act, by a Police Officer, which, if found to be true could result in the termination of the Officer for that offense alone.

The provisions of this Section do not preclude the Chief from conducting administrative investigations nor does it preclude the Chief from ordering an internal investigation for complaints other than serious misconduct or criminal activity. A statement is not required in advance where a complaint does not allege serious misconduct or criminal activity.

Prior to commencing the investigation, the Officer shall be informed of the general nature of the investigation, and shall be provided with sufficient information to properly apprise the Officer of the allegations.

All persons present in the interview shall be identified to the Officer by name, rank, and agency.

The interview shall be completed with reasonable dispatch, and reasonable respites shall be allowed. Sufficient time shall also be provided to the Officer for attending to basic and essential personal needs.

The Officer shall not be threatened, harassed or intimidated, or offered any type of inducement due to answers or non-answers to questions posed to the Officer during his interview process. The Officer may be informed, however, that his/her conduct can, or has, become the subject of disciplinary action, for which the appropriate measures of punishment may be administered.

Nothing in this section shall prevent or impede the Chief, or other appropriate supervisor, in the conduct of the business of the Department, from entering into immediate and direct discussion with, or making legitimate inquiry of any Officer who has not yet been formally identified as the target of an investigation.

Section II

Right to Contact Attorney. In all cases where an Officer is to be interviewed concerning an alleged act which, if proven, may result in temporary or permanent dismissal from the Department, the Officer shall be afforded a reasonable opportunity and facilities to contact and consult privately with an attorney of his/her choice, and/or a representative of the Association before being interviewed.

An attorney of the Officer's own choosing and/or a representative of the Association may be present during the interview. In the event that the Officer appears with an Association representative or attorney, the Chief or other involved Officer(s) shall have the option of continuing or terminating the interview. In lieu of an interview, the Chief may provide the affected with written notification of the complaint, written notice requiring a response to said complaint, and if applicable, notice of right to appeal. Such statement shall require a written response, sworn to and notarized under oath.

If an Officer is under arrest, or is likely to be, due to being a suspect or target of a criminal investigation, the Officer shall be given Miranda Decision rights.

The Officer shall be given an exact copy of any written statement that he/she may execute.

Section III

Compelled Testimony. There shall be no legal or administrative requirement, including but not limited to subpoena power or an order from the City Manager or the Department, that an Officer appear before or present evidence to any individual, panel, committee, group, or forum independent of the law enforcement agency with responsibility for reviewing either citizen complaints against Officers, or the policies and practices of the agency, or both. This provision has no application to any independent investigation authorized by the Chief of Police, regardless of whether the independent investigation was recommended by the City Council, City Manager, or Citizen's Review Panel, or to any hearing of an appeal of disciplinary action pursuant to this Agreement and/or Chapter 143 of the Texas Local Government Code. Police Officers remain

subject to orders or subpoenas to appear and provide testimony or evidence in such investigations or hearings.

Section IV

Recording of Interview. An Officer shall have the right to have the interview audio recorded, provided the Officer furnishes the audio recorder and advises all of parties of the recording in advance. The Chief or his/her designee shall have the same right. Neither an Officer nor a representative of the Chief shall record a conversation between an Officer and a representative of the Chief without disclosing the intent to record prior to the interview.

Section V

Notification of Findings. The Chief shall provide written notice in a sealed envelope, to the individual Officer of the final status of any complaint filed with the Police Department. The Officer shall sign an acknowledgement of the receipt of the notice.

Section VI

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 35: Disciplinary Actions

Section I

Authority. The Chief shall, for just cause, have authority to demote, suspend without pay not to exceed fifteen (15) days, or terminate any Police Officer for the causes set forth in the Rules and Regulations of the Police Department and for violations of this Agreement, Civil Service Rules, and the City's personnel policies. Any Officer may appeal such actions, if any, as provided herein. An Officer who is passed over as a candidate on any promotional eligibility list may appeal the Chief's decision to do so under this Article. Both disciplinary actions and being passed over for promotion that are unsatisfactory to the Officer shall be first appealed for remedy and resolution through this Article before any other remedy is sought, unless precluded by law.

Section II

Notice and Service. The Chief shall provide a written statement to any Officer to whom disciplinary action is administered or who is passed over for promotion, stating the action and

reasons therefore. The notice shall point out the particular rule or rules alleged to have been violated by the Officer, and the specific act(s) or omission(s) upon which the action is based. The notice shall also advise the Officer of his/her right of appeal, and the applicable time frame within which the appeal must be effected.

If the Chief is unable to secure personal delivery of the notice to the Officer after due diligence, the notice may be delivered to the President of the Association, and proof of such service shall be sufficient to support any disciplinary action.

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Section III

Appeal. An Officer who is disciplined or passed over for promotion pursuant to this Article must appeal to the Chief's written charges to the City Manager or his/her designee within ten (10) business days. Said appeal shall be in writing and shall include a statement of facts upon which it is based with reasonable details to assist in resolving the dispute, the remedy or adjustment sought, and the signature of the appealing Officer. The City Manager or his/her designee shall render a written decision and provide a copy of same to the Officer within fifteen (15) business days.

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Section IV

Appeal to Civil Service Commission or to Third Party Hearing Examiner. If an Officer does not accept the decision of the City Manager, or his/her designee, he/she may, within ten (10) business days or receipt of the decision, appeal the disciplinary action, demotion, or promotion. Passover, in writing, pursuant to Chapter 143.

Preemption of Chapter 143. To the extent that any provision of this Article conflicts with or changes Chapter 143 or any other statute, executive order, local ordinance, or rule, this Agreement shall supersede such provisions.

Article 36: Dispute Resolution Procedure

Section I

Scope of Procedure. The City and the Association agree that a just and equitable method for the resolution of disagreements between the parties regarding the interpretation of the provisions of this Agreement is necessary. Matters involving the interpretation, application, or alleged violation of a specific provision of this Collective Bargaining Agreement shall be subject to this Article. Any Officer(s) aggrieved by matters involved in dispute resolution shall first seek resolution through this Article before seeking any other remedy unless precluded by law.

Section II

Limits. The parties shall adhere to the time limits as set forth in this Article. In the event that the Officer or the Association fails to meet the time limits at Step One (1) of this procedure, the dispute shall be considered satisfied, and no further action shall be taken. Failure by the Association or the City to meet the time limits at any other Step shall be considered an unsatisfactory response and shall automatically allow the dispute to proceed to the next Step. Such time restrictions may be waived by mutual consent of the parties.

Section III

Process. A dispute as defined in Section I above shall be handled as follows:

Step 1. Each Officer is encouraged to attempt an informal solution to impending disputes by verbally apprising his/her immediate supervisor of same as soon as possible. If the dispute is not resolved by the supervisor, or if the Officer chooses to bypass an informal resolution attempt, he/she shall submit the issue in writing to the Chief within twenty (20) business days of the Officer's actual or constructive knowledge of the occurrence of the event causing the problem.

In the case of a dispute triggered by an action or inaction of a party beyond the authority of the Chief, the grievance may be initiated at Step 2.

The President of the Association, or his/her designee, may file a class action grievance on behalf of any bargaining unit members similarly situated at Step 2 above within twenty (20) business days of the Officer's actual or constructive knowledge of the occurrence of the event causing the problem.

The grievance shall include:

A. A statement of the grievance and all facts on which it is based.

- B. Any and all sections of the Agreement which have allegedly been violated.
- C. The remedy or adjustment sought, if any.
- D. The signature of the Officer.

The Chief or his/her designee shall provide a written response within twenty (20) business days after his receipt of the Officer's statement.

Step 2. If the dispute is not resolved at Step 1, the Association shall determine if a grievance exists. Said determination shall be made by an Association Grievance Committee. The Grievance Committee shall meet and render its decision within ten (10) days of the Step 1 ruling, including presentation of the dispute or grievance at Step 3, if such action is opted by the Committee.

In the event that the Committee determines that a valid dispute exists, the Association representing the aggrieved Officer, shall proceed to Step 3. In the event that the Grievance Committee decides that no dispute exists, there shall be no further action taken under this procedure.

Step 3. If a dispute or grievance is believed to exist, it shall be presented in writing to the City Manager or his/her designated representative, who shall have twenty (20) business days to act on the grievance, render a decision, and advise the Association President of that decision in writing. The Step 3 grievance form will include a statement stating why the Step 1 response from the Chief is rejected and provide reasonable details in assisting to resolve the dispute.

The City Manager may choose, but is not required, to meet with the Association President and the Association's representative, if mutually agreed by the City Manager and the Association President, at this Step, in an attempt to resolve the dispute. If such meeting is agreed to, the City Manager may include any other representatives he/she so chooses to be present at this meeting. In the event that the dispute is not resolved at this meeting, none of the parties may use information obtained solely from this meeting in any future arbitration hearings.

The sole intent of this provision is to promote open discussions by the parties in attempting to resolve disputes prior to invoking any further Sections of this Agreement.

Step 4. If the grievance is not resolved at Step 3, and if the Association wishes to pursue the grievance further, then both parties agree to mediate the grievance utilizing the services of the FMCS. The Association must notify the City of its desire to mediate the grievance within twenty (20) business days of receipt of the written response from the City Manager. Mediation will be

scheduled as soon as reasonably practicable. No information provided in statement made during the grievance mediation may be used by either party in any future arbitration hearing.

Step 5. If the grievance has not been settled at Step 4, the Association shall have ten (10) business days from the date that the mediation is concluded in which to appeal the grievance to arbitration. An appeal from the Association shall be submitted in writing to the City Manager or his/her designated representative.

Section VI

Arbitration. If a dispute is submitted to Arbitration, the City and the Association shall attempt to agree within five (5) business days upon an arbitrator who resides in the State of Texas. For this purpose, the parties may agree in writing to utilize one or more arbitrators for a specified period of time. In the event that an arbitrator is not selected by the parties within five (5) business days, a list of seven (7) qualified neutrals who are members of the National Academy of Arbitrators shall be requested jointly by the parties, or by either party, from the Federal Mediation and Conciliation Service.

Within five (5) business days from receipt of this list, the Association and the City shall meet and alternately strike names on the list until one name remains and that person shall be the arbitrator. A coin toss shall decide with party strikes first.

In the event that the parties are unable to obtain a list of arbitrators from the Federal Mediation and Conciliation Service that contains arbitrators exclusively from the State of Texas, a list of eleven (11) arbitrators shall be request by the parties in lieu of the list of seven (7), and the City and the Association shall meet and jointly strike all names of Arbitrators who reside outside of the State of Texas. After all of the outside arbitrators are stricken, if an even number of names remains on the list, the last remaining name shall be stricken.

The conduct of the hearing shall be governed by the standard rules of the American Arbitration Association. If there is a question of arbitrability, including but not limited to whether the appropriate time limits have been followed, these issues shall be submitted to and decided by the arbitrator in advance. No evidence on the merits of the dispute shall be introduced before the arbitrator rules on the arbitrability and timeliness issues. The parties, by mutual agreement, may request that the hearing be held in accordance with the Expedited Labor Arbitration Rules, which are found as Attachment 1 to this Agreement, and are incorporated herein by reference.

The Arbitrator shall not have the power to add to, amend, modify, or subtract from the provisions of this Agreement in arriving at his/her decision on the issue(s) presented, and shall be confined to the precise issue submitted for arbitration, and shall have no authority to determine any other issue(s) not so submitted to him/her. Payment of any award by an arbitrator in excess of five thousand (\$5,000.00) dollars may be deferred until the City's next fiscal year. The decision of the Arbitrator shall be final and binding upon the City and the Association, except where the award is procured by bias, fraud, collusion or other unlawful means.

The City shall bear the expense of any witness(es) called by the City. The Association shall bear the expense of any witness(es) called by the Association, except that employees of the City of La Marque who are called as witnesses for either side shall not be penalized for attendance at a hearing while on duty. The City and the Association shall share equally the fees and expenses by the Arbitrator.

Article 37: Savings Clause

Section I

Effect of Illegal Provisions. Should any provision of this Agreement be subsequently declared by competent judicial authority to be unlawful or unconstitutional, all other provisions of this Agreement shall remain in full force and effect for the duration of this Agreement.

Section II

Preemption of Local Government Code and Other Provisions. The provisions of this Agreement shall supersede the provisions of any statute, executive order, local ordinance, or rule which are in conflict herewith, including for example and not by way of limitation, the contrary provisions of Chapter 143 of the Texas Local Government Code; the City Charter of the City of La Marque, Texas; ordinances of the City of La Marque; Rules and Regulations of the La Marque Civil Service Commission; and policies and procedures of the La Marque Police Department.

Article 38: Complete Agreement Clause

Section I

The employer and the Association agree that, subject to the Maintenance of Standards Article, the terms and provisions herein contained constitute the entire Agreement between the

parties and supersede all previous communications, representation, or agreements, either verbal or written, between the parties hereto with respect to the subject matter herein.

Section II

The parties hereto acknowledge that during negotiations which resulted in this Agreement, each had unlimited right and opportunity to make, advance, and discuss all proper subjects of collective bargaining, and the agreements herein contained were arrived at after free exercise of such rights and opportunities. The employer and the Association, for the term of this Agreement specifically waive the right to demand or petition for changes herein, whether or not the subjects were known to the parties at the time of the execution hereof as proper subjects for collective bargaining.

It is specifically provided that there shall be no further negotiations, except by mutual agreement, of any subjects contained within this Agreement.

Section III

Neither party shall make or permit any agreement, understanding or contract with any person, which in any manner circumvents, alters, amends, modifies, or contradicts any provision of this Agreement.

Section IV

All modifications of this Agreement must be made in writing and signed by both the employer and the Association before such modifications shall become effective.

Section V

This Agreement has been executed this _____ day of _____ 2022, in duplicate counterparts, each of the pages hereof having been initialed and dated by the subscribing parties.

Mayor

Conan King, LMPA President

Mayor Pro-Tem

Kenneth Hernandez, LMPA VP

Councilmember

Brittany Shores, LMPA Secretary

Councilmember

Dashiell Cantu, LMPA Treasurer

Councilmember

City Manager

Attachment I: Expedited Labor Arbitration Rules

1. *Agreement of Parties*: These Rules shall apply whenever the parties have agreed to arbitrate under them, in the form obtained at the time the arbitration is initiated.
2. *Appointment of Neutral Arbitrator*: As agreed to in basic agreement.
3. *Initiation of Expedited Arbitration Proceeding*: Cases may be initiated by joint submission in writing, or in accordance with the Collective Bargaining Agreement.
4. *Qualifications of Neutral Arbitrator*: No person shall serve as neutral Arbitrator in any arbitration in which that person has any financial or personal interest in the result of the arbitration. Prior to accepting any appointment, the prospective Arbitrator shall disclose any circumstances likely to prevent a prompt hearing or to create a presumption of bias. Upon receipt of such information, the AAA shall immediately replace that Arbitrator or communicate the information to the parties.
5. *Vacancy*: The AAA is authorized to substitute another Arbitrator if a vacancy occurs or if an appointed Arbitrator is unable to serve promptly.
6. *Time and Place of Hearing*: The AAA shall fix a mutually convenient time and place of the hearing, notice of which must be given at least twenty-four (24) hours in advance. Such notice may be given orally.
7. *Representation by Counsel*: Any party may be represented by counsel at the hearing by Counsel or other representative.
8. *Attendance at Hearing*: Persons having a direct interest in the arbitration are entitled to attend hearings. The Arbitrator may require the retirement of any witness during the testimony of other witnesses. The Arbitrator shall determine whether any other person any other person may attend the hearing.
9. *Adjournments*: Hearings shall be adjourned by the Arbitrator only for good cause, and an appropriate fee will be charged by the AAA against the party causing the adjournment.
10. *Oaths*: Before proceeding with the first hearing, the Arbitrator shall take an oath of office. The Arbitrator may require witnesses to testify under oath.
11. *Stenographic Record*: There shall be no stenographic record of the proceedings.
12. *Proceedings*: The hearing shall be conducted by the Arbitrator in whatever manner will most expeditiously permit full presentation of the evidence and arguments of the parties.

The Arbitrator shall make or take appropriate minutes of the proceedings. Normally, the hearing shall be completed within one day. In unusual circumstances and for good cause shown, the Arbitrator may schedule an additional hearing within five (5) days.

13. *Arbitration in the Absence of a Party*: The arbitration may proceed in the absence of any party who, after due notice, fails to be present. An award shall not be made solely on the default of a party. The Arbitrator shall require the attending party to submit supporting evidence.
14. *Evidence*: The Arbitrator shall be the sole judge of the relevancy and materiality of the evidence offered.
15. *Evidence by Affidavit and Filing of Documents*: The arbitrator may receive and consider evidence in the form of an affidavit, but shall give appropriate weight to any objections made. All documents to be considered by the Arbitrator shall be filed at the hearing. There shall be no post-hearing briefs.
16. *Close of Hearings*: The Arbitrator shall ask whether the parties have any further proofs to offer or witnesses to be heard. Upon receiving negative replies, the Arbitrator shall declare and note the hearing closed.
17. *Waiver of Rules*: Any party who proceeds with the arbitration after knowledge that any provision or requirement of the Rules has not been complied with, and who fails to state his/her objections thereto in writing, shall be deemed to have waived his/her right to object.
18. *Serving of Notices*: Any papers or process necessary or proper for the initiation or continuation of an arbitration under these Rules and for any court action in connection therewith or for the entry of judgment on an award made thereunder, may be served upon such a party (a) by mail addressed to such party or its attorney at its last known address, or (b) by personal service, or (c) as otherwise provided in these rules.
19. *Time of Award*: The award shall be rendered promptly by the Arbitrator and, unless otherwise agreed by all parties, not later than five (5) business days from the date of the closing of the hearing.
20. *Form of Award*: The award shall be in writing shall be in writing and shall be signed by the Arbitrator. If the Arbitrator determines that an opinion is necessary, it shall be in summary form.

21. *Delivery of Award to Parties*: Parties shall accept as legal delivery of the award the placing of the award or a true copy thereof in the mail by the AAA, addressed to such party at its last known address or to its attorney, or personal service of the award, or the ruling of the award in any manner which may be prescribed by law.
22. *Expenses*: The expenses of witnesses for either side shall be paid by the party producing such witnesses.
23. *Interpretation and Application of Rules*: The Arbitrator shall interpret and apply these Rules insofar as they relate to his/her powers and duties. All other Rules shall be interpreted and applied by the AAA as administrator.

Attachment II: Release of Liability Agreement

I, _____, (known herein as _____), in consideration for the joint promises herein made, in which such consideration the receipt and sufficiency of which is acknowledged, do hereby agree to the following:

I

_____ has accepted the appointment to _____ at the La Marque Police Department, and recognizes such position is an “at will” position within the management of the City of La Marque, and that he/she has no “tenure” in the present position. The position is not represented by the La Marque Police Association, nor is the person appointed to that position covered by the Labor Agreement between the City of La Marque and the La Marque Police Association. Therefore, I hereby release the La Marque Police Association and indemnify them from any and all liability for any claim I might have arising out of the La Marque Association’s alleged breach of its duty of fair representation or arising out of any related affirmative claim for not representing me in collective bargaining negotiations as required by State Law, or for not representing me under the grievances procedures as set forth in the Collective Bargaining Agreement between the City of La Marque and the La Marque Police Association.

II

I hereby voluntarily relinquish any and all rights and benefits set forth and granted under the existing Collective Bargaining Agreement between the City of La Marque and the La Marque Police Association, except as specified in Paragraphs III and IV below, and including, but not limited to, inclusion as a member of the collective bargaining unit; coverage under any and all wage plans and any other fringe benefits therein, either of a direct or indirect nature (including but not limited to insurance plans/premiums payments, work hours, clothing allowance, leave time, holidays, overtime pay, call back and standby pay, longevity pay and certificate pay); and the right to file any and all grievances pursuant to _____ Article of the Contract alleging a violation

of the Collective Bargaining Agreement, for events occurring while I held the position of _____.

III

I, by execution of this Agreement, do not relinquish my righter under Article 35, Disciplinary Actions, to be terminated from employment for cause only and to appeal any termination of any employment pursuant to Article 35. Nor do I relinquish my right upon voluntarily or involuntarily relinquishing the position of _____ to assume the position of _____ within the La Marque Police Association after the effective date that I assume such position without requirement of payment of any back dues, assessments, charges or penalties of any other type.

IV

I hereby retain the right to voluntarily resign my position as _____, and, in that even resume the position of _____, with full protection by the La Marque Police Association from and after the effective date that I assume such position without the requirement of payment of any back dues, assessments, charges, or other penalties of any type.

Executed this _____ day of _____, _____.

By: _____

Accepted: _____

President, La Marque Police Association

Accepted: _____

City Manager, City of La Marque



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Prepared by: Randall Aragon

Department: Police

Agenda Item: 8.XIII.

Reviewed by: _____

AGENDA ITEM DESCRIPTION:

Requesting the approval of an Interlocal Agreement with the Gulf Coast Auto Crimes Task Force FY 2025–2026 - *Police*

STAFF BRIEFING:

--Chief Aragon will conduct the presentation: he will be accompanied by leadership personnel from the Galveston County Auto Crimes Task Force (GCACTF).

--The LMPD is a current recipient of this grant.

--This is a continuation of the current FY 2024/2025 grant.

--The agents who are assigned to the GCACTF conduct investigations, both proactive and reactive, as assigned by the Task Force Commander.

--The agent assigned to the Task Force by LMPD (Officer Aaron Skaggs) investigates auto crimes cases reported to the La Marque Police Department as well as working jointly with other agents.

--Agents operate both overtly and covertly in the investigation of auto crimes.

--Agents also conduct public awareness programs & serve as liaison to their home agency sharing and gathering information related to motor vehicle crimes.

--The GCACTF grant funds a vehicle and salary for the officer that LMPD provides (it does not include fringe benefits, gasoline, auto insurance, & vehicle maintenance).

--Salary expense will be reimbursed to the City based on City-issued invoices. Expenses for gas, oil, maintenance, and vehicle insurance is the responsibility of the City of La Marque.

--The Interlocal Agreement (ILA) and program costs have been coordinated with our Finance Department by Ms. Gina Doolittle, who is an administrator with the GCACTF.

--The GCACTF administration specified that they desire that the COLM sign the ILA (grant

agreement) before they sign it.

On 9/16/2025, City Attorney, Gus Knebel, reviewed the ILA (grant agreement) and approved it for further processing.

HISTORY:

City Council authorized the City's participation in the GCACTF in 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2021-2022, 2022-2023, 2023-2024, and 2024-2025.

FISCAL IMPACT:

Salary to be paid/reimbursed by the grant for LMPD's officer assigned to the GCACTF totals \$75,431--plus estimated overtime of \$3,772. The following expenses will be funded by the COLM: fringe, \$24,665, vehicle gas, maintenance, & insurance: estimated at \$3,420.



Galveston County Taskforce Grant Negotiation for Fiscal Year 2026

The Application was submitted by Mark Henry at 8/1/2025 2:57:30 PM and is now locked.
The confirmation Number is 2025080100459.

Primary Agency / Grantee Legal Name: *Galveston County*
Organization Type: *Law Enforcement*
Organization ORI (if applicable): *TX0840000: GALVESTON CO SO*

Program Title Please enter a short description of the proposed program that can be used as the title.
Gulf Coast Auto Crimes Task Force

Application Category (See **Request for Applications** [RFA] for category details and descriptions RFA Priority Funding Section):
New Grant - 2026 is the first year of the MVCPA Taskforce Grants. All 2026 grant applicants use the new grant category.

MVCPA Program Category (see **RFA** and TAC 43, 3 §57.14). Check all that apply.

- Law Enforcement, Detection and Apprehension
- Prevention, Anti-Theft Devices and Motor Vehicle Registration
- Reduction of the Sale of Stolen Vehicles or Parts
- Education Programs and Marketing

Taskforce Grant Participation and Coverage Area

Provide a General Description of the Participating and Coverage Area of this Grant Application

Gulf Coast Auto Crimes Task Force covers Galveston, Brazoria, Matagorda, and Southern Harris County areas. Participating agencies include Galveston and Brazoria County Sheriff's Offices, Galveston and La Marque Police Departments, and we seek to add Texas City Police Department in FY2026. We conduct 68-A inspections, respond to complaints and assist on investigations for all coverage areas. Our analyst offers support statewide, and to other agencies nationwide upon request.

Define in the tables below the grant relationships and geographic area of the taskforce:

Applicant will add the participating and coverage agencies from the ORI list below. If an agency is not in the ORI list, please include the agency and role in the general description above. Make sure to follow the definitions below and select an agency in the dropdown. Use the *Add as Participating Agency* or *Add as Coverage Agency* button to populate the list.

Participating Agencies are agencies that materially participate in the grant application through the exchange of funds for reimbursement and cash match. Participating agencies are defined after the grant award by interlocal/interagency agreements. Each applicant must select their own agency first. Then select agencies that will receive or provide funding and/or resources. [Note: Interlocal/interagency agreements do not need to be submitted with the application. Interlocal agreements will need to be executed prior to the first payment being made if selected for a grant. Letters of support with the application from the participating agencies are strongly recommended.]

Coverage Agencies are agencies that provided some level of coverage, assistance or support by this grant application but will not materially exchange funds as cash match or reimbursement. The coverage is not supported by an after the award with interlocal/interagency agreements. Coverage agencies as law enforcement agencies may have jurisdictional coverage agreements unrelated to the grant (Ex. City Y is within County X or vice versa). Agencies selected in this list include agencies that will be covered or where the agency indicates that their agency will coordinate or call upon the taskforce. Letters of support with the application from the participating agencies are strongly recommended.

Participating Agencies	Coverage Agencies
TX0200000 BRAZORIA CO SO (MIP)	TX0200100 ALVIN PD
TX0840000 GALVESTON CO SO	TX0200200 ANGLETON PD
TX0840400 GALVESTON PD	TX0200300 CLUTE PD
TX0840700 LA MARQUE PD	TX0200400 DANBURY PD
TX0840900 TEXAS CITY PD	TX0200500 FREEPORT PD
	TX0200800 LAKE JACKSON PD
	TX0200900 MANVEL PD
	TX0201000 PEARLAND PD(MIP)(IBR)
	TX0201100 RICHWOOD PD
	TX0201200 SWEENEY PD (AE)
	TX0201400 WEST COLUMBIA PD
	TX0201700 ALVIN COMMUNITY COLL PD
	TX0201800 BRAZORIA PD
	TX0201900 BROOKSIDE VILLAGE PD

TX0202700 JONES CREEK PD (AE)
 TX0202800 SURFSIDE BEACH PD
 TX0202900 OYSTER CREEK PD
 TX0203200 ALVIN ISD PD
 TX0203300 ANGLETON ISD PD (AE)
 TX0203500 COLUMBIA-BRAZORIA ISD PD
 TX0840200 DICKINSON PD
 TX0840300 FRIENDSWOOD PD (AE)
 TX0840500 HITCHCOCK PD
 TX0840600 KEMAH PD
 TX0840800 LEAGUE CITY PD
 TX0841000 UTMB-GALVESTON PD
 TX0841200 TX A&M GALVESTON PD (AE)
 TX0841900 JAMAICA BEACH PD (AE)
 TX0842100 SANTA FE PD
 TX0842200 BAYOU VISTA PD
 TX0842300 COLL OF THE MAINLAND PD
 TX0842800 Santa Fe ISD PD
 TX0843100 GALVESTON ISD PD

• **Other Coverage** (Use if ORI not listed or explanation is necessary.):

Galveston Port Police Department ORI TX0842400, Port of Freeport (Vehicle exports moved to Freeport from Galveston, Equipment imports/Exports remain in Galveston) No ORI. Also will cover Matagorda County upon request.

Resolution: Complete a Resolution and submit to local governing body for approval. [Sample Resolution](#) is found in the Request for Application or send a request for an electronic copy to grantsMVCPA@txdmv.gov. The completed and executed Resolution must be attached to this on-line application.

Grant Budget Form

MVCPA recommends that the applicant complete the total costs (MVCPA and Cash Match combined) for this program. The applicant can then enter the desired amount of Cash Match (not less than 20% per TAC Title 43, Â§57.36). The system will then calculate the correct grant and match amounts.

Budget Entry Option:

Enter MVCPA and Cash Match Amounts

Budget Category	MVCPA Expenditures	Cash Match Expenditures	Total Expenditures	In-Kind Match
<i>Personnel</i>	\$412,525	\$18,315	\$430,840	
<i>Fringe</i>	\$0	\$126,779	\$126,779	
<i>Overtime</i>	\$20,626	\$0	\$20,626	
<i>Professional and Contract Services</i>	\$508,655	\$196,648	\$705,303	
<i>Travel</i>	\$26,240	\$0	\$26,240	
<i>Equipment</i>	\$50,050	\$30,000	\$80,050	
<i>Supplies and Direct Operating Expenses (DOE)</i>	\$57,000	\$0	\$57,000	\$48,000
Total	\$1,075,096	\$371,742	\$1,446,838	\$48,000
Cash Match Percentage		34.58%		

Description	Subcategory	Pct Time	MVCPA Funds	Cash Match	Total	In-Kind Match
Personnel						
Lt / Project Manager (Position 401)	Investigator/LEO	50	\$55,295	\$2,875	\$58,170	
Sgt/Commander (Position 404)	Investigator/LEO	100	\$99,130	\$4,730	\$103,860	
Investigator (Position 405)	Investigator/LEO	100	\$93,399	\$4,070	\$97,469	
Investigator (Position 402)	Investigator/LEO	100	\$93,399	\$4,640	\$98,039	
Analyst (Position 403)	Crime Analyst/LE Professional	100	\$71,302	\$2,000	\$73,302	
Total Personnel		450	\$412,525	\$18,315	\$430,840	
Fringe						
Lt / Project Manager (Position 401)	Investigator/LEO		\$0	\$15,738	\$15,738	
Sgt/Commander (Position 404)	Investigator/LEO		\$0	\$30,108	\$30,108	
Investigator (Position 405)	Investigator/LEO		\$0	\$28,041	\$28,041	
Investigator (Position 402)	Investigator/LEO		\$0	\$28,139	\$28,139	
Analyst (Position 403)	Crime Analyst/LE Professional		\$0	\$24,753	\$24,753	
Total Fringe			\$0	\$126,779	\$126,779	
Overtime						
Lt / Project Manager (Position 401)	Investigator/LEO		\$2,765	\$0	\$2,765	
Sgt/Commander (Position 404)	Investigator/LEO		\$4,956	\$0	\$4,956	
Investigator (Position 405)	Investigator/LEO		\$4,670	\$0	\$4,670	
Investigator (Position 402)	Investigator/LEO		\$4,670	\$0	\$4,670	

Description	Subcategory	Pct Time	MVCPA Funds	Cash Match	Total	In-Kind Match
Analyst (Position 403)	Crime Analyst/LE Professional		\$3,565	\$0	\$3,565	
Total Overtime			\$20,626	\$0	\$20,626	
Professional and Contract Services						
Galveston PD - Sr Police Officer	Investigator/LEO - personnel	100	\$99,705	\$6,456	\$106,161	
Galveston PD - Sr Police Officer	Investigator/LEO - fringe	100	\$0	\$44,126	\$44,126	
Galveston PD - Sr Police Officer	Investigator/LEO - overtime	100	\$4,985	\$0	\$4,985	
La Marque PD- Investigator	Investigator/LEO - personnel	100	\$75,431	\$3,420	\$78,851	
La Marque PD- Investigator	Investigator/LEO - fringe	100	\$0	\$24,665	\$24,665	
La Marque PD- Investigator	Investigator/LEO - overtime	100	\$3,772	\$0	\$3,772	
Brazoria County SO - Investigator I	Investigator/LEO - personnel	100	\$97,317	\$2,400	\$99,717	
Brazoria County SO - Investigator I	Investigator/LEO - fringe	100	\$0	\$37,114	\$37,114	
Brazoria County SO - Investigator I	Investigator/LEO - overtime	100	\$4,866	\$0	\$4,866	
Brazoria County SO - Investigator II	Investigator/LEO - personnel	100	\$112,816	\$3,940	\$116,756	
Brazoria County SO - Investigator II	Investigator/LEO - fringe	100	\$0	\$40,950	\$40,950	
Brazoria County SO - Investigator II	Investigator/LEO - overtime	100	\$5,641	\$0	\$5,641	
Texas City PD - Sr Police Officer	Investigator/LEO - personnel	100	\$99,164	\$1,800	\$100,964	
Texas City PD - Sr Police Officer	Investigator/LEO - fringe	100	\$0	\$31,777	\$31,777	
Texas City PD - Sr Police Officer	Investigator/LEO - overtime	100	\$4,958	\$0	\$4,958	
Total Professional and Contract Services		1500	\$508,655	\$196,648	\$705,303	
Travel						
MVCPA meetings and workshops	Administrative In-state		\$1,640	\$0	\$1,640	
Advanced/Specialized Auto Theft Training	Training In-State		\$4,920	\$0	\$4,920	
TAVTI	Training In-State		\$8,200	\$0	\$8,200	
MVCPA Conference	Training In-State		\$8,200	\$0	\$8,200	
Other Investigative Training	Training In-State		\$820	\$0	\$820	
Other Investigative Training	Training Out-of-State		\$820	\$0	\$820	
Investigations	Law enforcement In-State		\$820	\$0	\$820	
Investigations	Law enforcement Out-of-State		\$820	\$0	\$820	
Total Travel			\$26,240	\$0	\$26,240	
Equipment						
Truck (1)			\$30,000	\$30,000	\$60,000	
Computer			\$3,500	\$0	\$3,500	
Printer (for vehicle)			\$650	\$0	\$650	
Docking station for vehicle			\$1,700	\$0	\$1,700	
Cell Phone			\$1,200	\$0	\$1,200	
800 MHz Radio for truck			\$6,000	\$0	\$6,000	
Handheld radio			\$7,000	\$0	\$7,000	
Total Equipment			\$50,050	\$30,000	\$80,050	
Supplies and Direct Operating Expenses (DOE)						
Service Contracts (Hardware/Software)			\$17,500	\$0	\$17,500	
Fuel			\$0	\$0	\$0	\$24,000
Vehicle Maintenance			\$3,000	\$0	\$3,000	
Wireless Communications			\$9,000	\$0	\$9,000	
Administrative Supplies			\$1,000	\$0	\$1,000	
Operating Supplies			\$6,000	\$0	\$6,000	
Training			\$8,000	\$0	\$8,000	
Vehicle Make Ready			\$11,000	\$0	\$11,000	
Towing			\$1,500	\$0	\$1,500	
Utilities			\$0	\$0	\$0	\$24,000
Total Supplies and Direct Operating Expenses (DOE)			\$57,000	\$0	\$57,000	\$48,000

Budget Narrative**A. Personnel**

Personnel: Lt/Project Manager (Galveston County Sheriff's Office): Oversees Auto Crimes Task Force and Catalytic Converter grants as well as overseeing Galveston County Sheriff's Office Organized Crimes Task Force. Maintains communications with Project Director, Commander, Investigators, and office personnel. Stays in contact with the Sheriff's Office Command staff, County Auditor, Purchasing Agent and Legal divisions to ensure compliance with the appropriate state and county regulations. Coordinates with Analyst concerning finances, travel, training, and monitoring grant and financial records. Attends and conducts peace officer training and public awareness programs as needed. 50% assigned to Gulf Coast Auto Crimes Task Force. Commander (Galveston County Sheriff's Office): Supervises daily operations of the Task Force including strategy development and case assignment/review. Maintains communication with the Project Manager, investigators, and office personnel. Provides both tactical and strategic analytical support to all local, county, state, and federal agencies. Attends and conducts peace officer training and public awareness programs as needed. 100% assigned to Auto Crimes Task Force. Investigators (Galveston County Sheriff's Office): Conduct investigations, both pro-active (self-initiated) and reactive; operates both overtly and covertly as deemed necessary by the Commander. Attends and conducts peace officer training. Conducts public awareness programs as directed. Serve as liaison to assigned districts sharing and gathering information related to motor vehicle crimes. Assist all local, county, state, and federal agencies when requested related to Auto Crimes Task Force stated mission assignments. 100% assigned to Auto Crimes Task Force. Analyst (Galveston County Sheriff's Office): Performs intelligence analysis including research, crime mapping, link analysis, VIN decoding, secondary identification methods, and any other vehicle related requests for local, state, and federal investigators. Also maintains grant and financial records. 100% assigned to Auto Crimes Task Force. Note: Salaries listed are based on current amounts with a 3.5% buffer included to account for any potential COLAs or increases for the coming fiscal year. Base salary for sworn personnel calculated at 86 hours bi-weekly. Salary Cash Matches include Law Enforcement Career Path Program costs (for sworn personnel) as follows: Certification Pay (based on level of certification as follows: \$75 per month for intermediate certification; \$100 per month for advanced certification; and \$150 per month for master certification); and Longevity Pay: \$10.00 per each year of time in service per month. Also included is a one-time bonus of \$2,000 per employee typically given to County employees in the second pay period in November if approved for FY2026. Lt/Project Manager grant and cash match amounts reflect 50% percentage assignment to MVCPA grants.

B. Fringe

Fringe: Amounts reflected above include the following benefits for all county employees at their current rates with a 3.5% buffer for potential COLAs for FY 2026 plus overtime: Pension -Texas County District and Retirement System (TCDRS) at 11.87%; Alternate Plan including deferred compensation (3.710468%), long term disability and life insurance rates variable by age and pay rates; Medicare at 1.450%; Unemployment Insurance at 0.11%; Health Insurance at \$795/month. Amounts shows reflect percentage of time assigned to task force.

C. Overtime

Overtime funds requested were calculated at 5% (respective of time assigned to task force) of current base pay plus a 3.5% buffer for potential COLAS per employee for FY 2026. Overtime funds would be used to conduct special operations and activities and would be approved by the Commander on a case by case basis. These funds could offset some of the time off and man-power shortages frequently experienced due to comp time accrual overages.

D. Professional and Contract Services

Narrative: Galveston Police Department (Sr Police Officer): Conduct investigations, both pro-active (self-initiated) and reactive; operates both overtly and covertly as deemed necessary by the Commander. Attends and conducts peace officer training. Conducts public awareness programs as directed. Serve as liaison to assigned districts sharing and gathering information related to motor vehicle crimes. Assist all local, county, state, and federal agencies when requested related to Auto Crimes Task Force stated mission assignments. 100% assigned to Auto Crimes Task Force. GPD Salary total calculated at current base with a potential 5% COLA; Salary Cash Match shown for the following incentive pay: Certification Pay (based on TCOLE certification - Intermediate: \$100/month; Advanced: \$167/month; and Masters: \$208/month); Longevity Pay (\$55 /month); and Education Pay (based on degree held from nationally accredited college or university - Associates: \$75/month; Bachelors: \$200/month; Masters: \$250/month); Bilingual Pay: (\$75/month). Cash Match for GPD Benefits/Fringe include: Pension (18%); Social Security (6.20%); Medicare (1.450%); Health Insurance (\$1194/month); Dental Insurance (\$24/month); and Life Insurance (\$84/month). GPD overtime requested for FY 2026 calculated at 5% of the projected base pay and are included in Fringe amounts. La Marque Police Department (Investigator): Conduct investigations, both pro-active (self-initiated) and reactive; operates both overtly and covertly as deemed necessary by the Commander. Attends and conducts peace officer training. Conducts public awareness programs as directed. Serve as liaison to assigned districts sharing and gathering information related to motor vehicle crimes. Assist all local, county, state, and federal agencies when requested related to Auto Crimes Task Force stated mission assignments. 100% assigned to Auto Crimes Task Force. LMPD Salary total calculated at current base rate plus 4% potential for a COLA for FY 2026; Salary Cash Match shown for the following incentive pay: up to \$205/month; Longevity Pay: one-time annual payment received in November; an Equipment Allowance: \$85/month; Investigator Pay: \$200/month. Cash Match for LMPD Benefits/Fringe include: Pension (14.29%); Social Security (6.20%); Medicare (1.450%); and Health Insurance (\$544.84/month). LMPD overtime requested for FY 2026 calculated at 5% of the projected base pay and are included in Fringe amounts. Brazoria County Sheriffs Office (2 Investigators): Conduct investigations, both pro-active (self-initiated) and reactive; operates both overtly and covertly as deemed necessary by the Commander. Attends and conducts peace officer training. Conducts public awareness programs as directed. Serve as liaison to assigned districts sharing and gathering information related to motor vehicle crimes. Assist all local, county, state, and federal agencies when requested related to Auto Crimes Task Force stated mission assignments. 100% assigned to Auto Crimes Task Force. BCSO Salary total calculated at current base rate plus 3% for potential COLAS or pay increases for FY 2026. Base salary for sworn personnel calculated at 86 hours bi-weekly. Salary Cash Match shown for the following incentive pay: Certification Pay: \$150/month; and Longevity Pay: \$5/month for every year of service. Cash Match for BCSO Benefits/Fringe include: Pension (13.27%); AUL alternate to SSN (6.017%); Medicare (1.45%); Health Insurance: \$1,000/month; Health Clinic for employees: \$20/pay period; 401-H (2.4%); and Unemployment (.14%). BCSO overtime requested for FY 2026 calculated at 5% of the projected base pay and are included in Fringe amounts. For FY 2026 we are asking for a new investigator position from Texas City Police Department. If approved, the Texas City PD Investigator would: Conduct investigations, both pro-active (self-initiated) and reactive; operates both overtly and covertly as deemed necessary by the Commander. Attends and conducts peace officer training. Conducts public awareness programs as directed. Serve as liaison to assigned districts sharing and gathering information related to motor vehicle crimes. Assist all local, county, state, and federal agencies when requested related to Auto Crimes Task Force stated mission assignments. Would be 100% assigned to Auto Crimes Task Force. The amounts reflected above are calculated at the current Sr Police Officer pay rate, plus 3% for potential COLAs or pay increases. Unknown Fringe/Benefits but were calculated at 30%. Requested overtime calculated at 5% of the base.

E. Travel

Galveston County adopted new per diem rates and updated their travel policy in FY 2024. Per diem rates established by standard CONUS rates. The mileage rate is in conjunction with the IRS standard mileage rate. Each investigator assigned by contract will follow the travel policies of their home agencies respectively and will invoice ACTF for reimbursement of travel costs incurred. An average general per diem of \$55 per day used in below calculations. Administrative (In-State): ACTF anticipates travel to MVCPA Board Meetings and/or grant workshop quarterly for Commander and Analyst. Estimated total \$1,640: (calculated as an overnight stay 4 times per year: \$150/night x 2 people - \$1,200 hotel; plus per diem: \$55/day x 2 people x 4 times = \$440). Training: Travel expenses

Budget Narrative

following are listed schools and others as yet to be announced to expand the level of training and knowledge of personnel assigned to Auto Crimes Task Force. Advanced/Specialized Auto Theft (In-State) \$4,920: (locations not determined yet for FY 2026 but calculated for 3 employees to attend each: \$150/night x 3 people x 4 nights x 2 classes = \$3,600; plus per diem: \$55/day x 3 people x 4 nights x 2 classes = \$1,320). TAVTI -Texas Association of Auto Theft Investigators (In-State) \$8,200: (Houston, FY 2026 estimated funds include: 10 hotel rooms at \$150/night for 4 nights - \$6,000; per diem: \$55/day x 4 days x 10 people = \$2,200). MVCPA Conference (In-State) \$8,200 (location not yet determined for FY 2026 but calculated for 10 hotel rooms at \$150/night for 4 nights - \$6,000; per diem: \$55/day x 4 days x 10 people = \$2,200). Investigative Training (In-State) \$820: (could include New Detective and Criminal Investigator Training; Interview and Interrogation Training, etc. and will be scheduled locally where available. Calculated at 2 hotel rooms for \$150 twice per year; per diem \$55/day x 2 people x 2 classes = \$220 in case non-local travel necessary for investigative training opportunities). Investigative Training (Out-of-State) \$820: (not determined at this time but calculated at 2 hotel rooms for \$150 twice per year; per diem \$55/day x 2 people x 2 classes = \$220 in case non-local travel necessary out-of-state such as NICB or other training opportunities). Investigative (In-State) \$820: (not determined at this time but calculated at 2 hotel rooms for \$150 twice per year; per diem \$55/day x 2 people x 2 times = \$220 in case of in-state travel needed to conduct investigation or follow up on leads (non-training funds). Investigative (Out-of-State) \$820: (not determined at this time but calculated at 2 hotel rooms for \$150 twice per year; per diem \$55/day x 2 people x 2 times = \$220 in case of out-of-state travel needed to conduct investigation or follow up on leads (non-training funds) in Louisiana or in another state.

F. Equipment

All listed would be purchased if new detective position for Texas City PD approved for FY 2026. New 4x4 pickup to be able to tow and access difficult terrains, including beaches; estimate \$60,000 for the new truck. We request permission to use \$30,000 Program Income as cash match toward the purchase of the truck. To equip new Investigator, we would also need: Laptop Computer (with desk dock, monitors, keyboard, etc.) \$3,500; Printer for truck: \$650 to allow for investigator to be able to issue 68A forms from the field; a Docking Station for the computer while in the truck: \$1,700; a Cell Phone (1) estimated at \$1,200 to include a ruggedized case for the new detective; an 800 MHz radio (\$6000) to be installed in the new truck for communications; and a hand held radio for communications outside of the vehicle.

G. Supplies and Direct Operating Expenses (DOE)

Service Contracts: \$17,500 for Software Licensing and Maintenance costs - \$11,500 to renew annual contract with Motorola Solutions for Vehicle Manager (previously known as LEARN through Vigilant Solutions) access to LPR data; Software Licensing and Maintenance costs of \$3,000 to CovertTrack to renew annual contract to access mapping for tracking devices; Site License agreement annual renewal with Motorola Solutions (Previously Vigilant Solutions) for \$3,000 for License Plate Reader camera systems. Fuel: The county and cities provide fuel for ACTF vehicles including investigator vehicles and LPR. All amounts shown as in-kind match are based on estimate of \$200/month and include the potential new Texas City Police Department investigator position. Quarterly expenditure reports will document actual match by each entity. Vehicle Maintenance: \$3,000 to cover any cost for maintenance or repair to bait vehicles (bait car, cargo trailer, all-terrain vehicles and personal water craft); License Plate Reader vehicle; ACTF Polaris UTV; and ACTF crime prevention trailer. The participating Counties and Cities for each agent will repair and maintain agent's vehicles (8 total including the newly applied-for Brazoria County position). Wireless Communications: \$9,000 including cell phones used by ACTF staff \$50/month for 10 lines (including new TCPD Investigator) totaling \$6,000; Also includes costs of Insight app to be added to each phone to allow ability to TCIC/NCIC data from cell phones in the field at \$300/phone per year totaling \$3,000. Administrative Supplies: \$1000 for Routine office supplies, paper, batteries for electronics, audio/videotapes, and blank CDs/DVDs, etc. These items assist personnel to perform efficiently and professionally. Operating Supplies \$6,000: Estimated \$3,000 for Departmental Supplies such as cleaners and degreasers for use in identifying vehicles/parts, small hand tools, VIN etching supplies; finger print supplies; and other items used by Auto Crimes Task Force Agents in the course of their assigned duties; and \$3,000 for Crime Prevention Supplies to allow the purchase and replenishment of popular give-away promotional items. Training: \$8,000 to allow for training opportunities including attendance to Texas Association of Vehicle Theft Investigators (TAVTI) conference at \$200/person for 10 people; Other possible training opportunities could include new detective school, interview and interrogations training, or other investigative training, estimated at \$500/course x 8. Vehicle Make Ready: \$11,000 - If new TCPD position approved, to install lights, sirens, antennas, tint, tool boxes, pep-link etc. in new truck. Towing \$1,500 Auto Crimes Task Force utilizes our car hauler for most recoveries, however, some circumstances necessitate the use of a contract wrecker service. It is estimated that these instances should not exceed \$1,500 in towing fees. Utilities/Building Maintenance/Alarm: In-kind match shown for County provided utility services (electrical, water, sewer, garbage disposal, etc.) and maintains/repairs the building for the Auto Crimes Task Force. 24-hour monitoring and call-out service for our office building (alarm systems) are also provided by Galveston County. Cost of utilities estimated at \$2000/month, however quarterly expenditure reports will document actual utility bill amounts.

Revenue

Indicate Source of Cash and In-Kind Matches for the proposed program. Click on links to go to match detail pages for entry of data.

Source of Cash Match

Galveston County	Grantee	\$145,094
City of Galveston	Subgrantee	\$50,582
City of La Marque	Subgrantee	\$28,085
Brazoria County	Subgrantee	\$84,404
City of Texas City	Subgrantee	\$33,577
Program Income	Program Income	\$30,000
Total Cash Match		\$371,742

Source of In-Kind Match

Galveston County	Grantee	\$36,000.00
City of Galveston	Subgrantee	\$2,400.00
City of La Marque	Subgrantee	\$2,400.00
Brazoria County	Subgrantee	\$4,800.00
City of Texas City	Subgrantee	\$2,400.00
Total In-Kind Match		\$48,000.00

Statistics to Support Grant Problem Statement

Reported Cases	2023			2024		
	Motor Vehicle Theft (MVT)	Burglary from Motor Vehicle (BMV)	Fraud-Related Motor Vehicle Crime (FRMVC)	Motor Vehicle Theft (MVT)	Burglary from Motor Vehicle (BMV)	Fraud-Related Motor Vehicle Crime (FRMVC)
Galveston County SO	702	1,291	13	518	1,133	8
Brazoria County SO	205	213	9	158	151	3
Galveston PD	165	264	0	141	269	4
La Marque PD	44	34	0	48	60	9
Texas City PD	171	262	0	101	292	0

Application Narrative

Grant Introduction (Executive Summary) and General Information

- 1.1 Briefly describe the organization and program operation. Provide a high level summary to the application and how it will affect the local community. (500 words or less)

Galveston County is the grantee and is governed by County Commissioners' Court. The Court has appointed the Galveston County Sheriff to oversee this project. The Gulf Coast Auto Crimes Task Force command structure has a Director (appointed by the Sheriff), Program Manager, Commander, Analyst and Six Investigators. The task force follows the command structure of the Sheriff's Office. The Gulf Coast Auto Crimes Task Force is a multi-agency/multi-county and multi-jurisdictional task force with personnel having extensive training in auto theft and vehicle financial fraud. The task force coordinates responses both pro-actively and re-actively to multifaceted motor vehicle crimes throughout the region. Motor vehicle crimes are often intertwined with organized crime and patterns of crime that require the task force to proactively communicate across jurisdictional boundaries. Economic enterprises and individuals involved in illegal behavior, including theft by fraud, give rise to immense pecuniary losses to Texas communities. The Gulf Coast Auto Crimes Task Force proposes to reduce vehicle related crimes throughout Galveston and Brazoria counties and the surrounding areas by collaborating with law enforcement agencies within Galveston, Brazoria and surrounding counties by conducting covert operations, surveillance, vehicle identification, agency assistance, and intelligence sharing. Crime mapping and analytical research is an integral part of combating the varied array of criminal enterprises across multiple jurisdictions. The Gulf Coast Auto Crimes Task Force develops strategies and utilizes statistical crime data to assign personnel to operations to pro-actively combat thefts and burglaries of motor vehicles / parts. The Gulf Coast Auto Crimes Task Force utilizes available resources (license plate reader, bait vehicles, and covert/undercover equipment) to target and reduce the rate of burglaries of motor vehicles / parts and thefts of motor vehicles. Gulf Coast Auto Crimes Task Force Investigators also work re-actively by investigating assigned follow up cases from participating agencies to aid in the identification of prolific offenders as well as potential suspects and / or actors perpetrating motor vehicle thefts and motor vehicle burglaries. The Gulf Coast Auto Crimes Task Force further conducts vehicle inspections for port operations and TXDMV 68-A forms. The Gulf Coast Auto Crimes Task Force will conduct vehicle theft, burglary of a vehicle and catalytic converter theft awareness campaigns with emphasis on public education events that will influence the community members to safeguard their vehicles and personal property through the use of practical prevention methods. The Gulf Coast Auto Crimes Task Force provides an Analyst who assists officers from any requesting Local, County, State, or Federal Agency. Task Force funding is crucial to combat, burglary of motor vehicles / parts, theft of motor vehicles, boat theft, boat trailer theft, and heavy equipment crimes within the coverage areas including the Port of Galveston (Galveston County) and Port of Freeport (Brazoria County).

- 1.2 Describe the taskforce governing, organization and command structures. Include a description of the nature of support and agreements that will be in place if the grant is awarded. Provide any details unique to the taskforce organization or geographical target area. Describe whether any part of this grant will be directed to serve a specific target population (or subset of the community)?

The Gulf Coast Auto Crimes Task force is governed by Galveston County Commissioners' Court which has assigned the Galveston County Sheriff as being responsible for task force operations. The Galveston County Sheriff has designated a Galveston County Sheriff's Office Captain as Director of the Task Force. The Director has assigned a Galveston County Sheriff's Office Lieutenant as the Program Manager and a Galveston County Sheriff's Office Sergeant as the Commander of the Task Force. The Gulf Coast Auto Crimes Task Force is a multi-agency/multi-county task force which has interlocal agreements with participating agencies. These agencies have agreed to conditions set forth in the agreement to participate. The Gulf Coast Auto Crimes Task Force covers all of Galveston County law enforcement agencies including State, and Federal agencies. The Gulf Coast Auto Crimes Task Force further covers southern Harris County agencies, Brazoria County agencies and Matagorda County by request. The Gulf Coast Auto Crimes Task Force also includes the Port of Galveston (Galveston County) and Port of Freeport (Brazoria County). The Gulf Coast Auto Crimes Task Force provides an Analyst who is funded by MVCPA to provide analytical assistance to task force Investigators, other MVCPA funded task forces as well as any requesting Local, County, State or federal agencies. Some of the operational costs listed in this grant application are used to provide this statewide assistance as well. The Gulf Coast Auto Crimes Task Force only targets criminal populations and / or hotspots and other areas as identified through crime mapping and analysis, or upon request by law enforcement agencies within the coverage area.

Grant Problem Statement

- 2.1 Provide an assessment of the burglary from a motor vehicle (including theft of parts) problem in the coverage area of this application. Include loss data consistent with the reported incident numbers above.

The Gulf Coast Auto Crimes Task Force provides full service to Galveston County (population 367,407 per reports for 2024) Brazoria County (population 413,224 per reports for 2024). (Note: Summer population triples in Galveston and Brazoria Counties). Additionally, Southern Harris and Matagorda counties are served on a request basis. The Texas City Police Department has requested to join the Gulf Coast Auto Crimes Task Force and have been included on the FY26 application to bolster the Gulf Coast Auto Crimes Task Force as multi-Agency and multi-County task force for the region. The City of Texas City continues to see an ever-growing population and expansion of retail businesses creating a target rich environment for perpetrators of motor vehicle related crimes. The City of Texas City, with a population of 53,084 (According to 2024 records), accounts for approximately 14% of the overall population in Galveston County. According to the Texas Department of Public Safety Crime Index, motor vehicle thefts in the City of Texas City attributed to 24% of the overall motor vehicle thefts in Galveston County during the calendar year 2023 and 19.5% in 2024. During the calendar year 2023, the City of Texas City saw the tourist industry in the southern part of Galveston County (which includes the City of Texas City) as well as Brazoria County continue to see record increases. These areas have increased incidents of violence associated with motor vehicle crimes due to inflation and other economic impacts. Galveston and Brazoria Counties have suffered losses of \$5,260,572 million dollars in 2025 due to motor vehicle theft, motor vehicle burglaries and catalytic converter thefts (according to the Texas Department of Public Safety Crime Index). The victims of these crimes have grieved an array of losses well beyond economic hardships, such as lost time, lost business, lost wages and overall diminishment of community well-being. In calendar year 2024, there were 1,133 (Galveston County) 151 (Brazoria County) burglaries of motor vehicles / catalytic converters / thefts of other parts having a total financial loss of \$682,343. These numbers are in part attributed to a lack of public awareness.

Joining forces and collaborating with other state and local law enforcement agencies can help significantly. Providing local law enforcement training may assist in the decline of vehicle part thefts and burglaries. Galveston and Brazoria Counties have experienced incidences of violence associated with motor vehicle crimes. Much of this is due to increased gang activity throughout the region. There are multiple trends occurring which involve motor vehicle burglaries/parts (Catalytic converters), including victim assisted crime; organized crime; gang crime, firearms being stolen; drug related; assorted frauds and vehicle thefts from dealerships

- 2.2 Provide an assessment of the motor vehicle theft problem in the coverage area of this application. Include loss data consistent with the reported incident numbers above.

Since 1993 GCACTF has provided a complete and detailed service targeting vehicle thefts in Galveston County (367,407 per reports for 2024). Brazoria County (population 413,224 per reports for 2024). Additionally, Brazoria, Southern Harris and Matagorda counties are served on a request basis. Recently there has been an increase in requests from the Texas City Police Department leading them to requesting to join Gulf Coast Auto Crimes Task Force. Galveston, Southern Harris, Brazoria, and Matagorda Counties have likewise reported increases in motor vehicle thefts. There are multiple trends occurring which involve motor vehicle thefts to include victim assisted crime; organized crime; drug related; human trafficking; narcotics trafficking; theft of rental cars through fraud; motor vehicle thefts committed by criminal gangs; chop shops; internet scams; dealership burglaries and theft of vehicles from dealerships. According to the Texas Department of Public Safety Crime Index, there were a reported 518 motor vehicle thefts in Galveston County totaling \$8,941,074 and 158 motor vehicle thefts totaling \$3,684,376 in Brazoria County. This equates to an average financial loss of \$18,676 to the victims. Total losses due to motor vehicle theft, burglary of motor vehicles, and Catalytic converter theft attributes an overall cost to the citizens of Galveston and Brazoria Counties of \$13,307,472. The City of Galveston and southern Brazoria County typically experience a significant increase in motor vehicle thefts during the summer months (Summer population increases in both counties). This is attributed to the increase in transient population due to the beaches and tourism industry combined with the schools being on summer break. The international seaport in Galveston / Freeport has seen increased vehicle import / export traffic associated with human trafficking, narcotics, weapons and U.S. Currency. We have seen an increase in stolen heavy equipment being transported across local and state jurisdictional boundaries as well as being transported to the southern border to be taken out of the United States of America. The auto theft issue defies all boundaries: jurisdictional, political, geographical or administrative. Because of the changing trends and complexity of the issue, the auto theft fight requires the cooperation, collaboration and involvement of many stakeholders including the State of Texas. As the vehicle theft landscape continues to evolve, so must the search for innovative solutions to combat the activities of determined vehicle thieves.

- 2.3 Provide an assessment of the fraud-related motor vehicle crime problem in the coverage area of this application. Include loss data consistent with the reported incident numbers above.

The Gulf Coast Auto Crimes Task Force has always worked various fraud investigations involving vehicles. Certain types of fraud are on the rise such as title fraud from vehicles being stolen from dealerships which are then VIN switched to sell to unsuspecting buyers with a fraudulent title. The vehicle is listed on various social media sites and is then sold for thousands of dollars making the scam highly lucrative for the criminal element. The targeted victims are most commonly immigrants, likely due to them dealing in cash. We have seen financial fraud from wrecker services selling vehicles, Insurance fraud, Odometer fraud, Identity fraud and synthetic identity sales.

- 2.4 Provide an assessment of motor vehicle crime not covered above like insurance fraud, preventing stolen vehicles from entering Mexico, bridge/port stolen vehicle export crime, disruption of cartels and organized criminal enterprises related to motor vehicle crime, etc...

The Gulf Coast Auto Crimes Task Force has conducted operations targeting various criminal gang organizations who perpetrated thefts at numerous motor vehicle dealerships throughout Galveston and surrounding counties. The actors will go look at a vehicle and either copy keys or switch out key fobs to later return and steal the vehicle. Once the vehicle is stolen, it is commonly listed for sale on social media often before the dealership even knows it is stolen. These individuals often utilize these stolen vehicles to cross the southern border for purposes of human smuggling, in the transportation of illicit narcotics, in the commission of other criminal offenses, strip it for parts, or switch or alter the VIN on it to sell to unsuspecting persons. We have conducted inspections and recovered VIN switched vehicles and heavy equipment at the international ports. These VIN switched vehicles are also related to insurance fraud cases.

Grant Goals and Activities

There are two parts to this section: 1) Functions of Proposed Program and 2) Goals Strategies and Activities (GSA). In the following boxes, describe the functions of the proposed program and then complete a fillable form called GSA.

MVCPA programs must completely describe the actions, methods and tactics that law enforcement and civilian staff will perform for each of the categories below. Describe the reliance on technology or other program elements to solve the problem statement above and goals below. Functions must be detailed and consistent with the requested budget. If a grant is awarded, funds expended towards activities not described in this section will result in the reimbursement being denied.

Part 1

- 3.1 Functions of the proposed program related to burglary from a motor vehicle (including theft of parts)

Through increased communication and collaboration with law enforcement agencies and interaction directly with citizens and civic groups, along with increased visibility through the LPR and crime prevention displays, we expect to see a reduction in the number of motor burglaries. Increased TCOLE training for officers should aid in increasing awareness of vehicle burglary and motor vehicle theft interdiction yielding a significant impact. Approaches to Functions of Proposed Project Operations and services are provided to all law enforcement agencies and citizens of Galveston County, and to areas outside of Galveston County on a request basis. Since 2007, GCACTF has continually thought outside of the box to implement new and innovative programs to combat motor vehicle burglary / parts. Investigators are specially trained in vehicle identification and investigations, cellular phone examinations as well as electronic surveillance measures, in addition to traditional burglary investigation methods. Our experience originated before the first task force was ever formed. The ABTPA concept originated in Galveston County and we were one of the first projects in 1993. GCACTF was the first to have a stripped vehicle display, crime prevention trailer, and has hosted five grantee conferences. We have also hosted four International Law Enforcement Conferences with a focus on vehicle and marine theft. GCACTF was one of the first programs to initiate bait vehicle operations. We also operate a highly successful LPR program. GCACTF strives to be at the forefront of technological advancements in vehicle theft interdiction and have incorporated crime analysis and crime mapping to streamline operations and the direction of resources effectively. The Gulf Coast Auto Crimes Task Force uses various combinations of the following eight methods to combat burglary of motor vehicles and parts: 1) Investigation: Officers funded under MVCPA generally operate in specialized units that require both proactive and reactive experience in motor vehicle burglary/parts investigative skills. The Investigators review reports, collect and examine intelligence, develop leads and witnesses, identify offenders, identify and track criminal organizations, and develop sources of information from victims, informants and community members. 2) Analysis: The Gulf

Coast Auto Crimes Task Force employs an Analyst who provides analytical support to investigators and assists officers from any requesting Local, County, State, and Federal Agency. This Analyst utilizes all available resources to provide crime mapping, analytical research, strategies and statistics to identify trends and areas with high rates of burglaries of motor vehicles / parts and assists investigators with research to identify prolific offenders and potential suspects and / or actors involved with burglaries of motor vehicles. 3) Identification: Motor vehicle burglary and theft investigators receive specialized training to identify vehicles and parts of vehicles. Certain title transactions require these specially trained group of investigators to certify the proper vehicle identification number prior to completion. This skill is critical to not only establishing the elements of motor vehicle crimes for prosecution purposes but also in recovering vehicles / parts and clearing cases. The specialized skill in vehicle identification is often used to assist other departments and agencies in critical incidents. The specialized training and skill set promoted by MVCPA allows task force officers the means to identify most manufactured vehicles and trailers and their parts. 4) Collaboration: GCACTF collaborates across local, state and federal departments and jurisdictions to identify criminal enterprises. Additionally, task forces are seeing motor vehicle burglary / parts perpetrated by highly organized criminal networks using illegal methods to convert the vehicles into economic gain through title fraud, insurance fraud, or exportation. The MVCPA funded task force works across all levels of government and across all boundaries to be effective in reducing motor vehicle burglary / parts. 5) Motor Vehicle Business Support: GCACTF conducts inspections of salvage yards, recycling centers, motor vehicle rebuilders and other vehicle related businesses. When vehicle parts are identified the task force works with local businesses to identify and interrupt the criminal network that brought the stolen items into the system. The task force also works to shut down illegal operations that tender stolen motor vehicle parts, which are often referred to as "chop shops". These illegal operations undermine legitimate businesses throughout the state. 6) Port Coordination: GCACTF coordinate efforts along the port of Galveston and Port of Freeport to interdict criminal networks conveying stolen vehicles and parts into and out of the country. The port (HAMOC) monthly team meetings and discussions, coordinated by Homeland Security, have increased the communication between jurisdictions where vehicles are stolen and / or dismantled for parts for international transport through ports of entry. Not all stolen vehicles are taken to Mexico. The coordination promoted by GCACTF and Homeland Security have helped agencies think more regionally to solve motor vehicle theft / parts. 7) Technology: Task force Investigators have developed sophisticated techniques to identify and arrest offenders who burglarize and steal motor vehicles / parts. The task force utilizes bait cars and trailers, license plate readers, surveillance equipment, and tracking equipment as authorized by state and federal laws. This technology and the expertise needed to successfully utilize it is critical to GCACTF to decrease incidents of thefts / burglaries in meeting the statutory measures to increase recoveries of stolen vehicles / parts; increase clearance of cases, and increase arrests. 8) Identify Prolific Offenders: The task force works diligently to identify prolific offenders. Many motor vehicle burglary / parts and theft cases are committed by repeat individuals or groups. GCACTF works with the Texas Department of Criminal Justice-Office of Inspector General and other law enforcement agencies and utilizes a confidential law enforcement system, FUGINET (a database of inmate and parolee information) to conduct roundups of parolees convicted of motor vehicle burglary / parts and theft. FUGINET provides special coordinated access to incarcerated persons, and intelligence gathering specially crafted for motor vehicle burglary / parts and theft. 9) Communication and collaboration: GCACTF devotes a great deal of effort to communicating with each other, other law enforcement agencies, vehicle manufacturers, and citizens within our communities. We work with command structures and regional DPS Crime Information Centers on receiving and providing intelligence. The task force issues BOLOs (be-on-the-lookouts) through the TCIC / NCIC centers and direct communications. The task force uses all communication means necessary, including social media platforms, to identify suspects, clear cases, arrest offenders and recover vehicles and property. The following services are provided to participating agencies within Galveston County, as well as to the agencies in our coverage area when requested: Conduct investigations regarding auto burglaries, including stripped vehicles / parts, salvage switch parts, insurance fraud, and other assorted fraud cases. Provide direct and indirect investigative assistance to all law enforcement agencies regarding burglaries of vehicles / parts. Provide investigative and analytical assistance regarding patterns of criminal activity relating to burglaries of motor vehicle / parts. Provide investigative assistance in any criminal activity committed in conjunction with burglaries of motor vehicles / parts to include gang activity, narcotics trafficking, etc. Provide assistance to citizens and law enforcement agencies concerning complaints regarding burglaries of motor vehicles (this may include implementing operations, conducting surveillance and / or using bait to combat the activity) Conduct inspections of vehicle related businesses (recycling facilities, storage facilities, tow yards, salvage dealers, etc.) to ensure compliance with appropriate state and federal statutory and regulatory laws / rules. Additionally, GCACTF will provide assistance in the investigation of citizen complaints involving Vehicle Storage Facilities within the coverage area. Assist requesting law enforcement agencies within the coverage area regarding the execution of search warrants, arrest warrants, motions to revoke probation, and parole revocations regarding burglaries of motor vehicles. Provide analytical assistance to all requesting law enforcement agencies pertaining to burglaries of motor vehicles. Provide instructors and / or speakers to area civic organizations, school districts, Citizen Police Academies, In-service training, Basic Police Academies and law enforcement agencies in the areas of crime prevention and probable cause development regarding burglaries of motor vehicles. Provide electronic and technical equipment and assistance to requesting law enforcement agencies relating to burglaries of motor vehicles. Assist in the processing of recovered stolen evidence / parts related to burglaries of motor vehicles and / or provide assistance/training to requesting agencies regarding the processing of recovered evidence/parts. Provide On-Call Agent 24 hours a day / 7 days a week to assist law enforcement agencies in coverage area regarding burglaries of motor vehicles.

3.2 Functions of the proposed program related to motor vehicle theft.

Changing trends in our area dictate that we must place a higher priority on crime prevention education and training initiatives, combined with crime analysis and mapping to reinforce operations targeting vehicles left with keys in them. Partnerships and presentations to apartments and neighborhood watch associations; homeowners associations; local businesses; and citizens police and sheriff's academy associations are made to educate and assist in crime prevention. The Gulf Coast Auto Crimes Task Force will increase communication and training of crime prevention to law enforcement personnel. The Gulf Coast Auto Crimes Task Force will continue the increased visibility through static display of the stripped vehicle displays. Approaches Functions Of Proposed Project Since 1993 the GCACTF has continually thought outside the box to enact new and innovative programs to combat motor vehicle theft. Currently GCACTF Investigators are specially trained in vehicle inspections / investigations, cell phone examinations and standard and electronic surveillance measures, in addition to traditional auto theft investigative methods. Operations and services are provided to all law enforcement agencies and the citizens of Galveston County as well as the counties serviced on a request basis. Our experience originated before the first task force was ever formed. The ABTPA concept originated in Galveston County and we were one of the first projects in 1993. GCACTF was the first to have a stripped vehicle display, crime prevention trailer, and has hosted four grantee conferences. We have also hosted four International Law Enforcement Conferences with a focus on vehicle and marine theft. GCACTF was one of the first programs to initiate bait vehicle operations. The Gulf Coast Auto Crimes Task Force also operates a highly successful LPR program. GCACTF strives to be at the forefront of technical advances in vehicle theft interdiction and has incorporated Crime analysis and crime mapping to streamline operations and resources effectively. Members of the Gulf Coast Auto Crimes Task Force remain vigilant in the fight against motor vehicle theft. Actions The task force uses various combinations of the following eight methods to combat motor vehicle theft: 1) Investigation: Officers funded under MVCPA generally operate in specialized units that require both proactive and reactive experience in motor vehicle theft investigative skills. The Investigators examine reports, review intelligence, develop leads and witnesses, identify offenders, identify and track criminal organizations, and develop sources of information from victims, informants and community members. 2) Analysis: Gulf Coast Auto Crimes Task Force employs an Analyst who provides analytical support to investigators and assists officers from any requesting Local, County, State, and Federal Agencies. The Analyst utilizes available resources to provide crime mapping, analytical research, strategies and statistics to identify trends and areas with high rates of vehicle thefts and assists investigators with research to identify prolific offenders and potential suspects and / or actors involved with motor vehicle thefts and associated gateway crimes. The Analyst regularly assists other MVCPA task forces

and DPS auto theft investigators with secondary VIN locations, VIN decoding, rebuilding VINs and cross-referencing vehicles and components for positive identification of altered, burned, stolen and partially identified vehicles for investigations and 68A inspections. 3) Identification: Motor vehicle burglary and theft investigators receive specialized training to identify vehicles. Certain title transactions require these specially trained investigators to certify the proper vehicle identification number prior to completion. This skill is critical to not only establishing the elements of motor vehicle crime for prosecution purposes but also in recovering vehicles and clearing cases. The specialized skill in vehicle identification is often used to assist other departments and agencies in critical moments. The specialized training and skill set promoted by MVCPA allows task force investigators the means to identify most manufactured vehicles and trailers as well as ATVs, boats, and heavy equipment. 4) Collaboration: GCACTF collaborates across local, state and federal departments and jurisdictions to identify criminal enterprises. Additionally, task forces are seeing motor vehicle theft cases with highly organized criminal networks using illegal methods to convert the vehicles into economic gain through title fraud, insurance fraud, or exportation. The MVCPA funded task force works across all levels of government and across all boundaries to be effective in reducing motor vehicle theft. 5) Motor Vehicle Business Support: Task force conducts inspections of salvage yards, recycling centers, rebuilders and other motor vehicle related businesses. When stolen vehicles are identified the task force works with local businesses to identify and interrupt the criminal network that brought the stolen items into the system. The task force also works to shut down illegal operations that render stolen motor vehicles and parts, which are often referred to as "chop shops". These illegal operations undermine legitimate businesses throughout the state. 6) Port Coordination: GCACTF coordinate efforts along the port of Galveston and port of Freeport to interdict criminal networks moving stolen vehicles to and from the country. The port (HAMOC) monthly team meetings discussions coordinated by Homeland Security, have increased the communication between jurisdictions where vehicles are stolen. Not all stolen vehicles are taken to Mexico. The coordination promoted by GCACTF / Homeland Security has helped agencies think more regionally to solve motor vehicle theft. 7) Technology: Task force investigators have developed sophisticated techniques to identify and arrest offenders who steal motor vehicles. The task force uses bait cars and trailers, license plate readers, surveillance equipment, and tracking equipment when authorized by courts. This technology and the expertise needed to successfully utilize it is critical to GCACTF task force to decrease incidents of motor vehicle thefts and meet the statutory measures to increase recoveries of stolen vehicles; increase clearance of cases; and increase arrests. 8) Identify Prolific Offenders: The task force works diligently to identify prolific offenders. Many motor vehicle theft cases are committed by the same individuals or groups. GCACTF works with Texas Department of Criminal Justice-Office of Inspector General and other law enforcement agencies and utilizes a law enforcement confidential system, FUGINET (a database of inmate and parolee information) to conduct roundups of parolees convicted of motor vehicle theft. FUGINET provides special coordinated access to incarcerated persons, and intelligence gathering specially crafted for motor vehicle theft. 9) Communication: GCACTF spends a great deal of effort in communicating with each other, other law enforcement agencies, vehicle manufacturers, and our communities. We work with command structures and regional DPS Crime Information Centers on receiving and providing intelligence. The task force issues BOLOs (be-on-the-lookouts) through the TCIC/NCIC centers and direct communications. The task force uses all communication means necessary, including social media platforms, to clear cases, arrest offenders and recover vehicles and property. The following services are provided to participating agencies within Galveston County, as well as to the agencies in our coverage area when requested: Conduct investigations regarding commercial auto theft in coverage area to include stripping operations, salvage switch operations, and insurance fraud cases. Provide direct and indirect investigative assistance to requesting law enforcement agencies regarding carjacking and vehicle arson incidents. Provide assistance regarding patterns of criminal activity relating to vehicle crimes including unauthorized use of a motor vehicle, theft of motor vehicles including trailers, ATVs, 4 wheelers, boats / personal watercraft, and heavy equipment. Provide investigative assistance in any criminal activity involving the use of stolen vehicles to include gang activity, narcotics trafficking, smuggling of persons and / or property, etc. Assist citizens and law enforcement agencies concerning complaints regarding new and used car dealers in coverage area. Inspect vehicle related businesses (recycling facilities, storage facilities, tow yards, salvage dealers, etc.) to ensure compliance with appropriate state and federal statutory and regulatory laws / rules. Additionally, GCACTF will provide assistance in investigation of citizen complaints involving vehicle related businesses. GCACTF inspects in-bound and out-bound vehicles and heavy equipment at Port of Galveston and Port of Freeport in cooperation with the US Customs Service. Inspections will include Cargo Containers and RORO ships being used to export vehicles through the Port of Galveston and Port of Freeport. Assist law enforcement agencies in coverage area regarding execution of search warrants, arrest warrants, motions to revoke probation, and parole revocations regarding vehicle crimes and other violations involving persons with a history of engaging in vehicle crimes. Provide analytical assistance to all requesting law enforcement agencies pertaining to vehicle crimes, organized criminal activity, and crimes involving serious bodily injury / death or the potential for serious bodily injury / death to any person [i.e. sexual assaults, kidnapping, murder, and serial offenses] Provide instructors and / or speakers to area civic organizations, school districts, and law enforcement agencies in the areas of crime prevention, probable cause development regarding vehicle crimes, citizen police academies, in-service training, and basic police academies. Provide electronic and technical equipment and assistance to requesting law enforcement agencies relating to vehicle crimes. Assist in processing of recovered stolen vehicles for evidence recovery where the recovering agency does not have sufficient personnel or additional circumstances exist limiting available personnel. GCACTF will provide training to requesting agencies regarding the processing of recovered vehicles. Provide on-call agent 24 hours a day / 7 days a week to assist requesting law enforcement agencies with investigating auto theft and / or surveillance of located vehicles, interviewing and processing of persons arrested in motor vehicle crimes and GPS aided tracking of stolen vehicles.

3.3 Functions of the proposed program related to fraud-related motor vehicle crime (such as title and registration fraud)

The Gulf Coast Auto Crimes Task Force will continue taking referrals of title fraud, registration fraud, Insurance fraud, Odometer fraud, VIN fraud including VIN switches and VIN cloning, and Identify fraud sales and synthetic identity sales cases. GCACTF will also work with TxDMV Investigators in reference to fraudulent cases which are referred to GCACTF. Approaches 1) Gulf Coast Auto Crimes Task Force will contact the surrounding tax offices and assist them in any fraud related crimes reported. 2) GCACTF will pursue title and registration fraud cases which come in on 68-A inspections and negatively impact unsuspecting victims due to dealing in cash sales. 3) VIN switches and VIN cloning will be pursued which are located in 68-A inspections. 4) Identity fraud and synthetic fraud cases reported will be investigated. 5) Odometer fraud cases will be investigated which are referred by Tax offices. Actions All fraud cases will be investigated by Investigators which are referred or reported.

3.4 Functions of the proposed program related to preventing motor vehicle crime (motor vehicle theft, burglary from a motor vehicle and fraud-related motor vehicle crime)

Astonishing theft trends continue to close in on near record highs. Vehicle theft data, provided by the National Crime Information Center (NCIC) and analyzed by NICB, indicates that approximately 850,708 vehicles were reported to law enforcement as stolen during the calendar year 2024. If left unchecked, theft trend totals could exceed one million stolen vehicles nationally by the end of the year. To reduce motor vehicle crime, the task force will spend a great deal of time and effort conducting prevention and public awareness programs. We communicate with citizen and neighborhood groups and homeowners' associations, make appearances and presentations with our LPR, stripped vehicle display or crime prevention trailer at stock shows, county fairs, civic organizations, racing events, social media, and other public events; and provide public service announcements all in an effort to harden citizen targets against motor vehicle crimes through increased education and awareness. The task force provides brochures, giveaways and other printed material with MVCPA logos and Gulf Coast Auto Crimes Task Force identifiers for reference.

- 3.5 Functions of the proposed program for other motor vehicle crimes investigations and activities consistent with the statutory requirements (preventing stolen vehicles from entering Mexico, stopping illegal export of stolen vehicle from bridge/ outbound port operations, disruption of cartel or organized criminal enterprises using stolen motor vehicles or fraud related motor vehicle crime, insurance fraud, etc...)

The techniques utilized will be as follows: Investigation: Investigators will conduct both proactive and reactive investigations by reviewing reports and writing reports, reviewing and providing intelligence briefings, developing leads and witnesses, identifying offenders and networks, identifying and tracking organize criminal organizations, informing prosecutors and other agencies, developing sources of information from victims, informants and community members. These methods will result in recovered motor vehicles, arrest of actors, and clearance of active cases. Identify vehicles: Specialty trained auto theft investigators will use contacts and databases through the National Insurance Crime Bureau to identify vehicles which have been altered and / or otherwise unidentifiable. This collaborative effort will help in title transactions, motor vehicle crime prosecution, and recovery of stolen vehicles where criminals have conspired to remove, conceal or change the vehicles identity. Communicate and collaborate across jurisdictions: The Gulf Coast Auto Crimes Task Force performs investigations across local, state, jurisdictions. Investigators collaborate with local, state, federal law enforcement agencies, vehicle manufactures, industry professionals, and TXDPS crime information centers. If crime patterns or suspects are identified the information is shared through intelligence briefings. Communication and Collaboration through the Texas Association of vehicle theft Investigators, and Auto Burglary Theft Prevention Authority has improved the effectiveness of the Task Forces to identify new trends by criminal enterprises. Identify prolific offenders: Prolific offenders are identified through analyzing data and offense reports, witness statements and intelligence briefings. Once identified, it is found that prolific offenders commit a large proportion of thefts or burglaries of motor vehicles. Through collaboration with other agencies it can reduce thefts and burglaries of motor vehicles. Technology: Advancement in technology for bait vehicles, trailers, computer systems, and GPS trackers have giving the edge to law enforcement with this specialized surveillance equipment. These systems have increased the clearance rate of cases, recoveries of vehicles, and arrest of actors. Port Enforcement: Port inspections are crucial part of reducing auto theft from crossing international borders. Vehicles are transported to the international sea ports to be exported by Criminal organizations. These vehicles can be stolen containing U.S. Currency, weapons, and narcotics. Coordination and collaboration with Customs and U.S. Coast Guard have reduced the impact of such crimes by stopping the export of such items. Public awareness and crime prevention Educational and informational classes are put on throughout the year to educate the consumers on auto theft and motor vehicle burglary prevention.

- 3.6 Collaboration Effort -- Describe the taskforce method to collaborate, and not duplicate existing activities. Describe the cross boundaries regional approach to grant activity implementation. Describe how the applicant staff and jurisdiction will coordinate with other taskforces and law enforcement agencies to implement this program.

Gulf Coast Auto Crimes Task Force investigators are assigned liaison areas throughout Galveston County and into surrounding and adjacent territories. Each area has several cities in the assignment. GCACTF conducts daily briefings to evaluate the current trends of motor vehicle burglary / parts and motor vehicle theft cases. GCACTF collaborates with participants, including Investigators and crime analysts from virtually each agency in our coverage area, and further covering the entire southeast region of Texas. ACTF and other MVCPA task forces and auto theft units in our region utilize this media to communicate activities in adjacent coverage areas, share intelligence, overlapping investigations, 68-A's for all adjacent counties and any requests for assistance. This collaboration method is an invaluable tool in the fight against motor vehicle burglary / parts and motor vehicle theft. GCACTF further conducts periodic briefings with a regional NICB Agent to share activities and trends seen in surrounding areas which may cross into our coverage areas. NICB coordinates meetings, conference calls, and other communications with all affected jurisdictions in order to keep us all notified and corroborating efforts. Additionally, GCACTF participates in monthly meetings with Homeland Security (HAMOC) in LaPorte, Texas in reference to port activities involving motor vehicle, heavy equipment, imports and exports. GCACTF will continue to follow up with reporting agencies and recovery agencies when working investigations where vehicle theft / burglaries were reported and / or recovered by another agency. These collaborations are vital to successful investigations and prosecutions. GCACTF analyst receives requests and provides assistance to other auto theft task forces, investigators, patrol officers, commercial vehicle enforcement officers, US marshals, federal agents, DPS troopers and other local, state, and federal agencies on a daily basis. The GCACTF Analyst contacts / collaborations are invaluable due to receiving emerging motor vehicle theft trends found though out the State of Texas and beyond. To prevent overlapping of contiguous taskforces to Galveston county we coordinate and collaborate with the area of jurisdictions. This is done by email, two-way radio, phones and in person meetings. These activities are done on a daily, weekly, monthly basis as needed. GCACTF have collaboration meetings in reference to strategies for working complex cases which overlap in other jurisdictions so that overlapping does not occur.

- 3.7 If the proposed application requests any exceptions or deviation from any general grant rules, RFA conditions or grant administrative policy, please indicate in the section below. Indicate the section of the specific issue and citation that you are asking the MVCPA to consider and the rational for the request.

None

Part II

Goals, Strategies, and Activities

Select Goals, Strategies, and Activity Targets for the proposed program.

Click on the link above and select the method by which statutory measures will be collected. Law Enforcement programs must also estimate targets for the MVCPA predetermined activities. The MVCPA board has determined that grants programs must document specific activities that are appropriate under each of the three goals. Applicants are allowed to write a limited number of user defined activities.

ID	Activity	Measure	Target
Statutory Motor Vehicle Theft Measures Required for all Grantees.			
1.1.15	Increase the recovery rate of stolen motor vehicles	Report the number of vehicles recovered by taskforce	
1.1.16	Increase the clearance rate of MVTs	Report the number of MVT cases cleared	
1.1.17	Increase the number of persons arrested for motor vehicle theft	Report the number of persons arrested for motor vehicle theft by taskforce	
Statutory Burglary of a Motor Vehicle Measures Required for all Grantees			
2.1.12	Increase the clearance rate of motor vehicle burglaries	Report the number of BMV including parts cases cleared	
2.1.13	Increase the number of persons arrested for motor vehicle burglary	Report the number of persons arrested for burglary by taskforce	

ID	Activity	Measure	Target
Statutory Fraud-Related Motor Vehicle Crime Measures Required for all Grantees			
8.1.1	Increase the clearance rate of fraud-related motor vehicle crime cases.	Report the number of fraud-related motor vehicle cases cleared	
8.1.2	Increase the number of persons arrested for fraud-related motor vehicle crimes.	Report the number of persons arrested for fraud-related motor vehicle crimes	
Measures for Grantees. Add Target values for those that you will measure.			
1	Goal 1: Reduce the Incidence of Motor Vehicle Theft through Enforcement Strategies		
1.1	Strategy 1: Conduct Activities that Result in the Arrest, Clearance, and Recoveries of Motor Vehicle Theft		
1.1.1	Identify groups of auto theft offenders through intelligence gathering, crime analysis and the use of informants	Number of MVT groups identified. Include gangs, cartels or other criminal enterprise with two or more members	10
1.1.2	Identify and document/record prolific MVT offenders [Prolific is defined as "linked to MVT offenses three or more times"]	Number identified/documented offenders	25
1.1.5	Conduct inspections of local businesses related to vehicle enterprise (transportation code or occupation code authorized companies such as salvage yard, repair shop, parts recycling center, used car dealership, salvage rebuilder, title service company, other). (see 1.3.3 to report the number of vehicles inspected in these businesses)	Number of businesses inspected	4
1.1.6	Conduct bait vehicle operations that target MVT offenders	Number of bait vehicle deployments. Include BMV bait operations here.	0
1.1.8	Deploy license plate readers (LPR)	Number of times LPR deployed. Deploy: If stationary unit then total number of days or partial days unit was operable and on. Mobile unit number of days the unit was on and operable.	250
1.1.9	Respond to taskforce license plate reader (LPR) alert notifications	Number of times investigators responded to taskforce LPR alert notifications regardless of whether vehicle was located	100
1.1.12	Conduct covert operations targeting MVT offenders	Number of covert operations	50
1.1.13	Conduct warrant "round-up" operations targeting motor vehicle crime offenders, including people wanted for MVTs, motor vehicle burglaries, theft of vehicle parts and motor vehicle fraud related crime.	Number of warrant round-up operations performed for MVT, BMV and FRMVC.	4
1.1.20	Number of Altered Vehicles Recovered	Report the total number of vehicles recovered with altered Vehicle Identification Number. Note: Please remember that a vehicle recovered must be reported in 1.1.15	40
1.2	Strategy 2: Conduct Collaborative Efforts that Result In Reduction of Incidents of Motor Vehicle Theft		
1.2.1	Provide Agency Assists for MVT and motor vehicle related fraud	Number of agency assists related to MVT. Assist means responding or answering questions via phone, e-mail, or in person. Providing recommendation, guidance, strategy, support or information that other LEOs will use to resolve their cases. The assist generally does not have the direct responsibility for an investigation nor uses LEO authority. The assist helps another LEO or agency investigate cases. Analysts and civilian employees will record their assists to outside LEOs and agencies met here along with officers.	1000
1.2.2	Collaborate with other units or divisions (i.e. homicide, vice, narcotics, etc.) within the taskforce department(s) where a motor vehicle was used in the commission of the crime (includes identification of vehicles). Include all participating jurisdiction departments here.	Number of times collaborated within departments or SOs participating in taskforce related to MVT. Collaboration means physically using law enforcement resources, tactics and authority to perform activity on cases that draw upon or aid in the investigation intended to further the resolution of any case, identify parties to crime, identify vehicles, interview witnesses/suspects and apprehend suspects. Collaboration will include any help, recommendation, contribution or support requested from or provided to another unit or offered by the taskforce that aids in the furtherance of motor vehicle theft investigations.	350
1.2.3	Collaborate with all other outside LE agencies and other organizations that assist in the reduction of MVTs. Include all coverage jurisdictions here.	Number of times collaborated with coverage area agencies or other law enforcement agencies and organizations that assist in the reduction of MVT. Collaboration means physically using law enforcement resources, tactics and authority to perform activity on cases that draw upon or aid in the investigation intended to further the resolution of any case, identify parties to crime, identify vehicles, interview witnesses/suspects and apprehend suspects. Collaboration will include any help, recommendation, contribution or support requested from or provided to another unit or offered by the taskforce that aids in the furtherance of MVTtheft investigations.	500
1.2.5	Conduct intelligence information-sharing (Personal attendance)	Number of intelligence meetings attended (include attending as presenter, participant or attendee)	50
1.2.6	Conduct intelligence information-sharing (Written information)	Crime analysis bulletins disseminated (include information distributed to law enforcement agencies via text, e-mail, or intra-net communications)	24
1.2.7	Collaborate with other MVCPA taskforces	Number of times collaborated with other MVCPA taskforces that assist in the reduction in MVT, BMV and FRMVC.	50
1.3	Strategy 3: Prevent and Reduce the Incidence of Fraud-Related Motor Vehicle Activities		
1.3.1	Collaborate with agencies relating to investigation and enforcement of vehicle insurance fraud and FRMVC	Number of collaborations	40

ID	Activity	Measure	Target
1.3.2	Conduct confidential 68(A) inspections (for TxDMV assignment or reassignment of VIN required by Tx Trans. Code §501.032)	Number of vehicles inspected to complete a TxDMV 68A inspection form per TxDMV (VIN assignment, reassignment, bonded title)	850
1.3.3	Conduct VIN verification inspections. (All other reasons except bridge or port)	Number of vehicles inspected by taskforce to identify the vehicles not reported in confidential (68A) or bridge and port sections.	250
1.3.4	Coordinate with TxDMV/Tax Offices relating to investigation and enforcement of fraudulent titles and registration of stolen vehicles	Number of collaborations with TxDMV HQ, TxDMV Regional Service Centers or County Tax Assessor Collector offices.	50
2	Goal 2: Reduce the Incidence of Theft from Motor Vehicles through Enforcement Strategies		
2.1	Strategy 1: Conduct Activities that Result in the Arrest, Clearance, and Recoveries of Burglary of Motor Vehicles and Theft of Vehicle Parts and Accessories		
2.1.1	Conduct bait vehicle operations that target vehicle burglary offenders	Number of bait vehicle burglary deployments	0
2.1.2	Identify "prolific BMV offenders" through informants and intelligence [Prolific is defined as "linked to BMV and theft of vehicle parts and accessories offenses three or more times"]	Number of offenders identified	10
2.2	Strategy 2: Conduct Collaborative Efforts that Result in the Reduction of Incidents of Theft From a Motor Vehicle		
2.2.1	Provide Agency Assists BMV.	Number of agency assists related to BMV or stolen parts. Assist means responding or answering questions via phone, e-mail, or in person. Providing recommendation, guidance, strategy, support or information that other LEOs will use to resolve their cases. The assist generally does not have the direct responsibility for an investigation nor uses LEO authority. The assist helps another LEO or agency investigate cases. Analysts and civilian employees will record their assists to outside LEOs and agencies met here along with officers.	25
2.2.2	Collaborate with other units or divisions within the taskforce department(s) (i.e. homicide, vice, narcotics, etc.) where theft of parts occurred in the commission of the crime (includes identification of vehicle). Include all participating jurisdiction departments here.	Number of times collaborated within departments or SOs participating in taskforce related to BMV or stolen parts. Collaboration means physically using law enforcement resources, tactics and authority to perform activity on cases that draw upon or aid in the investigation intended to further the resolution of any case, identify parties to crime, identify vehicles, interview witnesses/suspects and apprehend suspects. Collaboration will include any help, recommendation, contribution or support requested from or provided to another unit or offered by the taskforce that aids in the furtherance of BMV theft investigations.	70
2.2.3	Collaborate with all other outside LE agencies and other organizations where theft of parts occurred in the commission of the crime (includes identification of vehicle). Include all coverage jurisdictions here.	Number of times collaborated with coverage area agencies or other law enforcement agencies and organizations that assist in the reduction of BMV or stolen parts. Collaboration means physically using law enforcement resources, tactics and authority to perform activity on cases that draw upon or aid in the investigation intended to further the resolution of any case, identify parties to crime, identify vehicles, interview witnesses/suspects and apprehend suspects. Collaboration will include any help, recommendation, contribution or support requested from or provided to another unit or offered by the taskforce that aids in the furtherance of motor vehicle theft investigations.	120
3	Goal 3: Educate/Train Citizens and Qualified Personnel in Detection and Prevention of Motor Vehicle Theft, Burglary of Motor Vehicles and Theft of Vehicle Parts and Accessories		
3.1	Strategy 1: Conduct Public Awareness Related Activities Used to Educate Citizens		
3.1.1	Conduct educational outreach events (include trade show, exhibits, booths at community events, vehicle displays, brochures, etc.)	Number of outreaches	8
3.1.2	Conduct educational presentations to the public	Number of presentations. Presentation means in person, on-line, original written document, article, or webpage.	10
3.1.4	Conduct vehicle identification initiative/event	Number of etching events. Include windows, component parts, VIN stamps and catalytic converters.	10
3.1.4.1	Conduct vehicle identification initiative/event	Number of Participants/Attendees (Vehicles Marked)	10
3.1.5	Purchase advertisements in local outlets	Number of advertisements purchased or provided complimentary for taskforce. Include all types of media purchased or provided free (social, tv, utility inserts, billboards, transportation, etc.). Describe in 6.1.1.	0
3.1.6	Conduct vehicle report card initiatives.	Number report cards issued	0
3.1.7	Utilize social media outlets (Facebook, Twitter, Instagram, etc.)	Number of postings in social media outlets	24
3.1.8	Deploy outdoor public notification signage	Number of deployments per month (if sign remains several months, count as 1 deployment per month)	0
3.1.10	Conduct media outreach, including, public service announcements, press releases, and interviews	Number of outreaches	4
3.2	Strategy 2: Conduct Law Enforcement Training Activities to Educate Officers on Recognition and Apprehension of Stolen Vehicles and Property		
3.2.1	Conduct law enforcement training (TCOLE)	Number of classes provided for TCOLE credit	4
3.2.3	Conduct vehicle crimes presentations to law enforcement agencies (non TCOLE)	Number of classes or presentations. Presentations may include electronic roll call documents, shift BOLOs and other written or presented materials based on local practices.	4

Grant Evaluation

- 4.1 Describe the local method and/or practice used to collect the data for reporting Goals, Strategies, and Activities and to evaluate the grant program effectiveness. Describe management and staff participation. Include descriptions of systems (forms and software) that will be used to ensure reliable and accurate data is collected and reported. Describe any other evaluation methods used in the applicant agency to determine effectiveness or cost efficiency of the program.

An overall monthly report will be compiled and is available to Sheriff and commissioners' court. This will be provided to MVCPA on a quarterly basis. We maintain an in-house electronic long term calendar which we tentatively schedule operations, crime prevention activities, training events, 68-A Inspections and special projects outlined in our grant activities. We compile numbers of auto thefts and auto burglaries/parts monthly from each agency in our direct project area. These numbers are added to an excel spreadsheet that documents the historical rise and fall of auto theft trends since 1991 and burglary trends since 2007. In FY22 we added assorted frauds to this tracking method and in FY24 we added catalytic converter thefts. We will continue to use this method to evaluate whether we are meeting our goals to reduce auto theft and burglary, and also to note rising trends in specific areas. We will use our goals, strategies and activities for monthly progress reports to evaluate if we are reaching our projected target activities. This will allow monthly assessment as to whether our activities are effective in our goal so that we can re-evaluate how we target the auto theft, assorted fraud, and burglary problems in our area. The data collected will be evaluated so criminal activity can be targeted to be more effective in crime reduction. The GCACTF will continue to document vehicle theft and burglary statistics to allow for easy and quick identification of statistical trends and comparisons to previous time periods and/or locations.

- 4.2 Provide any other suggested measures that would better reflect the law enforcement or prevention work that the proposed program will perform. If the suggested measure fits into one of the stated goals above please indicate.

Our analyst is called upon by officers and investigators with other agencies on a regular basis. As one of the last auto theft analysts in the state, she is many times a last resort to help identify vehicles, trailers, equipment, ATVs, boats and component parts. Although the assists provided do not directly affect the burglary and theft rates, they do sometimes help with the recovery rates and returning stolen property to rightful owners. Assists leading to recoveries is tracked through quarterly progress reports in the narrative sections. Other data being tracked pertains to the types of assistance calls received; for what kinds of agencies; and whether they are MVCPA funded. However a more targeted reporting method may be considered if more analysts become available with more funding, or if the data could prove useful to MVCPA administration.

TxGMS Standard Assurances by Local Governments

- ☒ We acknowledge reviewing the [TxGMS Standard Assurances by Local Governments](#) as promulgated by the Texas Comptroller of Public Accounts and agree to abide by the terms stated therein.

Current Documents in folder

[Prosecutor Agreement.pdf](#) (5/8/2025 4:13:42 PM)

[Resolution.pdf](#) (5/12/2025 2:07:58 PM)

[Signed Statement of Grant Award.pdf](#) (8/19/2025 8:24:46 AM)

Certifications

The certifying official is the authorized official, Mark Henry, County Judge.

By submitting this application I certify that I have been designated by my jurisdiction as the authorized official to accept the terms and conditions of the grant. The statements herein are true, complete, and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties.

By submitting this application I certify that my jurisdiction agrees to comply with all terms and conditions if the grant is awarded and accepted. I further certify that my jurisdiction will comply with all applicable state and federal laws, rules and regulations in the application, acceptance, administration and operation of this grant.

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Interlocal Agreement **State of Texas**

This Agreement is entered into by and between the **County of Galveston**, a political subdivision of the State of Texas, hereinafter referred to as “**County**” and the **City of La Marque**, a municipal corporation situated in Galveston County, Texas, hereinafter called “**City**” pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791.

WITNESSETH

WHEREAS, the **County of Galveston** and **City of La Marque** have the objective to participate in a combined task force funded by the Motor Vehicle Crime Prevention Authority (MVCPA) of the State of Texas, in the amount of \$1,446,838.00 for the Gulf Coast Auto Crimes Task Force, and,

WHEREAS, the **City** has agreed to contribute the total of \$30,485.00 in matching funds if said grant application is approved; and,

WHEREAS, the source of funds would not normally be used for this purpose; and,

WHEREAS, the **County** and **City** believe it to be in their best interests to continue a *multijurisdictional MVCPA Task Force*; and

WHEREAS, the **County** and **City** agree to each accept the responsibility and to adhere to all applicable federal, state, and local laws or regulations

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

ARTICLE I. PURPOSE

1 .01 The purpose of this Agreement is to allow the **County** (Grantee) to file an application for a grant with the Motor Vehicle Crime Prevention Authority (Agency), which application is attached hereto as Exhibit “A” and made a part hereof for all purposes.

ARTICLE II. TERM

2 .01 The term of this Agreement is to commence on September 1, 2025 and to end August 31, 2026.

ARTICLE III. CONSIDERATION

3 .01 As consideration for this Agreement, the **City** (sub-grantee) agrees to contribute a total of \$30,485.00 in matching funds for the enhancement of the funded grant program in the amounts and methods as follows:

Item Description	Amount	Method (Cash Paid/In Lieu of/In kind)
Agent Benefits (City employee)	\$28,085.00	Fringe paid by City in lieu of match (Professional and Contractual Services)
Fuel for Agent’s Vehicle (City employee)	\$2,400.00	In-Kind Match by City (Supplies and Direct Operating Expenses)

ARTICLE IV. ALLOCATION OF FUNDS

4 .01 The specific allocation of the **County** and **City** fund is set out in the attachment to this Agreement, marked as **Exhibit “A”**, and made a part hereof for all purposes.

ARTICLE V. EQUIPMENT

5 .01 Upon termination of this Agreement, equipment including vehicles, hardware, and other non-expendable items will revert to the applicant. The Motor Vehicle Crime Prevention Authority of the State of Texas will be notified and inventory records will be updated.

ARTICLE VI. AMENDMENTS

6 .01 This Agreement may be amended by the mutual agreement of the parties hereto in writing to be attached to and incorporated into this agreement.

ARTICLE VII. LEGAL CONSTRUCTION

7 .01 In the event any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

ARTICLE VIII. UNIFORM ASSURANCES

8 .01 In accordance with §783.005 of the Texas Government Code Grantee and sub-grantee shall comply with the following uniform assurances:

Byrd Anti-Lobbying Amendment- Grantee certifies that no federal appropriated funds have been paid or will be paid to any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress on its behalf to obtain, extend, or modify this contract or grant. If non-federal funds are used by Grantee to conduct such lobbying activities, the prescribed disclosure form shall promptly be filed. In accordance with 31 U.S.C. § 1352(b)(5), Grantee acknowledges and agrees that it is responsible for ensuring that each sub-grantee certifies its compliance with the expenditure prohibition and the declaration requirement.

Child Support Obligation- Grantee represents and warrants that it will include the following clause in the award documents for every sub-award and subcontract and will require sub-recipients and contractors to certify accordingly: Under Section 231.006 of the Family Code, the vendor or applicant certifies that the individual or business entity named in this contract, bid or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate. A bid or an application for a contract, grant, or loan paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application.

Clean Air Act & Federal Water Pollution Control Act- Grantee represents and warrants that it will comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387).

Compliance with Laws, Rules and Requirements- Grantee represents and warrants that it will comply, and assure the compliance of all its sub-recipients and contractors, with all applicable federal and state laws, rules, regulations, and policies in effect or hereafter established. In addition, Grantee represents and warrants that it will comply with all requirements imposed by the awarding agency concerning special requirements of law, program requirements, and other administrative requirements. In instances where multiple requirements apply to Grantee, the more restrictive requirement applies.

Contract Oversight- Grantee represents and warrants that it will maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Contract Work Hours & Safety Standards Act- Grantee represents and warrants that it will comply with the requirements of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708).

Cybersecurity Training Program- Grantee represents and warrants its compliance with § 2054.5191 of the Texas Government Code relating to the cybersecurity training program for local government employees who have access to a local government computer system or database. If Grantee has access to any state computer system or database, Grantee shall complete cybersecurity training and verify completion of the training program to the Agency pursuant to and in accordance with § 2054.5192 of the Government Code.

Davis-Bacon Act and the Copeland Act- Grantee represents and warrants that it will comply with the requirements of the Davis-Bacon Act (40 U.S.C. 3141- 3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”) and the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874).

Debarment and Suspension- Grantee certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management (SAM) maintained by the General Services Administration.

Debts and Delinquencies- Grantee agrees that any payments due under the contract or grant shall be applied towards any debt or delinquency that is owed to the State of Texas.

Disaster Recovery Plan- Upon request of Agency, Grantee shall provide copies of its most recent business continuity and disaster recovery plans.

Disclosure of Violations of Federal Criminal Law- Grantee represents and warrants its compliance with 2 CFR § 200.113 which requires the disclosure in writing of violations of federal criminal law involving fraud, bribery, and gratuity and the reporting of certain civil, criminal, or administrative proceedings to SAM.

Disclosure Protections for Certain Charitable Organizations, Charitable Trusts & Private Foundations- Grantee represents and warrants that it will comply with Section 2252.906 of the Texas Government Code relating to disclosure protections for certain charitable organizations, charitable trusts, and private foundations.

Dispute Resolution- The dispute resolution process provided in Chapter 2009 of the Texas Government Code is available to the parties to resolve any dispute arising under the agreement.

Excluded Parties- Grantee certifies that it is not listed in the prohibited vendors list authorized by Executive Order No. 13224, “Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism”, published by the United States Department of the Treasury, Office of Foreign Assets Control.

Executive Head of a State Agency Affirmation- Under Section 669.003 of the Texas Government Code, relating to contracting with an executive head of a state agency, Grantee represents that no person who served as an executive of Agency, in the past four (4) years, was involved with or has any interest in the contract or grant. If Grantee employs or has used the services of a former executive of Agency, then Grantee shall provide the following information in the Response: name of the former executive, the name of the state agency, the date of separation from the state agency, the position held with Grantee, and the date of employment with Grantee.

Funding Limitation- Grantee understands that all obligations of Agency under the contract or grant are subject to the availability of grant funds. The contract or grant is subject to termination or cancellation, either in whole or in part, without penalty to Agency if such funds are not appropriated or become unavailable.

Governing Law & Venue- This agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under this agreement is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute that directly names or otherwise identifies its applicability to the contracting state agency.

Indemnification- to the extent permitted by law Grantee shall defend, indemnify and hold harmless the state of Texas and agency, and/or their officers, agents, employees, representatives, contractors, assignees, and/or designees from any and all liability, actions, claims, demands, or suits, and all related costs, attorney fees, and expenses arising out of, or resulting from any acts or omissions of Grantee or its agents, employees, subcontractors, order fulfillers, or suppliers of subcontractors in the execution or performance of the contract and any purchase orders issued under the contract. The defense shall be coordinated by Grantee with the office of the Texas Attorney General when Texas state agencies are named defendants in any lawsuit and Grantee may not agree to any settlement without first obtaining the concurrence from the office of the Texas Attorney General. Grantee and agency agree to furnish timely written notice to each other of any such claim.

Law Enforcement Agency Grant Restriction- Grantee on behalf of Gulf Coast Auto Crimes Task Force is a law enforcement agency regulated by Chapter 1701 of the Texas Occupations Code, Grantee represents and warrants that it will not use appropriated money unless the law enforcement agency is in compliance with all rules adopted by the Texas Commission on Law Enforcement (TCOLE), or TCOLE certifies that it is in the process of achieving compliance with such rules.

Legal Authority- Grantee represents that it possesses legal authority to apply for the grant. A resolution, motion or similar action has been duly adopted or passed as an official act of the Grantee's governing body, authorizing the filing of the Response, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative, or the designee of Grantee to act in connection with the Response and to provide such additional information as may be required.

Lobbying Expenditure Restriction- Grantee represents and warrants that Agency's payments to Grantee and Grantee's receipt of appropriated or other funds under the contract or grant are not prohibited by Sections 403.1067 or 556.0055 of the Texas Government Code which restrict lobbying expenditures

No Conflicts of Interest State- Grantee represents and warrants that performance under the contract or grant will not constitute an actual or potential conflict of interest or reasonably create an appearance of impropriety. Further, Grantee represents and warrants that in the administration of the grant, it will comply with all conflict of interest prohibitions and disclosure requirements required by applicable law, rules, and policies, including Chapter 176 of the Texas Local Government Code. If circumstances change during the course of the contract or grant, Grantee shall promptly notify Agency.

No Waiver of Sovereign Immunity- The Parties expressly agree that no provision of the grant or contract is in any way intended to constitute a waiver by the Agency or the State of Texas of any immunities from suit or from liability that the Agency or the State of Texas may have by operation of law.

Open Meetings- Grantee represents and warrants its compliance with Chapter 551 of the Texas Government Code which requires all regular, special or called meeting of a governmental body to be open to the public, except as otherwise provided by law.

Texas Public Information Act- Information, documentation, and other material in connection with this Solicitation or any resulting contract or grant may be subject to public disclosure pursuant to Chapter 552 of the Texas Government Code (the "Public Information Act"). In accordance with Section 2252.907 of the Texas Government Code, Grantee is required to make any information created or exchanged with the State pursuant to the contract or grant, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State.

Reporting Compliance- Grantee represents and warrants that it will submit timely, complete, and accurate reports in accordance with the grant and maintain appropriate backup documentation to support the reports.

Records Retention State Grant- Grantee shall maintain and retain all records relating to the performance of the grant including supporting fiscal documents adequate to ensure that claims for grant funds are in accordance with applicable State of Texas requirements. These records will be maintained and retained by Grantee for a period of four (4) years after the grant expiration date or until all audit, claim, and litigation matters are resolved, whichever is later. Agency reserves the right to direct a Grantee to retain documents for a longer period of time or transfer certain records to Agency custody when it is determined the records possess longer term retention value. Grantee must include the substance of this clause in all subawards and subcontracts.

Reporting Suspected fraud and Unlawful Conduct- Grantee represents and warrants that it will comply with Section 321.022 of the Texas Government Code, which requires that suspected fraud and unlawful conduct be reported to the State Auditor's Office.

State Auditor's Right to Audit- The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the contract or indirectly through a subcontract under the contract. The acceptance of funds directly under the contract or indirectly through a subcontract under the contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

Sub-award Monitoring- Grantee represents and warrant that it will monitor the activities of the sub-grantee as necessary to ensure that the sub-award is used for authorized purposes, in compliance with applicable statutes, regulations, and the terms and conditions of the sub-award, and that subaward performance goals are achieved.

ARTICLE IX. FINANCIAL ADMINISTRATION

9 .01 In accordance with §783.006 of the Texas Government Code Standard Financial Management Conditions the prescribed are applicable to all grants and agreements executed between affected entities:

Financial reporting- Accurate, current, and complete disclosure of the financial results of grant related activities must be made in accordance with the financial reporting requirements of the grant.

Accounting records- Grantee will maintain records, which adequately identify the source and application of funds, provided for grant related activities. These records will contain information pertaining to grant awards and obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

Internal control- Effective control and accountability will be maintained for all grant cash, real and personal property, and other assets. Grantee will safeguard all such property and assure that it is used for authorized grant purposes.

Page Budget control- Actual expenditures will be kept within budgeted amounts for each grant.

Allowable cost- Applicable cost principles, agency program regulations, and the terms of grant agreements shall be followed in determining the reasonableness, allowability, and allocability of costs.

Source documentation- Accounting records must be supported by such source documentation as checks, paid bills, payroll records, receipts, timesheets, travel vouchers, and other records, etc. These source documents must be retained and made available for MVCPA staff when requested.

Cash management- Grantee will establish reasonable procedures to ensure the receipt of reports on cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency.

Reimbursement Grant- All expenditures reported will be based on actual amounts paid and documented. Reporting budgeted amounts or estimated costs as expenditures are not permitted and if used may result in payment suspension and possible termination of the grant.

Costs Incurred outside the Program Period- Grant funds may not be obligated prior to the effective date without written permission of the MVCPA director or subsequent to the termination date of the grant period. All obligations must be consistent with the Statement of Grant Award and used for statutorily authorized purposes.

ARTICLE X. COMPLIANCE

10 .01 Grantee and subgrantee will comply with state law, program rules and regulations and the Statement of Grant Award. In addition, Grantee and sub-grantee represents and warrants that it will comply with all requirements imposed by the awarding agency concerning special requirements of law, program requirements, and other administrative requirements. Information, guidance and program rules can be found in the Motor Vehicle Crime Prevention Authority Grant Administrative Manual and if not found in the administrative manual then grantee and subgrantee must follow the Texas Grant Management Standards maintained under the authority of the Texas Comptroller of Public Accounts. These grant management standards are used by the Motor Vehicle Crime Prevention Authority in the administration of the MVCPA grant program.

Sub-grantee Monitoring and Management- The local government must monitor the activities of the sub-grantee as necessary to ensure that sub-award performance goals are achieved and the sub-award is used for authorized purposes, in compliance with state law, rules, and the terms and conditions of the sub-award. Monitoring of the sub-grantee must include:

- (1) Reviewing financial and performance reports required by the local government.
- (2) Following-up and ensuring that the sub-grantee takes timely and appropriate action on all deficiencies pertaining to the sub-award provided to the sub-grantee from the local government detected through audits, on-site reviews, and other means.
- (3) Issuing a management decision for audit findings pertaining to the sub-award provided to the sub-grantee from the local government as required.

ARTICLE XI. ENTIRE AGREEMENT

11 .01 This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained herein shall be valid or binding upon all parties.

EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH SHALL HAVE THE FULL FORCE AND EFFECT OF AN ORIGINAL, EFFECTIVE SEPTEMBER 1, 2025.

County of Galveston by:

Mark Henry, County Judge

Date Signed

ATTEST:

Dwight D. Sullivan, County Clerk

City of La Marque by:

Barbara Holly, Interim City Manager

Date Signed

ATTEST:

Kierra Nance, City Clerk



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Prepared by: _____

Department: Public Works

Agenda Item: 8.XIV.

Reviewed by: Galilea Berrera,
Executive Assistant

AGENDA ITEM DESCRIPTION:

Authorizing the City Manager to execute an Interlocal Agreement with the Galveston County Drainage District #2 to maintain ditches - *Public Works / Administration*

STAFF BRIEFING:

This item was added per Mayor's request at the City Council Meeting held on August 25, 2025.

HISTORY:

An interlocal agreement of this caliber has not existed previously between the City of La Marque and Drainage District 2

FISCAL IMPACT:

Unknown



CITY COUNCIL AGENDA FORM

Meeting Date: September 22, 2025

Agenda Item: 8.XV.

Prepared by: _____

Reviewed by: _____

Department: Administration

AGENDA ITEM DESCRIPTION:

Requesting qualifications for grant writing services for the City of La Marque - *Administration*

STAFF BRIEFING:

The City of La Marque is in need of Grant Administration Services. The last bid for this went out as of 2018 and the latest contract with the vendor ended as of 2023.

HISTORY:

09.2025 - Interim City Manager Holly requested to have an RFQ for Grant Administration Services

FISCAL IMPACT:

Unknown

MUNICIPAL COURT

August 2025



Total Cases Pending

Traffic Misdemeanors

6280

Non-Traffic Misdemeanors

5966

New Cases Filed

Traffic Misdemeanors

352

Non-Traffic Misdemeanors

172

Disposed Cases

Traffic Misdemeanors

359

Non-Traffic Misdemeanors

117

Warrants Issued

Arrest Warrants

292

Capias Pro Fine Warrants

311

Notes :

OFFICE OF COURT ADMINISTRATION
TEXAS JUDICIAL COUNCIL



OFFICIAL MUNICIPAL COURT MONTHLY REPORT

Month August 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 2025-09-03 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	Year	Non-Parking	Parking	City Ordinance	Penal Code	Other State Law	City Ordinance
August	2025						
1. Total Cases Pending First of Month:		6,284	0	3	3,436	1,993	482
a. Active Cases		1,465	0	2	237	235	86
b. Inactive Cases		4,819	0	1	3,199	1,758	396
2. New Cases Filed During Month		352	0	0	84	82	6
3. Cases Reactivated		112	0	0	68	44	16
4. All Other Cases Added		0	0	0	0	0	0
5. Total Cases on Docket (Sum of Lines 1a,2,3&4)		1,929	0	2	389	361	108
6. Dispositions Prior to Court Appearance of Trial:							
a. Uncontested Dispositions <i>(Disposed without appearance before a judge (CCP Art. 27.14))</i>		189	0	0	36	32	20
b. Dismissed by Prosecution		22	0	0	3	5	2
7. Final Disposition in Open Court or at Trial:							
a. Convictions							
1) Guilty Plea or Nolo Contendere		10	0	0	5	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		3	0	0	0	0	0
8. Compliance Dismissals:							
a. After Driver Safety Course (CCP, Art. 45.0511)		25					
b. After Deferred Disposition (CCP, Art. 45.051)		89	0	0	2	10	0
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)		4					
g. All Other Transportation Code Dismissals		15	0	0	0	0	0
9. All Other Dispositions		2	0	0	2	0	0
10. Total cases Disposed (Sum of lines 6,7,8&9)		359	0	0	48	47	22
11. Cases Placed on Inactive Status		161	0	0	86	74	18
12. Total Cases Pending End of Month:		6,277	0	3	3,472	2,028	466
a. Active Cases (Equals Lines 5 minus the sum of Lines 10&11)		1,409	0	2	255	240	68
b. Inactive Cases (Equals Line 1b minus Lines 3 plus Line 11)		4,868	0	1	3,217	1,788	398
13. Show Cause and Other Required Hearings Held		354	0	0	87	77	18
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 August 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 August Year 2025	
1. Transportation Code Cases Filed	7
2. Non-Driving Alcoholic Beverage Code Cases Filed	0
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)	3
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	1
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)(1))	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
Month August Year 2025		FOR COUNSEL
1. Magistrate Warnings:		
a. Class C Misdemeanors	163	
b. Class A and B Misdemeanors	0	0
c. Felonies	0	0
		TOTAL
2. Arrest warrants Issued:		
a. Class C Misdemeanors		292
b. Class A and B Misdemeanors		0
c. Felonies		0
3. Capiases Pro Fine Issued		311
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 Interlock Device Issued (CCP.Art. 17.44)		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		34
17. Amount of Fines and Court Costs Waived for Indigency		\$10,713.00
18. Total Fines, Court Costs and Other Amounts Collected:		
a. Retained by City		\$71,008.02
b. Remitted to State		\$24,232.23
c. Total		\$95,240.25

Effective: (August 30, 2025)-With Shoplifting included	2022			2023			2024			2025		
	Crime Rate	Crime Rate YPC	STP	Crime Rate	Crime Rate YPC	STP	Crime Rate	Crime Rate YPC	STP	Crime Rate	Crime Rate YPC	STP
<i>Violent Crime</i>	482.48	- 20.96%	71	562.85	16.66%	64	483.86	- 14.04%	70	276.49	- 20.00%	56
<i>Property Crime</i>	3043.32	0.79%	416	1797.18	- 40.95%	237	1530.56	- 14.84%	176	1056.58	21.59%	214
<i>Total</i>	3525.79	- 2.87%	487	2360.03	- 33.06%	301	2014.42	- 14.64%	246	1333.07	9.76%	270

Effective: (August 30, 2025)-Without Shoplifting	2022			2023			2024			2025		
	Crime Rate	Crime Rate YPC	STP	Crime Rate	Crime Rate YPC	STP	Crime Rate	Crime Rate YPC	STP	Crime Rate	Crime Rate YPC	STP
<i>Violent Crime</i>	482.48	- 20.96%	71	562.85	16.66%	64	483.86	- 14.04%	70	276.49	- 20.00%	56
<i>Property Crime</i>	1558.77	- 8.04%	213	1022.02	- 34.43%	151	893.65	- 12.56%	109	582.60	8.26%	118
<i>Total</i>	2041.25	- 11.46%	284	1584.87	- 22.36%	215	1377.51	- 13.08%	179	859.09	- 2.79%	174

Arrest Data					
	2022	2023	2024	2025	Total
Adult	1630	2249	2632	2722	9233
Juvenile	1	7	25	37	70
Total	1631	2256	2657	2758	9303

Call for service	
Year	Count
2022	13656
2023	14230
2024	19967
2025	14775
Total	62628



Arrest Data					
Offense	2022	2023	2024	2025	Total
Drug/ Narcotic Offenses	139	183	288	311	921
Driving Under the Influence	48	110	159	97	414
Total	187	293	447	408	1335



CITY OF LA MARQUE

LA MARQUE

GATEWAY TO THE GULF

Unified Town Hall Meeting

Council Members - City Leadership - Community Resources

Saturday

October 4, 2025

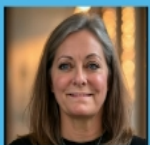
Central Fire Station
750 Saltgrass Point Rd.

Visit with resource tables starting
at 10 AM!



**11 AM-
12:30PM**

**Free &
Open to
the Public**



Barbara Holly
Interim City Manager



Keith Bell
Mayor



Kimberly Yancy
Council Member District A



Joe Compian
Council Member District B



Joseph Lowry
Council Member District C



Tonia Griffin
Council Member District D

www.cityoflamarque.com





La Marque Public Library

TRUNK-OR-TREAT

Thursday, October 23rd, 2025

5:30 p.m. to 7:30 p.m.

If you would like to host a trunk, please call 409-938-9270



Coffee With a Cop

JOIN US
FOR

OCT 1, 2025

FROM 9:30 AM - 11:30 AM



Enjoy a cup of coffee while getting to know your local La Marque Police officers. This event is a great opportunity to ask questions, share concerns, and build positive relationships in a relaxed, friendly setting. Let's connect and strengthen our community, one cup at a time!

**BARCENAS MEXICAN GRILL,
11013 DELANY RD,
LA MARQUE, TX 77568**

**Coffee provided by Barcenas.
Breakfast available for purchase.**





This annual event aims to raise awareness about crime and drug prevention and strengthen community-police partnerships. Come out for light refreshments and a chance to connect with city leadership, staff, and local law enforcement.

Starting at 6 PM
Tuesday, 7 October 2025



Mac McGaffey Highland Bayou Park
1991 Getty Rd.
La Marque, TX 77568

