CITY OF LA MARQUE
CITY COUNCIL
REGULAR MINUTES
of
September 8, 2025

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

2. ROLL CALL
PRESENT:

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

3. INVOCATION AND PLEDGE OF ALLEGIANCE
Retired Staff Sergeant Michael Caballero gave the invocation and James Ross led the pledge.

4. PRESENTATIONS

4.I. Presentation: Richard A Kirsten VFW Post 8248
Retired Staff Sergeant Michael Caballero addressed the City Council regarding historical remembrance and national reflection. He commemorated Victory over Japan Day (V-J Day), noting the conclusion of World War II, the sacrifices of U.S. service members, and the global impact of the war. He also reflected on the events of September 11, 2001, honoring the victims, first responders, and service members, and emphasized the lasting significance of the day in U.S. history.

4.II. Proclamation: National Preparedness Month
Mayor Bell presented Fire Chief David Merryman with the Proclamation for National Preparedness Month.

4.III. Introduction: Worth Ferguson, Finance Director
City Manager Holly introduced the new Finance Director, Worth Ferguson.

5. CITIZENS PARTICIPATION
Carol Johnson (2808 Fannin), addressed Council regarding the City's long-term financial difficulties and requested that a forensic audit be conducted to account for City funds. She noted the City's prior bankruptcy history and expressed support for the current City

Manager.
Robert Michetich (24 N Curlew) addressed Council regarding financial transparency, website financial information, public access to records, and communications related to outside agencies. He expressed concerns regarding City practices and governance.
Travis Perthuis (Texas City) addressed Council regarding a recent interaction with law enforcement and expressed concerns regarding police practices and community relations.
Hayley Winkelmann *(no address provided)* addressed Council regarding petition forms and election-related documentation. She distributed materials to Council and cited concerns regarding compliance with state election code requirements. She indicated additional information would be provided to Council by email.
James Ross (404 Avenue D) addressed Council regarding the City budget, use of ARPA funds, bond funding decisions related to infrastructure projects, and requested updated information regarding ARPA expenditures.
Laura Divine (1406 Mary Lane) addressed Council regarding City financial policies, emergency preparedness, code compliance improvements, and the condition of City facilities. She expressed appreciation for recent improvements and encouraged collaboration among City leadership.

6. MINUTES
Councilmember Griffin made a motion to approve all minutes as submitted. Councilmember Yancy seconded. **MOTION CARRIED UNANIMOUSLY.**

6.I. Regular City Council Minutes 08.25.2025

6.II. Regular City Council Minutes 07.28.2025

6.III. Regular City Council Minutes 04.08.2024

7. PUBLIC HEARINGS
***Mayor Bell recessed the Regular City Council Meeting and opened the Public Hearing at 8:22 p.m.*

7.I. Ordinance No. O-2025-0014
No one spoke on this item.

7.II. Ordinance No. O-2025-0018
Robert Michetich (N. Curlew) thanked the Interim City Manager for the presentation on the city's financial situation. He expressed his concerns over the findings throughout the budget meetings and stated that non-disclosure is a reason for fraud. He stated that this does not happen by accident and opined that the city needs a forensic audit on its finances.
James Osteen (2012 Jeridona St.) questioned the funding allocated to debt service, and requested specific dollar amounts for interest and principal payments. He raised concerns about the impact of potential budget reductions on appropriates and debt obligations. He expressed his frustration over the city's financial management and accountability.

7.III. Ordinance No. O-2025-0019
James Osteen (2012 Jeridona) asked if the escrow of 1 million dollars from the Texas City Terminal Railway was considered in the budget. He suggested taking employee credit cards, and cutting travel expenses and discretionary funds for council. It was determined that these measures have already taken place. He expressed his dismay at having all funds "in one pot". He stated that he is not opposed to raising taxes. He asked if previous disaster funds had been received and suggested that a rebate for the citizens once those funds are available. He shared again his support for a tax increase and stated he would confer with the Economic Development Corporation to see if they could help.

8. OLD BUSINESS
***Mayor Bell closed the Public Hearing and reconvened the Regular City Council Meeting at 8:34 p.m.*

8.I. Ordinance No. O-2025-0014
Councilmember Yancy made a motion to approve Ordinance No. O-2025-0014. Councilmember Griffin seconded.
Mayor Pro Tem Compian asked if TIRZ funds were set aside, which was confirmed by Interim City Manager Holly.
Councilmember Yancy asked for a point of information, asking Councilmember Lowry if he was okay with this moving forward, as it affects his district. Councilmember Lowry said yes.
MOTION CARRIED UNANIMOUSLY.

8.II. Ordinance No. O-2025-0018
NO ACTION TAKEN.

8.III. Ordinance No. O-2025-0019
NO ACTION TAKEN.

8.IV. Boards and Commissions Appointments
NO ACTION TAKEN.

9. NEW BUSINESS

9.I. Ordinance No. O-2025-0020
Interim City Manager Holly shared that the recommendation for rezoning came from both the Planning and Zoning Commission and the City Engineers.
Councilmember Yancy made a motion to approve Ordinance No. O-2025-0020. Councilmember Griffin seconded. **MOTION CARRIED UNANIMOUSLY**.

9.II. Ordinance No. O-2025-0021
Interim City Manager Holly shared that the recommendation for rezoning came from both the Planning and Zoning Commission and the City Engineers.
Discussions regarding barriers and enhanced visual landscaping ensued.
Blake Hays with Texas Coastal Materials shared that there would be thick vegetation and his team had no problem "dressing it up to look nice." He also

noted that the facility would be at least 440 yards away from any school, residence, or church.

Councilmember Lowry stated that he had no issue with this moving forward.

Mayor Pro Tem Compian inquired about potential jobs, use of the product, and how this could impact the city.

Mr. Hays indicated that this facility would allow for up to 15 job openings. He also noted that the product being crushed is used as a fill product and the sales tax revenue would benefit the city.

Councilmember Yancy made a motion to approve Ordinance No. O-2025-0021. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

9.III. Final Plat Approval: Bayou Ridge Park

Mayor Pro Tem Compian made a motion to approve the final plat for Bayou Ridge Park. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

9.IV. Award of Contract – Newman Road, Moss Street, and Rosewood Drive Sanitary Sewer Improvements

Brent Berthier with Adico explained that this project was being funded by impact fees. He requested to hold this project until the city can ensure that funds are available.

NO ACTION TAKEN.

9.V. Purchasing

This item was withdrawn from consideration.

9.VI. Purchasing

This item was withdrawn from consideration.

9.VII. Finance Committee

Interim City Manager Holly explained that this is an ad hoc advisory committee that would take items to council for action. This committee would be made up of one council member, one member of the Economic Development Corporation Board of Directors, the Economic Development Director, the Finance Director, a community member, and the City Manager. All items of recommendation would be presented to council for action. It was determined that this committee would strictly be an advisory committee and not a board of final authority.

Mayor Pro Tem requested that two members of council be considered, even if it included a former council member, and to keep the committee at an odd number.

Mayor Pro Tem made a motion for the committee to consist of the City Manager, the Economic Development Corporation Director and board member, two council members, one finance director and one citizen at large. Councilmember Griffin seconded.

It was determined that the City Manager would decide on the citizen-at-large and the Economic Development Corporation would select a board member to

serve.
MOTION CARRIED UNANIMOUSLY.

9.VIII. 2024-2025 Fiscal Year

***This item was taken immediately following the approval of Minutes.*
Interim City Manager Holly gave a breakdown of the different bank accounts utilized by the City and how they were supposed to be funded versus the current balances. She stated that the budget for fiscal year (FY) 24–25 indicated expenses budgeted for 25 million dollars, or when divided for daily expenses, would be approximately 59 thousand dollars. She explained that the city needed to come up with 5.1 million dollars quickly for operational needs. She noted that the city should look for a solution, not place blame.
Finance Director Worth Ferguson reiterated the idea to "focus on tonight and not the past" if the council wanted to continue being a city. He gave suggestions to the council on how to fix the problem, including finding money to pay bills, funding the city with cash on a month-to-month basis through December, and finding ways to guarantee stability. He expressed the need to raise the tax rate, noting the Maintenence and Operations (M&O) tax rate needed to be increased in order to have an immediate fix to the issue at hand. He also suggested water and sewer rate adjustments, short-term emergency loans, working with the Economic Development Corporation to borrow funding, and applying for grants. He noted measures need to be taken to either "save or end La Marque."
Mayor Pro Tem Compian asked for clarification on the latest audit findings, specifically funds that are in specific banks with collateral deposits. He also pointed out that the city would need 1.8 million dollars per month to meet basic needs. He suggested applying for a loan and considering a cash inflow of 600,000 dollars and the use of sales tax as it is unrestricted and can be used as general funds. He expressed the need to eliminate pooling of money and create separate funds into specific accounts.
It was noted that Finance Director Ferguson was not yet listed on the accounts and a resolution would be brought back at the next meeting to add him appropriately.
Councilmember Yancy raised concern over permit fees waived, specifically those for the school district in the amount of 400,000 dollars, noting that Council may have voted differently had they known the current financial status. She requested more financial reports and noted that not all reimbursements from natural disasters have been received by the city. She stated that "fresh eyes are needed" and she did not want the city to fail. She was concerned about the need for a new Police Station and how this would affect the process. She also asked for an update on attorney fees and requested safeguards be put in place to ensure this would not happen again.
Councilmember Lowry requested that all developers pay their fair share with permits. He also shared that the city should not rely on game room fees as some were raided by the FBA and Galveston County Task Force. He also requested to see attorney fees.
Mayor Pro Tem Compian expressed a need to set a limit on accrued sick and vacation time. Finance Director Ferguson noted this would be changed and

brought to council in the future.
Mayor Bell addressed council, saying that "we are going to have to govern and bring forward solutions, not critiques or innuendos." He articulated the need for solutions.
A discussion regarding financial reports ensued. It was determined that financial reports would be presented to council on a monthly basis.
Mayor Bell asked how the city got to this point financially. Finance Director Ferguson responded that the report shows overstated revenues and understated expenses.
Discussion ensued regarding potential tax increases and additional revenue. Finance Director Ferguson and Interim City Manager Holly expressed the need to consider a 0.06 tax increase, which would bring in approximately 900,000 dollars. It was questioned if the tax rate stayed the same, what would happen? It was determined that the funds would have to be adjusted from other sections of the budget.
Brad Angst, Managing Director of Stifel Public Finance, provided additional information on how raising the M&O rate would allow for future revenue generation. He noted that the increase would help with borrowing capacity. He shared that the city should be focused on getting the financial issue squared away, stating that the Public Safety Building would need to wait.
Mayor Bell inquired about what would happen if no tax increase was voted on. Finance Director Ferguson responded that 3 million dollars would need to be cut from the budget.
Mayor Pro Tem Compian thanked council for the discussions and applauded the competent staff, specifically Interim City Manager Holly, for the efforts to solve the financial issue. He advocated for municipal first aid and suggested raising the homestead exemption allowance to stabilize the value of property and freeze the homestead tax for seniors and disabled citizens. He noted that this cannot take place tonight but requested it be on a future agenda. He requested to move away from year-to-year accounting and budgeting and instead work towards a three-year plan, which will help forecast increases associated with changes in inflation rates or a pandemic.
Councilmember Lowry shared that it would be a disservice to the taxpayers due to council's inability to hire or serve appropriately.
Discussions regarding the closure of pending litigation and the financial effects this would have on the budget ensued. It was determined that the revenue would be approximately 1 million dollars, but the cash was already spent.
Discussion regarding the presentation of tax increase options and the effects it would have on the citizens and potential layoffs ensued.
Interim City Manager stated that if layoffs happen, the city would go into bankruptcy. She noted that taking away positions would be better as taking away jobs would be a disservice to the community.
Mayor Pro Tem Compian suggested potential layoffs, reducing capital spending, and reducing costs for current projects.
Mayor Bell noted that prior to the Interim City Manager and Finance Director's arrival in the city, equipment was authorized for purchase. He questioned if the purchases could be delayed, and it was determined that they could.

Councilmember Yancy stated it was time to "get back to the basics of La Marque."
Discussion regarding possible solutions ensued. Suggestions included focusing on personnel by implementing a hiring freeze, eliminating all professional development expenditures, reassessing equipment needs, and considering voluntary part-time status or use of paid time off to reduce liability, and homestead exemption increases.
Mayor Pro Tem Compian made a motion to accept the report and recommendations set forth by new Finance Director Worth Ferguson. Councilmember Griffin seconded. **MOTION CARRIED 4 AYES AND 1 NAY (LOWRY).**

9.IX. 2026 Holiday Calendar
Councilmember Yancy made a motion to approve the 2026 Holiday Calendar. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

9.X. Nomination for TX Health Benefits Pool Region 14 Board of Trustees Vacancy
***This item was taken after the City Manager's Report.*
Discussion ensued regarding the nomination of a councilmember instead of a staff member. It was determined that Council wanted to move forward with a nomination of one of their members for this vacancy.
Councilmember Yancy made a motion to nominate Mayor Pro Tem Compian for the Texas Health Benefits Pool Region 14 Board of Trustees vacancy. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

10. CITY MANAGER REPORT

10.I. Items for the Good of the Order
Interim City Manager Holly shared that Council will receive financial reports on a monthly basis. She also added that a report on all grant projects will also come before council more frequently.

11. EXECUTIVE SESSION
There was no executive session.

12. ACTIONS TAKEN FROM EXECUTIVE SESSION
No action was taken.

13. REQUESTS AND ANNOUNCEMENTS
Councilmember Griffin reminded everyone that September 8th was the anniversary of the 1900 storm and celebrations took place throughout the county. She thanked the Police and Fire Departments for handling a gas leak earlier in the day. She recommended that council acknowledge Paul's Union Church for Founder's Day on October 8th and requested a proclamation.
Councilmember Lowry thanked Interim City Manager Holly for producing a check for the La Marque Police Citizen's Academy Alumni Association. He also thanked her for looking into the ditches on Lake Road where a citizen's house was routinely flooding. He thanked Finance Director Ferguson for coming on board and thanked staff for their

work. He also shared that he donated some fire nozzles to the Fire Department, which are from the 1930s and older, and will be displayed at the fire department. He noted, "we have the coolest and oldest nozzles in Galveston County."
Councilmember Yancy thanked everyone for their hard work. She asked Laura Divine to keep praying for the city. She recognized Rhonda Shay, a former classmate at University of Texas who has been a prayer warrior for the city. She acknowledged her 31st wedding anniversary with her husband and thanked everyone for their love and support. She encouraged everyone to attend the La Marque High School football games as they are on a winning streak.
Mayor Pro Tem Compian asked for follow-up on the citizens' requests to ensure items are resolved. He requested that the city staff create a document outlining the talking points from the night's meeting and put in layperson terms in order to best exercise leadership and for the document to be available at the upcoming Town Hall.
Mayor Bell congratulated Stacy Froeschner and Analee Salinas, who were nominated and selected as finalists for the Women in Leadership Awards through the Texas City La Marque Chamber of Commerce. He announced a ribbon-cutting at Mahan Boat Ramp on September 15th at 4:00 p.m. He also announced a proclamation and celebration of the new Vera Bell Gary Family Support Center in La Marque. He noted she was a tireless educator and a community icon who had blessed this city. He paid homage to those lost on 9/11, "a day we will never forget." He stated that freedom is not free and comes with the price of responsibility. He asked Interim City Manager Holly for an update on the sewer system at Duroux Street and connected her with Mr. Ronnie, who had concerns about the system. Interim City Manager Holly responded that Public Works was going out to clean ditches this week. Mayor Bell also welcomed Worth Ferguson to the City as the new Finance Director. He requested that the new finance director, who has an auditing background, "look into every penny in or out of the city in the last five years and bring to council any malfeasance or corruption." If any findings are illegal, he requested Interim City Manager Holly to bring it to the District Attorney.

14. ADJOURNMENT
Mayor Pro Tem Compian made a motion to adjourn. Councilmember Yancy seconded. **MOTION CARRIED UNANIMOUSLY.**
***Meeting was adjourned at 9:27 p.m.*