



**CITY OF LA MARQUE
CITY COUNCIL
REGULAR AGENDA
of
May 11, 2026**

Notice is hereby given that the City Council of the City of La Marque, Texas will conduct a **Regular Meeting** on **May 11, 2026**, 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. Oath of Office: Tonia Griffin - Councilmember District D
 - 4.II. Presentation: BTR Bayou Fest
 - 4.III. Presentation: Aquatrax Demonstration
 - 4.IV. Presentation: Brookswatson & Co. CPA - Annual Financial Audit
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. CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will not be a separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

6.I. Special City Council Minutes 04.27.2026

6.II. City Council Minutes 04.13.2026

6.III. City Council Minutes 03.23.2026

6.IV. Interlocal Collection Agreement
Authorizing an Interlocal Collection Agreement with the Galveston County Tax Assessor Collector for collection of La Marque Public Improvement District (PID) #1 Assessments - *Finance*

7. OLD BUSINESS

Items presented to the Council for discussion and possible action:

7.I. La Marque Vision 2050
Considering implementation of the La Marque Vision 2050 Plan - *Mayor*

7.II. Legal Services
Selecting a Consulting City Attorney for the City of La Marque, TX - *Council*
THIS ITEM WAS TABLED ON APRIL 27, 2026

8. NEW BUSINESS

Items presented to the Council for discussion and possible action:

8.I. Ordinance No. 2026-0010
Amending the City of La Marque's prescribed sewer rates - *Finance*

8.II. Resolution No. R-2026-0012
Canvassing the election returns and declaring the results of the May 2, 2026, General Election, pursuant to the Election Code - *City Clerk*

8.III. Resolution No. R-2026-0013
Ordering a runoff election to be held on June 13, 2026, to be administered by the Galveston County Elections Administrator for the purpose of electing one (1) Councilmember for District B to the La Marque City Council to hold office for a period of three (3) years – *City Clerk*

8.IV. Change Order Authorization
Approving Change Order No. 1 for the 12" Water Distribution Line from Newman Road to Stonewall Street Project in the amount of \$25,457.00,

increasing the total contract amount from \$1,398,471.00 to \$1,423,928.00 -
Public Works

8.V. Final Audit for Fiscal Year 2024-2025

Approving the final audit for Fiscal Year 2024 - 2025 - *Finance / Administration*

9. CITY MANAGER REPORT

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

9.I. Citywide Sanitary Sewer Rehabilitation Project (D208) Update

9.II. Illegal Dumping Cleanup Operations and Public Works Resource Allocation Update

9.III. Street Division Update: Pavement Assessment, Rehabilitation Planning, and DuraPatcher Daily Maintenance Program

9.IV. Budget Talks Recap

9.V. City Manager Search Update

9.VI. Finance Report

9.VII. City Clerk's Report

9.VIII. 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 May 5, 2026 at 4:00 p.m.

Kierra K. Nance, TRMC
City Clerk

In the name and by the authority of

The State of Texas

OATH OF OFFICE

I, Tonia Griffin, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of Council District D for the City of La Marque, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

Affiant

SWORN TO and subscribed before me by affiant on the 11th day of May 2026.

Signature of Person Administering Oath

Printed Name

Title

BTR Cajun Throwdown at La Marque Bayou Fest

29.345902, -94.970510

77568 La Marque, Texas

Houston TX DMA

Houston-The Woodlands-Sugar Land, TX Metro CBSA

Area = 0.1 square miles

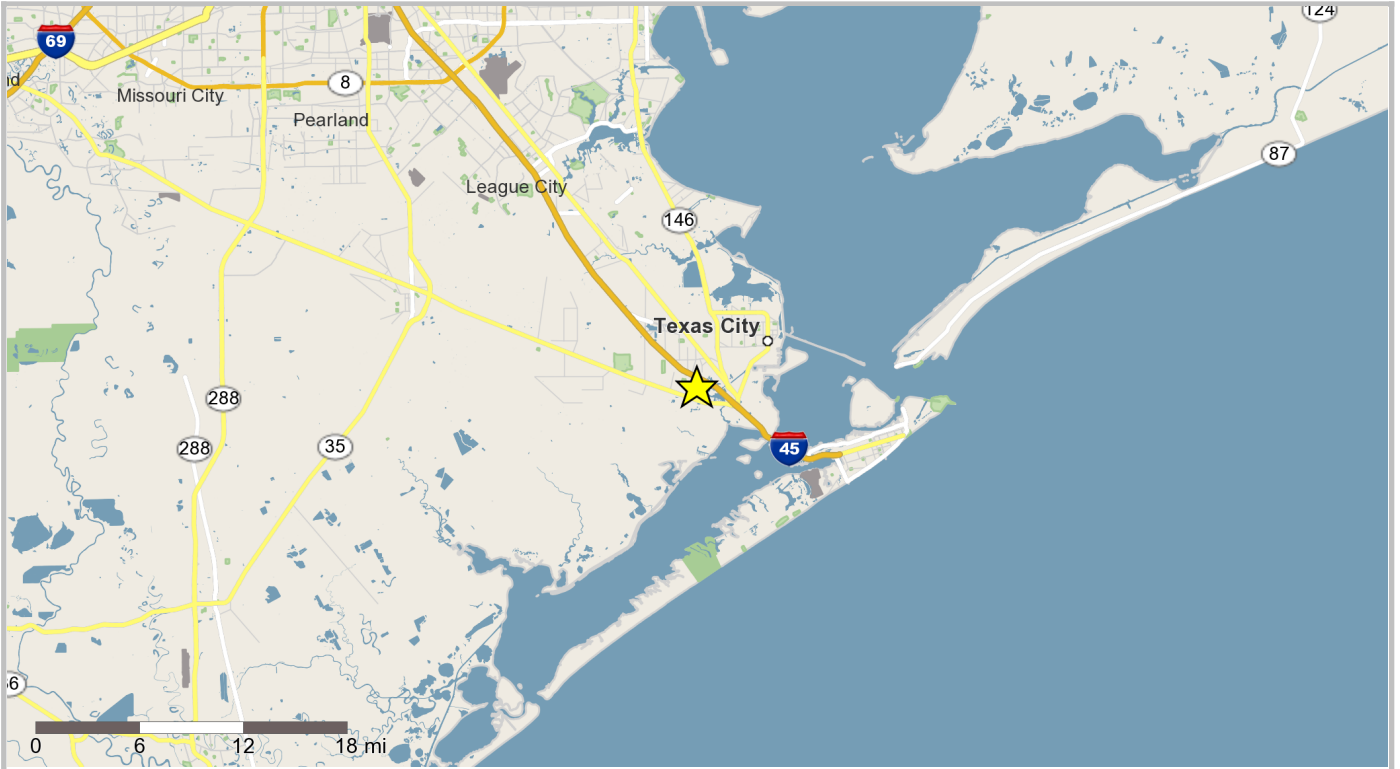
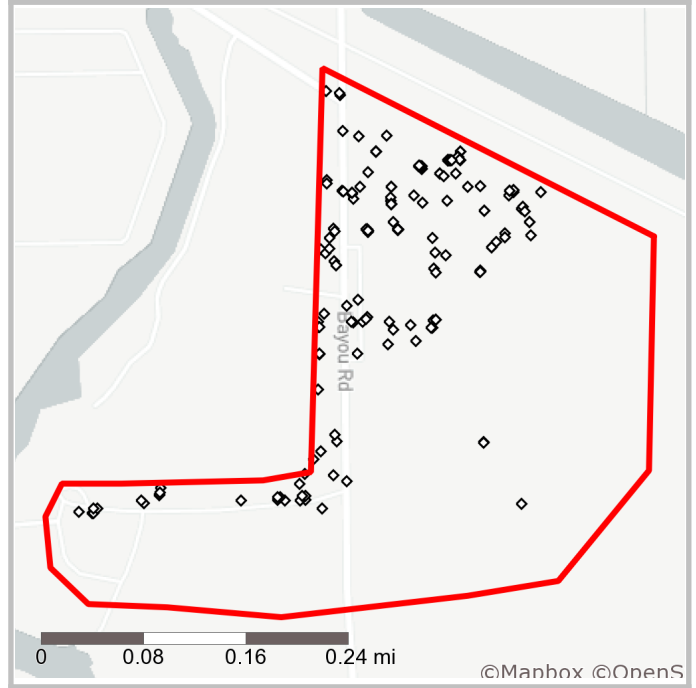
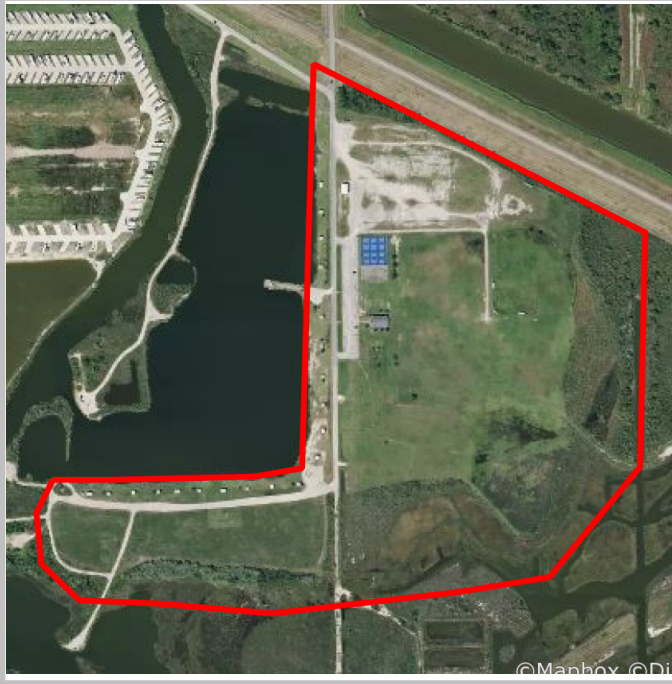
Date Range = 2026-04-10 to 2026-04-11

Days Studied = Mon,Tue,Wed,Thu,Fri,Sat,Sun

Time Range = 00:00:00 to 23:59:00 (D)

Study Area:

Up to 1,000 device pings will be shown on the map (selected at random).



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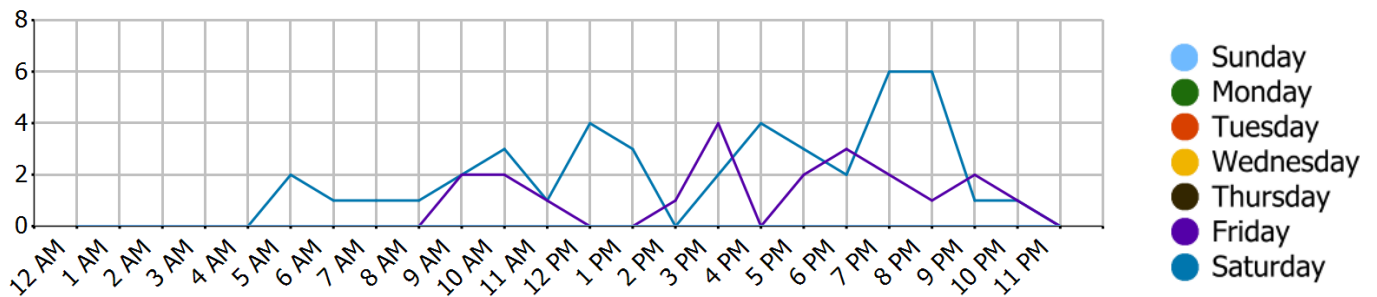
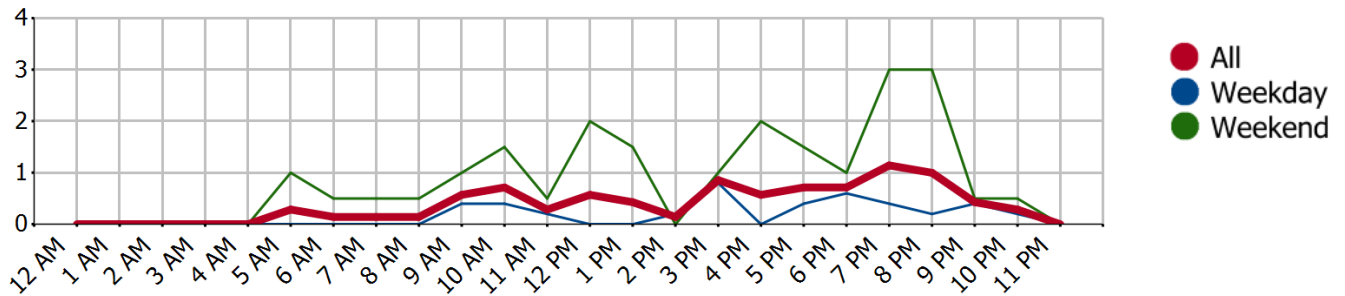
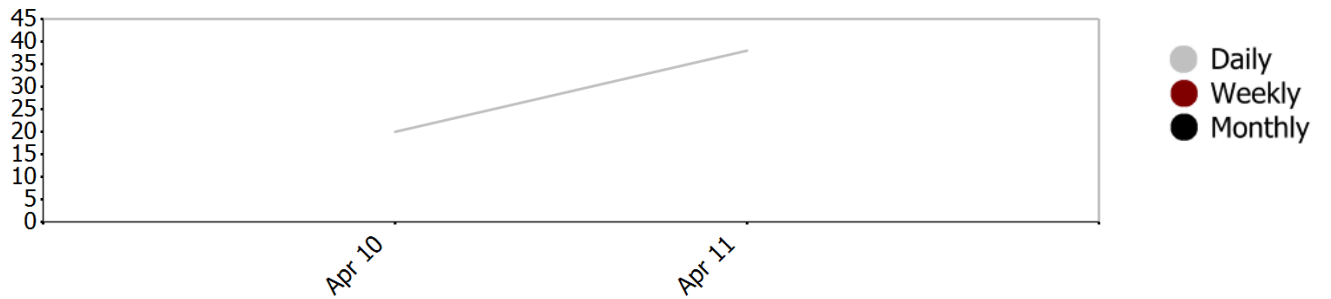
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Boundary Activity Summary:

During the study period, 54 unique devices were observed in the study area, comprising 58 unique visits.

The data presented in the charts below have had corrective adjustments applied to normalize for growth in total device counts.



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Boundary Activity Summary:

During the study period, 54 unique devices were observed in the study area, comprising 58 unique visits.

The data presented in the charts below represent the start time of each unique visit, regardless of duration. User settings for days of week and times of day in study range will affect results.

Visit Start Time	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Total
12:00 AM								
1:00 AM								
2:00 AM								
3:00 AM								
4:00 AM								
5:00 AM						3.45%		3.45%
6:00 AM						1.72%		1.72%
7:00 AM						1.72%		1.72%
8:00 AM								
9:00 AM					3.45%	3.45%		6.90%
10:00 AM					3.45%	5.17%		8.62%
11:00 AM					1.72%			1.72%
12:00 PM						6.90%		6.90%
1:00 PM						3.45%		3.45%
2:00 PM					1.72%			1.72%
3:00 PM					6.90%	3.45%		10.34%
4:00 PM						6.90%		6.90%
5:00 PM					3.45%	3.45%		6.90%
6:00 PM					3.45%	3.45%		6.90%
7:00 PM					3.45%	10.34%		13.79%
8:00 PM					1.72%	8.62%		10.34%
9:00 PM					3.45%	1.72%		5.17%
10:00 PM					1.72%	1.72%		3.45%
11:00 PM								
Total					34.48%	65.52%		100.00%

Visit Start Time	Weekday	Weekend	Total
6:00 AM - 10:59 AM	6.90%	12.07%	18.97%
11:00 AM - 1:59 PM	1.72%	10.34%	12.07%
2:00 PM - 4:59 PM	8.62%	10.34%	18.97%
5:00 PM - 7:59 PM	10.34%	17.24%	27.59%
8:00 PM - 11:59 PM	6.90%	12.07%	18.97%
12:00 AM - 5:59 AM		3.45%	3.45%
Total	34.48%	65.52%	100.00%

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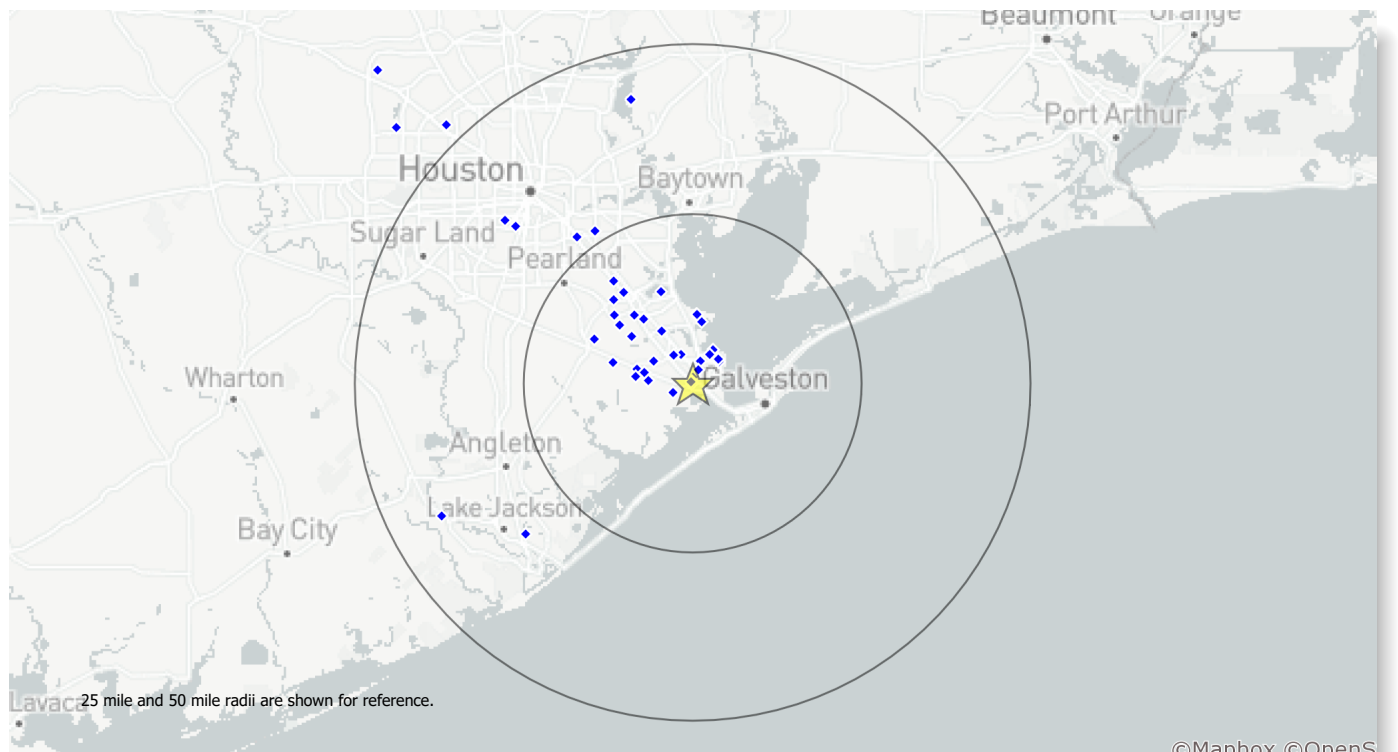
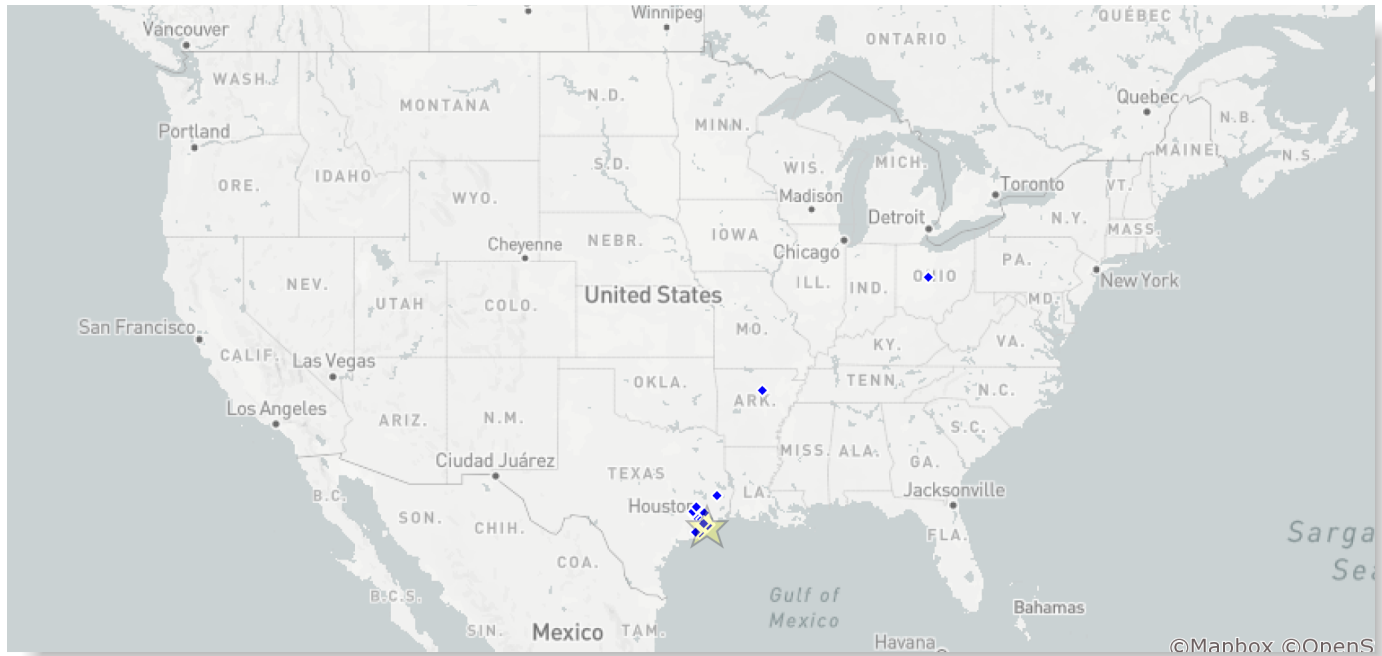
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Device Home Analysis - Device Night Locations:

Device residences are shown across the country and within a large area (25 and 50 miles).



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Device Home Analysis - Home Market:

The top 45 markets with at least 0.1% of devices are shown.

DMA	% of Devices
Houston TX	93.9%
Beaumont-Port Arthur TX	2.0%
Columbus OH	2.0%
Little Rock-Pine Bluff AR	2.0%

State	% of Devices
Texas	95.9%
Arkansas	2.0%
Ohio	2.0%

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Device Home Analysis - Home ZIP/City:

The top 45 ZIP codes and cities with at least 0.1% of devices are shown.

ZIP	% of Devices
77510 Santa Fe	14.3%
77539 Dickinson	10.2%
77568 La Marque	10.2%
77590 Texas City	10.2%
77573 League City	8.2%
77433 Cypress	4.1%
77511 Alvin	4.1%
77591 Texas City	4.1%
77598 Webster	4.1%
43015 Delaware	2.0%
72581 Tumbling Shoals	2.0%
75979 Woodville	2.0%
77017 Houston	2.0%
77025 Houston	2.0%
77054 Houston	2.0%
77064 Houston	2.0%
77354 Magnolia	2.0%
77422 Brazoria	2.0%
77502 Pasadena	2.0%
77531 Clute	2.0%
77532 Crosby	2.0%
77546 Friendswood	2.0%
77563 Hitchcock	2.0%
77565 Kemah	2.0%

City	% of Devices
Santa Fe, TX	14.3%
Texas City, TX	14.3%
Dickinson, TX	10.2%
La Marque, TX	10.2%
Houston, TX	8.2%
League City, TX	8.2%
Alvin, TX	4.1%
Cypress, TX	4.1%
Webster, TX	4.1%
Brazoria, TX	2.0%
Clute, TX	2.0%
Crosby, TX	2.0%
Delaware, OH	2.0%
Friendswood, TX	2.0%
Hitchcock, TX	2.0%
Kemah, TX	2.0%
Magnolia, TX	2.0%
Pasadena, TX	2.0%
Tumbling Shoals, AR	2.0%
Woodville, TX	2.0%

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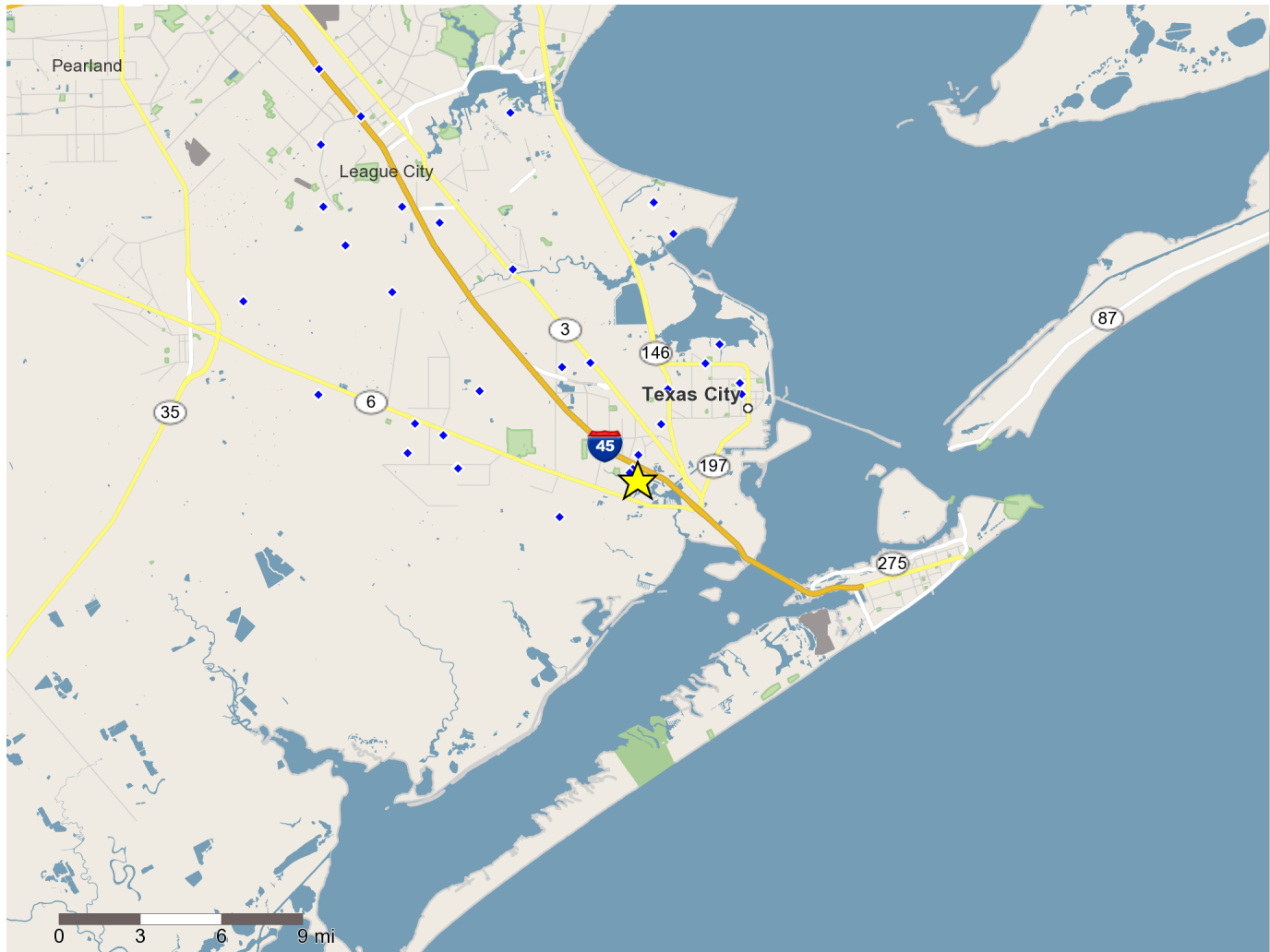
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Device Home Analysis - Device Night Locations:

The map is scaled to show at least 60-80% of device locations.

Up to 5,000 device locations will be shown on the map (selected at random).



Cumulative Capture Rates (Miles):

Cumulative %	Distance
5%	
10%	0.12
15%	0.95
20%	3.17
25%	4.98
30%	5.21

Cumulative %	Distance
35%	6.6
40%	6.7
45%	8.5
50%	9.2
55%	11.4
60%	13.3

Cumulative %	Distance
65%	15.4
70%	16.8
75%	26.8
80%	35.0
85%	42.0
90%	57.8

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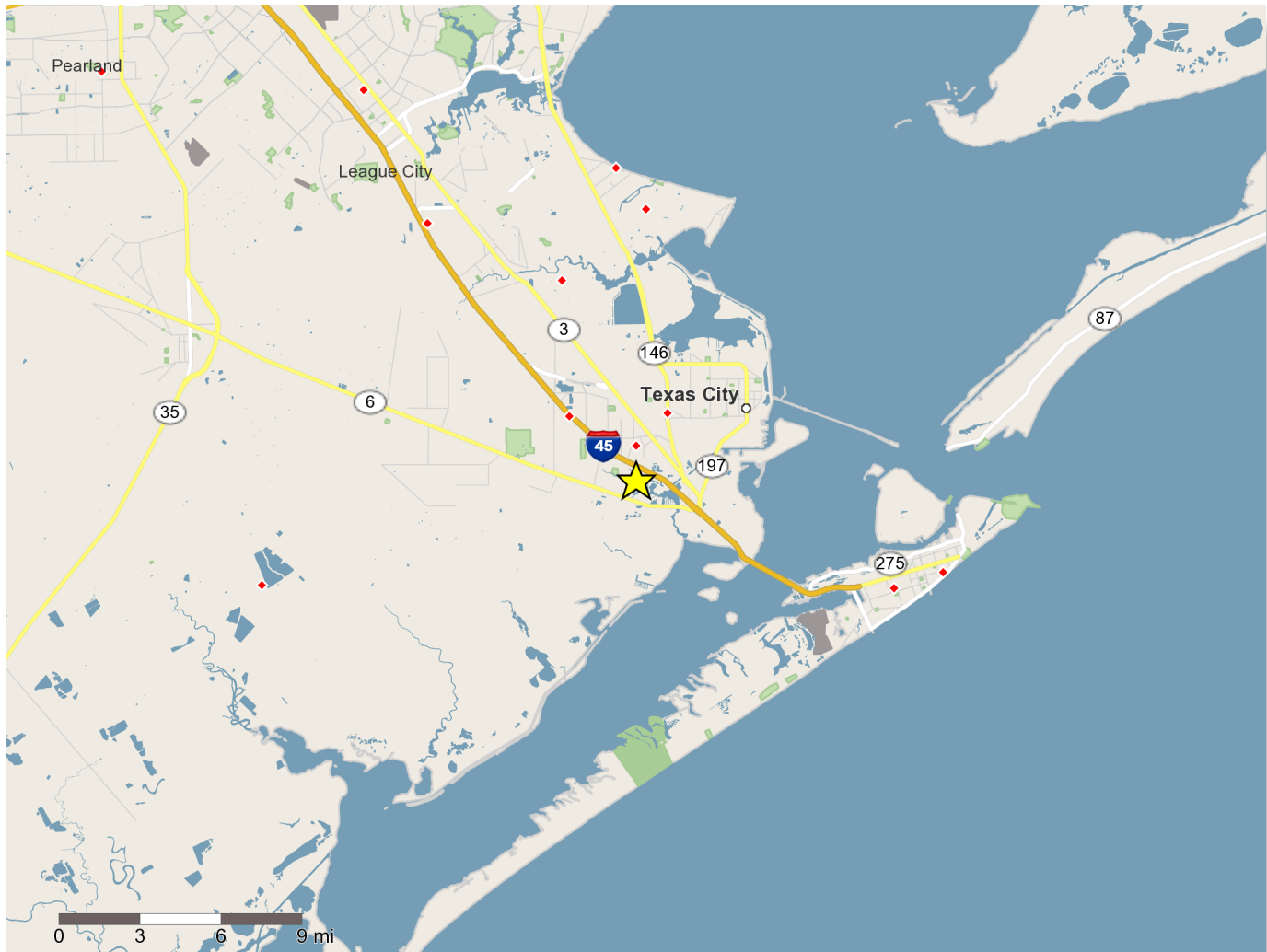
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Device Home Analysis - Device Daytime Locations:

The map below shows the most prominent locations where visitor devices are found during the daytime. This could include home/night location, workplaces, schools, residences of friends/family, and more.



Cumulative Capture Rates (Miles):

Cumulative %	Distance
5%	2.74
10%	3.42
15%	7.87
20%	10.01
25%	10.34
30%	11.54

Cumulative %	Distance
35%	12.2
40%	14.3
45%	17.5
50%	24.8
55%	25.1
60%	31.0

Cumulative %	Distance
65%	35.5
70%	47.2
75%	104.4
80%	158.8
85%	243.1
90%	701.3

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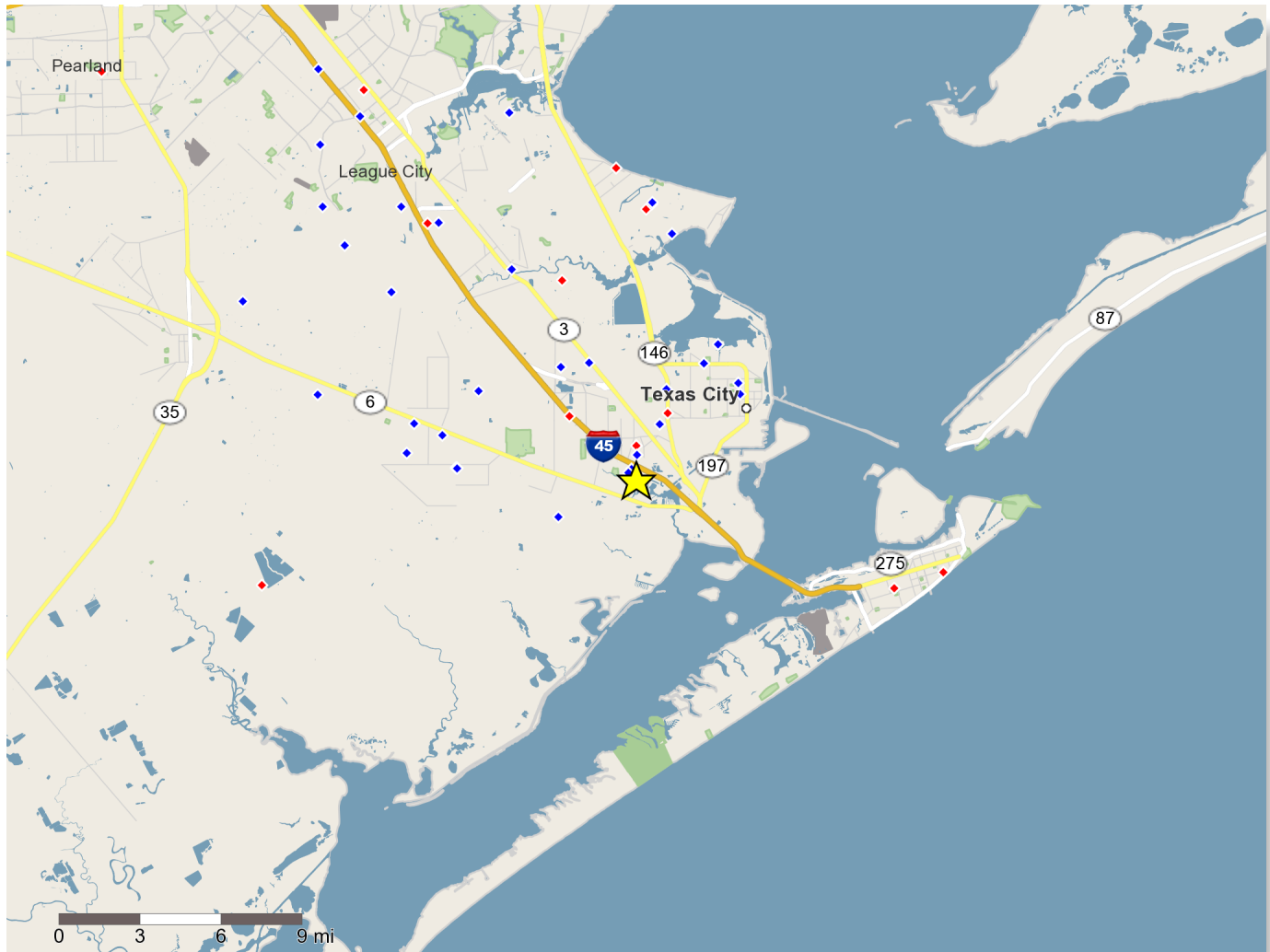
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Device Home Analysis - Device Night and Daytime Locations:

The map below combines the locations where deviceholders likely reside (**blue**/nighttime) and the locations where those devices are found during the daytime (**red**/daytime).



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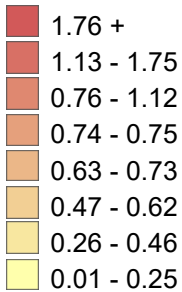
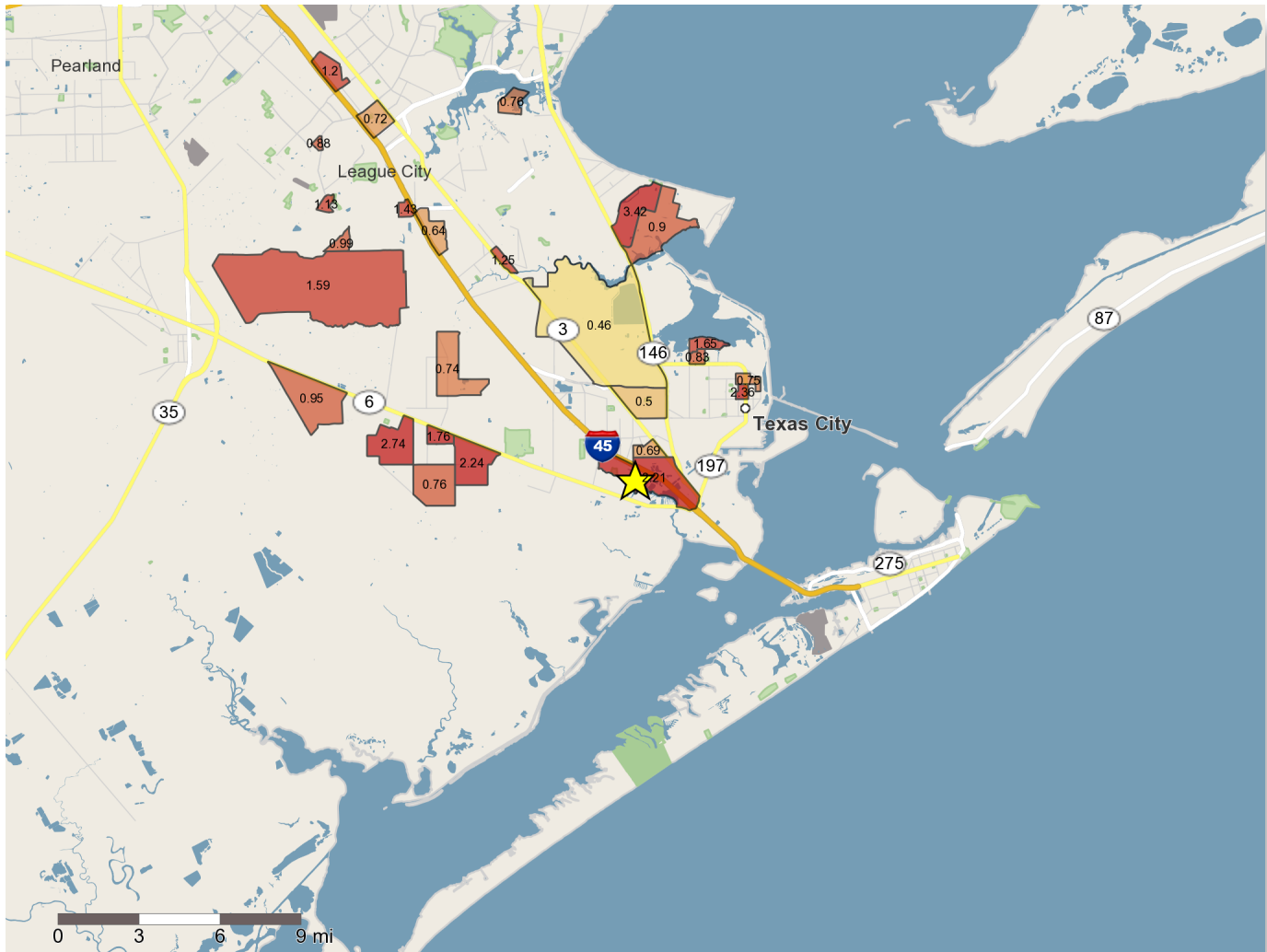
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Device Home Analysis - Visit Penetration:

The map below shows the relative penetration rate of block groups in the area surrounding the store. Each neighborhood is shaded based on its visits per resident (population count), indexed against areas in the map view.



An index of 1.00 indicates average penetration for the map area. Geographies not represented among device holder home/night locations have an index of 0.00, and are not shown on the map or included in the indexing calculations.

Relative penetration index =

$$\frac{(\text{visits from geography} / \text{population in geography})}{(\text{visits from map area} / \text{population in map area})}$$

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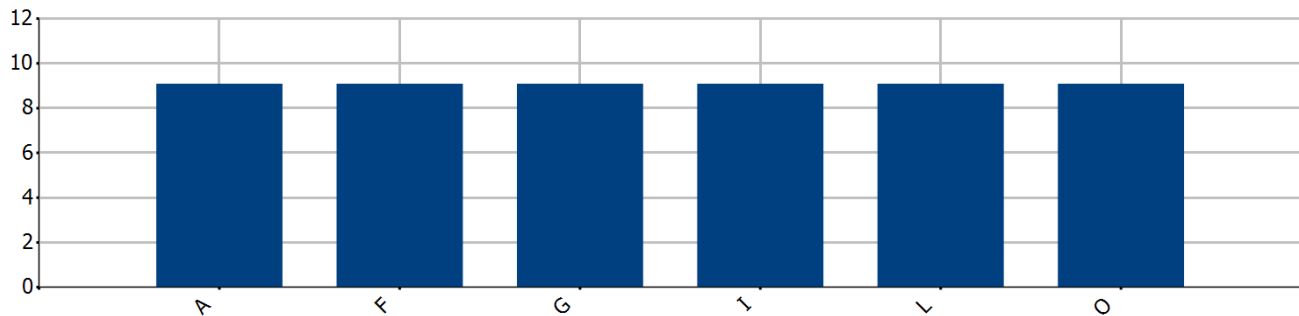
Time Range = 00:00:00 to 23:59:00 (D)

Device Home Analysis - Top Persona Live Groups:

Data and descriptions © Spatial AI, Inc. • All rights reserved.

All groups with 0.1% or higher representation are shown.

Group	Name	Description	Devices
A	Ultra Wealthy Families	The nation's wealthiest families.	9.1%
F	Blue Collar Suburbs	Working-class singles and families in mainly blue-collar professions.	9.1%
G	Educated Urbanites	Well educated young singles living in dense urban areas working relatively high paying jobs.	9.1%
I	Young Urban Singles	Singles starting their career in trade and service jobs.	9.1%
L	Rural High Income	Prosperous ruralites enjoying the outdoors and working in white-collar, farm, and blue-collar jobs.	9.1%
O	Small Town Low Income	Lower income households in or orbiting small towns.	9.1%



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Device Home Analysis - Top PersonaLive Segments:

Data and descriptions © Spatial AI, Inc. • All rights reserved.

The top 30 segments with 0.1% or higher representation are shown.

Segment	Name	Description	Devices
P01	La Vida Rural	Households in Latin-influenced rural communities working farm, service, and blue-collar jobs.	18.2%
A01	Midas Might	Extremely wealthy families living in large estate homes.	9.1%
F02	Latin Engines	Working-class Hispanic and Black households with low-priced homes and lots of kids.	9.1%
G03	Urbanists	Young, White, well-off renters living in gentried neighborhoods of first-tier cities.	9.1%
I02	Rentadors	White and Latino renters making low relative income in high property value areas.	9.1%
L03	Cracker Barrel Barons	Middle-aged and older rural couples in blue-collar jobs living iconic country lives.	9.1%
O03	Starting Line	Blue collar renters starting out in small towns and urban clusters making meager wages.	9.1%
P02	Aspiring Hispanics	Hispanics in small towns working blue-collar, farm, and service jobs with 5+ person households and plenty of children.	9.1%
P04	Caballeros Urbanos	Hispanic households in near-urban areas supported by farming jobs at a rate of 13x the national average.	9.1%
P06	Dazzled Desperados	Low-income Hispanic households in lively social areas who, despite low earnings, take fashion seriously.	9.1%

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Device Home Analysis - Demographic Summary:

Data © Applied Geographic Solutions, Inc. • All rights reserved.

Category	Variable	Devices
Age		
	Under 5 years	5.7%
	5-14 years	13.7%
	15-19 years	6.9%
	20-24 years	5.9%
	25-34 years	12.4%
	35-44 years	13.5%
	45-54 years	13.0%
	55-64 years	12.9%
	65-74 years	10.0%
	75+ years	6.1%
	Median age	38.4
Ethnicity		
	Caucasian	49.1%
	African-American	13.9%
	Asian	4.2%
	Other	2.2%
	Hispanic	30.5%
Household Size		
	1 Person	31.4%
	2 Persons	38.0%
	3 Persons	12.7%
	4 Persons	10.3%
	5 Persons	4.6%
	6+ Persons	2.9%
	Average Persons per Household	2.7
Household Composition		
	Family, one or more children present	32.6%
	Family, no children present	23.0%
	Non-family	35.3%
	One-person	8.6%
Group Quarters Population		
	College Dorms	0.0%
	Military Quarters	0.0%
Educational Attainment		
	Less than 9th grade	6.3%
	9th grade to 12th grade	6.6%
	High school graduate	28.5%
	Some college	24.3%
	Associate's degree	7.3%
	Bachelor's degree	16.8%
	Graduate or Professional degree	10.3%

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Category	Variable	Devices
Occupation		
	Managerial/executive	18.7%
	Professional/specialty	16.3%
	Healthcare support	9.7%
	Protective services	3.0%
	Food preparation serving	6.5%
	Building maintenance and cleaning	3.0%
	Personal care	1.2%
	Sales	12.2%
	Office administrative	8.7%
	Farming, fishing & forestry	0.1%
	Construction	10.6%
	Production/transportation	10.1%
Household Income		
	Under \$10,000	3.0%
	\$10,000 - \$25,000	9.3%
	\$25,000 - \$34,999	8.7%
	\$35,000 - \$49,999	10.1%
	\$50,000 - \$69,999	11.4%
	\$70,000 - \$99,999	18.2%
	\$100,000 - \$124,999	9.6%
	\$125,000 - \$149,999	7.5%
	\$150,000 - \$199,999	9.9%
	\$200,000 - \$249,999	4.7%
	\$250,000 - \$499,999	5.7%
	\$500,000+	2.0%
	Median household income	\$87,788
Housing Tenure		
	Owner-occupied	63.0%
	Renter-occupied	24.4%
Housing Value		
	Under \$25,000	5.6%
	\$25,000 - \$49,999	1.6%
	\$50,000 - \$69,999	2.9%
	\$70,000 - \$99,999	3.5%
	\$100,000 - \$149,999	8.0%
	\$150,000 - \$199,999	12.3%
	\$200,000 - \$299,999	24.3%
	\$300,000 - \$499,999	26.1%
	\$500,000 - \$749,999	10.8%
	\$750,000 - \$999,999	1.8%
	\$1,000,000+	3.0%
	Median housing value	\$272,280



BTR Cajun Throwdown at Bayou Fest 2026

Visitor & Economic Impact Executive Summary

Overview

The BTR Cajun Throwdown at Bayou Fest continues to demonstrate its strength as a regional destination event, attracting a diverse audience while generating measurable economic and community impact for Texas City, La Marque, and surrounding areas.

This report combines post-event attendee survey data, lodging insights, and on-site observations to provide a clear and conservative assessment of visitor behavior, economic activity, and overall event performance.

As of 28 April 2026 estimates, attendance (counting general admission, Swamp Tent/VIP, Hendley Wine Garden, and volunteers) was 8,232 persons.

Teams: 42, crawfish; 51, bbq; total: 93.
Vendors: 12, food; 5, beverage; 39, retail/non-food; total: 56.

Methodology & Data Considerations

Visitor data was collected through voluntary, on-site and post-event surveys, with 263 total respondents.

Key considerations:

Responses are self-reported and not independently verified

Participation was optional, introducing potential self-selection bias

Overnight stays reflect partial trip motivation, not exclusive causation

Hotel data was supplemented through direct outreach to local properties

While not exhaustive, the data provides a reliable and conservative indicator of visitor origin, spending patterns, and lodging demand, consistent with broader regional tourism trends.

Visitor Origin & Regional Reach

The festival continues to expand its footprint as a regional draw event.

89% of attendees traveled from Texas and Louisiana

Additional visitors originated from:

Arkansas, Colorado, Mississippi, New Mexico, New York, Oklahoma, Tennessee, Vermont; Washington State; Wyoming

International: Canada and the United Kingdom



Farthest international point visit recorded was Manchester, England, United Kingdom.
Farthest domestic point visit recorded was Seattle, Washington.

Within Texas:

42% from Galveston County (Texas City, La Marque, Hitchcock)

38% from Harris County (Houston, Pasadena)

Interpretation:

The event demonstrates both:

Strong local and regional participation

Growing long-distance and out-of-state appeal

Visitor Profile & Behavior

Average travel party size: 2

41% of attendees traveled with children under 18

Implication:

The festival maintains a strong position as a family-friendly destination event, supporting multi-generational attendance and repeat visitation.

Awareness & Audience Loyalty

Primary awareness channels:

Social media: 26%

Family and friends: 25%

BTR website: 20%

Radio: 16%

Chamber website: 8%

35%+ of attendees reported prior attendance



Takeaway:

The event benefits from:

Strong word-of-mouth momentum

Effective digital outreach

Meaningful repeat attendance and loyalty

Overnight Stays & Lodging Impact

62% of attendees stayed overnight

Of those:

89% stayed in Texas City–Dickinson

8% in Galveston

3% in Clear Lake–Webster

Lodging behavior:

70% used paid accommodations

Hotels/motels: 71%

RV/camping: 17%

Other (B&B, short-term rentals): 12%

Local hotels reported:

Near or full occupancy (up to 100%)

Average daily rates of \$129–\$139, indicating strong demand without abnormal price inflation

Conclusion:

The festival is a significant driver of overnight visitation and lodging demand in the local market.



Visitor Spending & Economic Activity

Attendees reported spending across multiple categories:

Lodging and accommodations

Restaurants and bars

Festival food and beverage vendors

Retail and tourism shopping

Transportation and fuel

Additional entertainment

Participation rates:

Transportation: 92%

Lodging: 88%

Festival food and beverage: 78%

Lodging Stats: (Venue/Capacity for period April 8-12, 2026)

Average ticket-holder with overnight stay(s) were an average family of four, heavily-budgeted with at least one parent familiar with local lodging options from workforce turnaround stays.

Core Hotels & Motels (Texas City / La Marque)

Budget / Motels / Economy Stays

- Super 8 by Wyndham La Marque TX/Texas City Area (full)
- Red Roof Inn La Marque (full)
- Travel Inn By OYO La Marque (full)
- Americas Best Value Inn & Suites Texas City La Marque (full)
- Motel 6 (full)
- Economy Lodge (full)



Mid-range hotels

- Holiday Inn Express & Suites Texas City by IHG (full)
- La Quinta Inn & Suites by Wyndham Texas City I 45 (full)
- Best Western Texas City (full)
- Crystal Suites (full)

Extended stay / workforce lodging

- WoodSpring Suites Texas City (full)
- Studio 6 Suites Texas City, TX – I-45 South (80% full)
- SpringHill Suites by Marriott Texas City (full)
- Candlewood Suites Texas City (full)
- Home2 Suites by Hilton Texas City Houston (92% full)
- Quality Inn Texas City I-45 (full)
- Comfort Inn & Suites Texas City I-45 (full)

RV Parks — Texas City / La Marque Core

- USA RV Resorts La Marque (full)
- Big State RV Park (full)
- Little Thicket RV Park (full)

Secondary / Nearby

- Texas RV Park (Hitchcock) (full)
- Lazy Days RV Resort (Hitchcock) (full)
- Green Caye RV Park (Dickinson) (full)
- Marquee On Galveston Bay RV Resort (Dickinson) (70% full)
- Galveston Bay RV Resort and Marina (Dickinson/San Leon) (88% full)
- Bay RV Park (San Leon) (full)
- Big Spot RV Resort (San Leon) (full)



Additional Campgrounds / Niche Options

- Eagle Point Fishing Camp (more rustic, fishing-focused) (full)
- Bayou Campground (basic campground style) (no response)
- Tiki Tom's RV Park (small/private) (no response)

Retail establishments visited named by respondents:

Aldi, Texas City

Barcenas, La Marque

Bases, Texas City

Beyond Burger, Texas City

Buc-ee's, Texas City

Church's Chicken, La Marque

Dollar Tree, La Marque

Family Dollar, La Marque

HEB, Texas City

Jack-n-the-Box, La Marque

Kelley's, La Marque

Luna's, Texas City

Louisiana Fried Chicken, La Marque

McDonald's, La Marque

Premiere Cinemas, Texas City

Subway, Hitchcock

Tanger Outlets, Texas City

Texas Roadhouse, Texas City



Wal-Mart, La Marque

Whataburger, La Marque

Takeaway:

The event generates broad-based economic activity, supporting multiple sectors of the local economy.

Event Performance & Attendee Experience

Post-event feedback reflects strong overall satisfaction and loyalty:

Overall Satisfaction: Very strong (4+ stars)

Net Promoter Score (NPS): 83 (considered excellent / world-class)

Return Intent:

75%+ “Very Likely” to return

94% likely or very likely overall

Experience Ratings

Excellent: 21

Good: 12

Fair: 3

Over 90% of attendees reported a positive experience

Key Strengths

Live Music: 75% rated “Excellent”

Cleanliness: 97% rated “Good” or “Excellent”

Interpretation:

The event delivers a high-quality, well-executed experience, with entertainment and operations as key drivers of satisfaction.



Conclusion

The 2026 BTR Cajun Throwdown at Bayou Fest demonstrates clear and measurable success as a regional destination event.

Key outcomes include:

Strong regional and out-of-state attendance

High overnight visitation and hotel occupancy

Broad visitor spending across sectors

Consistent repeat attendance and audience loyalty

Excellent attendee satisfaction and experience ratings

Final Perspective

Based on survey data, lodging insights, and attendee feedback:

The BTR Cajun Throwdown at Bayou Fest is a high-performing, community-driven event that delivers meaningful economic impact, supports regional tourism, and provides a scalable platform for continued growth.



**CITY OF LA MARQUE
CITY COUNCIL
SPECIAL MINUTES
of
April 27, 2026**

1. CALL MEETING TO ORDER

Mayor Bell called the meeting to order at 4:05 p.m.

2. ROLL CALL

Present:

Keith Bell

Joe Compian

Kimberley Yancy (arrived at 4:07 p.m.)

Tonia Griffin

Mayor

Mayor Pro Tem/District B

District A (via Zoom - Cozumel, Mexico)

District D

Absent:

Joseph Lowry

District C

3. CITIZENS PARTICIPATION

There was no citizen participation.

4. EXECUTIVE SESSION

Mayor Bell recessed the special meeting and entered into executive session at 4:09 p.m.

4.I. Section 551.074 (Personnel Matter)

5. ACTIONS TAKEN FROM EXECUTIVE SESSION

***Mayor Bell closed the executive session and reconvened the Special Meeting at 6:05 p.m.*

5.I. Section 551.074 (Personnel Matter)

This item was tabled.

6. REQUESTS AND ANNOUNCEMENTS

There were no requests or announcements.

7. ADJOURNMENT

Mayor Pro Tem Compian made a motion to adjourn. Councilmember Griffin seconded.

MOTION CARRIED UNANIMOUSLY.

*****Meeting was adjourned at 6:07 p.m.***



**CITY OF LA MARQUE
CITY COUNCIL
REGULAR MINUTES
of
April 13, 2026**

1. CALL MEETING TO ORDER

Mayor Bell called the meeting to order at 6:00 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

All assembled stated The Lord's Prayer in unison and resident Noah Williams led the pledge of allegiance.

4. PRESENTATIONS

4.I. Proclamation: Sexual Assault Awareness Month

Lindsey Durant Outreach Specialist of the Resource Crisis Center of Galveston County, accepted a proclamation honoring Sexual Assault Awareness Month.

5. CITIZENS PARTICIPATION

- Hayley Winkelmann (no address) requested that city leadership drive around and look at the city parks. She understands that money is tight, but the kids should always be a priority. She also stated that she tried to rent out the community room but was unable, so she had to pay for another location.
- Ray Lofti (3108 Gulf Fwy) spoke regarding his water bill for the mobile home park. He requested that each individual meter be read individually, not a singular reading from the main water meter.
- Sade Williams (Taylor St) shared the importance of voting and thanked the council for their leadership and commitment.
- Re'Chard Loftis (no address) thanked everyone who participated in the clean-up event on the previous Saturday. He requested that the Code Enforcement Division be eliminated because "they are not doing their job," citing a lack of leadership. He brought up equipment being transported that is not secured.

- Robert Harvey (no address) stated that it is not his intention to come to the council meetings to curse, it was a stress test for the council to see if they truly respected the first amendment. He stated that all the council had passed except for one. He spoke about the harassment of his daughter by a councilmember and their wife.
- Pamela Mahan (Rose Ln) stating issues concerning sewer and water lines. She spoke to the term "odium". She said that she comes to council meetings to speak of the things that are happening in this town and some people are utilizing this as an opportunity for hate. She thinks the city needs to get back to decorum.
- Natalie Ruiz (no address) spoke regarding due process concerns she had regarding a court proceeding that was held.
- Robert Michetich (N Curlew) spoke regarding a "Cease and Desist" he emailed to the council regarding the city manager. He shared concerns regarding the process outlined in regard to the City Manager search.
- Jackie Pennington (Cypress) thanked her Councilmember for finding volunteers for the community event this past weekend.
- John Cobarrubias (Clear Lake) stated that a councilmember used an AI application to manipulate a photo of his newborn grandchild. He hopes that the residents "take out the trash."
- Brandon Kantowski (Oaklawn) stated that people don't vote because things don't get done. He stated that he has issues with code enforcement and the police department. He shared his disagreements with an assessment made by the city regarding his neighbor's fence. He aired grievances with the city's telecommunications, stating that he has a lawsuit against the city. He believes that if the courts do not resolve the issue there is a higher judge that will.

6. CONSENT AGENDA

***All items were pulled for discussion.*

6.I. Special City Council Minutes 03.23.2026

Mayor Pro Tem Compian made a motion to approve the minutes as submitted. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

6.II. Agreement

Mayor Pro Tem Compian identified that the fixed price is \$19,000. He clarified that while there are 8 video interviews, they are conducted with the council, and only the four finalists are invited for a final interview.

Clarifications ensued regarding contingencies in the contract.

Mayor Bell reiterated the council's belief that the council should have access to all applications.

Mayor Pro Tem Compian made a motion to approve the agreement with two amendments to include pre-approved direct advertising costs and a 6-month evaluation of the city manager. Councilmember Yancy seconded. **MOTION CARRIED UNANIMOUSLY.**

6.III. Interlocal Agreement

Mayor Pro Tem Compian asked clarifying questions regarding the partnerships,

requesting that not only Galveston County Drainage District #2 be included but also with Galveston County Drainage District #1.

Mayor Pro Tem Compian made a motion to authorize the negotiation of interlocal agreements with both Galveston County Drainage Districts #1 and #2 . Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

6.IV. Approval of Change Order No. 2 for Waterline Rehabilitation Project (E019-1013)

Councilmember Griffin questioned if the streets listed were part of the original program. It was clarified that they were not part of phase 1 but were identified in the original scope.

Mayor Pro Tem Compian asked clarifying questions regarding the financing capacity.

Councilmember Yancy made a motion to approve Change Order No. 2 for Waterline Rehabilitation Project (E019-1013). Councilmember Griffin seconded. **MOTION CARRIED UNANIMOUSLY.**

6.V. Approval of Change Order No. 14 - Citywide Sanitary Sewer Rehabilitation Project

Mayor Pro Tem Compian identified that this particular change order is the realization of savings.

Public Works Director Breaux shared that he will be bringing an updated map of this project to a future City Council meeting.

Mayor Bell shared concerns regarding organization and project management.

Mayor Pro Tem Compian made a motion to approve Change Order No. 14 for the Citywide Sanitary Sewer Rehabilitation Project. Councilmember Griffin seconded. **MOTION CARRIED UNANIMOUSLY.**

7. OLD BUSINESS

7.I. Public Information Policy

City Clerk Nance identified that the policy is relatively similar to the policy previously presented to council with amendments relating to the role of the attorney. Since the previous meeting, the public information team had held a training session with the Olson & Olson public information attorneys and had been given some templates to begin the process of submitting requests for the attorney general's opinions in house. The police public records division is now definitively a function of the city clerk's office.

Mayor Pro Tem Compian requested that the name of the law firm be removed from the policy. Therefore, if that were to change, the policy would not be affected. He also shared concerns regarding the cost of public information requests, stating that "we're not a wealthy city and our residents are not wealthy."

Clarifying discussions regrading cost estimates, pricing structures, and the cost of physical vs digital media ensued.

City Clerk Nance emphasized that the work of the city clerk's office is paid for by the taxpayers, so if a request takes 10 or 15 hours, and the council does not want to charge the requestor for that time, then the taxpayers are paying for

those working hours that are not being utilized by the city, but for an individual.

Councilmember Lowry shared his perception and dismay with the public information process, providing anecdotes of receiving clarification requests and how he does not believe that is proper. He clarified that while he believes this is "a way to block open records", it also happens in other cities.

Discussions regarding an indigency policy ensued.

Councilmember Lowry made accusations stating that the cost analysis "depends on the person," and gave another anecdote about the public information process in League City, TX.

Councilmember Lowry was asked to bring back a proposal for an indigency policy.

Councilmember Lowry shared his dismay that he is not able to access public information requests from months or years prior, giving an anecdote about police videos he once received, asking for the item to be tabled because he wanted "to do some more digging on this."

Councilmember Griffin identified that Councilmember Lowry was supposed to bring back information regarding the cost of public information requests to the council for this discussion, and asked if he would be bringing that to a future meeting with the indigency policy.

City Clerk Nance stated that there is a cost to hosting data indefinitely on the public information platform.

Mayor Bell identified that both the positions of Councilmember Lowry and City Clerk Nance could be true. However, the city would need to find a way to navigate this situation to where the public has the access to information they desire without it becoming overly burdensome to the taxpayer.

Mayor Pro Tem Compian made a motion to approve the public information policy with a 6-month review. Councilmember Griffin seconded. **MOTION CARRIED UNANIMOUSLY.**

8. NEW BUSINESS

8.1. Agreement

Chief Frankland gave a brief overview of the project, which will allow for administrative offices for the police department.

Dinh Ho, Engineer, clarified questions regarding drainage infrastructure in the area and how it will affect the project.

Councilmember Yancy made a motion to amend the City of La Marque's Parks Master Plan to include the Mac McGaffey Highland Bayou Park and Mahan Park Habitat Management Plan. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

9. CITY MANAGER REPORT STOOD AS SUBMITTED.

9.1. January and February 2026 Water Loss Report

9.II. Public Works Update

Discussions regarding illegal dumping ensued, differentiating the process between debris concerns on private property and public property.

Extensive conversations regarding debris pickup ensued.

Mayor Bell identified that city parks are an opportunity area. Public Works Director Breaux spoke of a plan to address some of the concerns presented.

Councilmember Lowry stated that the debris concerns should be a Waste Management issue, but called them “lazy.”

10. EXECUTIVE SESSION

There was no executive session.

11. ACTIONS TAKEN FROM EXECUTIVE SESSION

No action was taken.

12. REQUESTS AND ANNOUNCEMENTS

Councilmember Griffin declined to comment.

Councilmember Lowry stated that the BTR event was a huge success. He requested the audit findings and clarification on the traffic change at Main Street. He thanked Breaux and Worth for their assistance with getting streetlights repaired, and requested that the forensic audit be expedited.

Councilmember Yancy agreed that the BTR event was amazing stating that it was one of the best she has seen since 2019. She has requested a replacement street sign on Meadow Lane.

Mayor Pro Tem Compian expressed her condolences to the family of Walter Manuel, as he attended his funeral services earlier in the day. He identified a City of Texas City sign in front of the IHOP, thanked the residents of District B for no code violations during the district sweep, spoke of a need for road access near Fleming. He also offered advocacy for the county road project to repair the bridge on Fleming and requested that the city consider load limits on asphalt roads. He thanked Keep La Marque beautiful, Colleen Chilcoat, and the employees of Public Works, for their work on the cleanup. He presented the city with “No dumping” signs to help address concerns.

Mayor Bell congratulated the people of La Marque for an amazing BTR Bayou Fest event celebrating a positive, safe event. He congratulated the La Marque Student Council for winning awards during their competition season as well as Council Districts A and D for their cleanup events, as well as the KLMBC for their cleanup efforts this weekend. He requested a report on the history of Change order 14 and the surrounding events. He gave a brief summary of the meeting the council held. With TxDOT on the previous Thursday. Mayor Bell reiterated his request for evaluation of code and pw.

13. ADJOURNMENT

Mayor Pro Tem Compian made a motion to adjourn. Councilmember Lowry seconded.

MOTION CARRIED UNANIMOUSLY.

***Meeting was adjourned at 8:27 p.m.*



**CITY OF LA MARQUE
CITY COUNCIL
REGULAR MINUTES
of
March 23, 2026**

1. CALL MEETING TO ORDER

Mayor Bell called the meeting to order at 6:03 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

All assembled stated The Lord's Prayer in unison and Chief of Police Byron Frankland.

4. PRESENTATIONS

4.1. Introduction: Library Director - Ashley Welborn

New La Marque Library Director Ashley Welborn was introduced to the community. He believed that the library has great potential, and he looks forward to helping it grow.

Mayor Bell also thanked Tom Hansen and the library staff for their dedication during this time of transition.

5. CITIZENS PARTICIPATION

- Robert Harvey stated that his friend is world-famous for first amendment rights advocacy and is in attendance. He and his friend represent the opposite of a council member who he believes hates the first amendment.
- Jason Doe (*Pseudonym*) stated that a council member had violated the Texas penal code by claiming to be a Texas Ranger. He requested an investigation. He stated that the council member cannot love and work for anyone if they don't love and work for themselves.
- Re'Chard Loftis stated that any council member that does not vote for fixing the air conditioning in the council chambers is "fired." He requested training, tools and materials needed to do the job in Code Enforcement and Public Works. He wants to see these departments succeed. He asked for certified staff and

materials for the asphalt zipper. He thanked Chief Merryman for always answering his calls in relation to code enforcement. There's a problem at the corner of Bellview and Lake, and he wants it fixed.

- Robert Michetich (Curlew) welcomed the new Library Director. He thanked Finance Director Ferguson for adding substance to the finance report. He asked for a cost analysis of the plan review and inspection. He spoke against a "hit piece" on a former contractor. He shared his thoughts regarding the city's handling of permits and documents, which was not complimentary.
- Clarence Caldwell thanked Mayor Pro Tem for the information he was given. He spoke of a landscaping issue in his neighborhood that provided a visual barrier and a hazard. He stated that asphalt work had been done on Newman Rd.
- Brandon Kantowski (Oaklawn) has concerns about a police record report he was given stating that he has received some of the same reports that were received in a different format. He is not looking to tie up the city, he is just asking for transparency on what was said between his neighbor and the police department, as he has been accused of some very serious crimes. He said he has been complaining about officers for about a year. He believes it is in the public interest to release these records. There is a mild issue in the police department building as well as their hearts.

6. PUBLIC HEARINGS

***Mayor Bell recessed the Regular meeting and entered into Public Hearings at 6:30 p.m.*

- 6.I. Ordinance No. O-2026-0008
There was no public comment.
- 6.II. Ordinance No. O-2026-0009
There was no public comment.

7. CONSENT AGENDA

***Mayor Bell closed the Public Hearings and reconvened the Regular Meeting at 6:32 p.m.*

Mayor Pro Tem Compian made a motion to approve the consent agenda as presented. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

- 7.I. Regular City Council Minutes 03.09.2026
- 7.II. Regular City Council Minutes 02.23.2026
- 7.III. Regular City Council Minutes 05.12.2025
- 7.IV. Regular City Council Agenda 02.10.2025

7.V. Ordinance No. O-2026-0008

7.VI. Ordinance No. O-2026-0009

7.VII. Resolution No. R-2026-0009

7.VIII. Approving Annual Financial Report (AFR) Audit Engagement Letter for Calendar Year 2025

8. OLD BUSINESS

8.I. Finance Committee

Councilmember Lowry received clarity regarding the creation of a waste, fraud, and abuse policy.

Mayor Pro Tem Compian received clarity regarding reserve funds and emergency expenditures and requested language that allows for a "for cause" penalty if the city manager fails to meet the annual financial audit deadlines. Mayor Bell requested that the language requested by Mayor Pro Tem Compian be memorialized in a resolution. He also clarified that the city currently has a Waste Fraud and Abuse policy in the employee handbook that will be expanded upon at this council's request. He thanked the Finance Committee for their diligence in this process. He requested that the city "tie" the department's overtime budget to the salary line item. He believes the council should receive a monthly overtime report as the overtime spending is out of control. Brief discussions regarding overtime processes ensued. Mayor Pro Tem Compian requested that the safeguards requested by the Mayor be implemented in the next fiscal year.

Discussions regarding emergency and reserve funding ensued.

Mayor Pro Tem Compian asked the council to consider the recommendations that they believe would be best addressed in a charter amendment.

Councilmember Lowry thanked Finance Director Ferguson for his dedication.

Councilmember Griffin made a motion to accept the recommendations from the Finance Committee. Councilmember Lowry seconded. **MOTION CARRIED UNANIMOUSLY.**

8.II. Boards and Commissions

No action taken.

9. NEW BUSINESS

9.I. Public Information Policy

Councilmember Lowry requested that this item be moved to the next agenda so that he could speak with other cities.

Interim City Manager Holly requested changes to reflect less reliance on the contracted attorneys and reflect oversight of the police records division by the

city clerk's office.

Mayor Pro Tem asked clarifying questions regarding the flowchart attachment and suggested a maximum charge for public information requests, as the residents do not have the ability to pay high costs for records requests. Councilmember Lowry stated his opinion that if a city does not want to give a requestor the records they are asking for, they charge an "astronomical rate to block the record." He gave a spirited personal anecdote of a scenario where he believed this happened.

City Attorney Knebel reminded the council that the item was noticed for a policy. If the council wanted to speak on specific requests, they have the right to notice that discussion separately.

City Clerk Nance explained the staffing hours of the multiple departments that are involved with responding to a request, emphasizing that whether the city charges for the request or not, there are costs associated, such as staff time and materials. The cost estimate structure is the Texas State Legislature's recommendations for recovering those costs.

Councilmember Lowry asserted that sending clarification requests was not legal. This was disproven by City Attorney Knebel and City Clerk Nance, who clarified that while the city cannot ask for the reason the request is being made, it has a duty to try to narrow the scope of the request if it addresses a cost issue.

Mayor Bell stated that this is an opportunity for the council to find a solution to this area of heartburn.

Councilmember Lowry stated that there is a "two-sided system," again expressing his heartburn about the city's public information process.

Mayor Bell acknowledged that Councilmember Lowry has the most experience with this process, and he is currently in a position to improve the process.

City Clerk Nance empathized with Councilmember Lowry's sentiment but declared that they were "factually incorrect" stating that the state of Texas identifies any public information requests placed within a 24-hour period as the same request. That is why these requests are categorized that way. She stated that the same records her office hears from upset residents about information being withheld and released, "That's part of the job," but she isn't making those decisions unilaterally. "We have to operate in fact, not feeling - and sometimes we let our feelings cloud the fact that the law says what the law says." She does not have feelings regarding what information is released or not, she could even know what the end result of a opinion request could be, but she has a process to follow.

Finance Director Ferguson shared his concerns with implementing a "hard max" on costs, citing some of the more voluminous requests that the city has received and the time and personnel required to fulfill the request.

THIS ITEM WAS TABLED.

9.II. Emergency Expenditure

Councilmember Yancy made a motion to approve the emergency expenditure to replace air conditioning units at 1109-B Bayou Road. Councilmember Griffin seconded. **MOTION CARRIED UNANIMOUSLY.**

10. CITY MANAGER REPORT

***Items 10. I, 10.II, and 10.III were pulled for discussion.*

- 10.I. February 2026 Municipal Court Monthly Stats
Councilmember Griffin asked clarifying questions regarding community service.
- 10.II. Development Services Report
DVS Director McConnell
Video.
- 10.III. Finance Report
Mayor Pro Tem Compian asked questions regarding certain expenditures in the city's check register.
- 10.IV. City Clerk Report
- 10.V. Items for the Good of the Order
Interim City Manager Holly announced a grant received by the city for shoreline stabilization at the Mac McGaffey Highland Bayou Park, three awards received by the Houston Galveston Area Council, the State of the Cities event on March 26th, the Springtime Smiles event at the library, Spring Cleanup, BTR Cajun Throwdown, and Hurricane Huddle events.

11. EXECUTIVE SESSION

There was no executive session.

12. ACTIONS TAKEN FROM EXECUTIVE SESSION

No action taken.

13. REQUESTS AND ANNOUNCEMENTS

Councilmember Griffin recognized Hayley Elementary and the Texas City Independent School District for Art in the Parks project. April is Walk Awareness Month and she is partnering with the Vera Bell Gary Family Center for an event. She would like to bring bike safety awareness to the city, in collaboration with Police Chief Frankland, who is a resident expert. She announced that a walk/ ride event is being planned at the levee in October with more information to come. And a proclamation for the monarch butterfly pledge, garden club working on cemetery flower beds. She spoke regarding an apartment complex on Ave B that has become a dump site. She asked for information regarding new street signs.

Councilmember Lowry requested a sign for Mac McGaffey Highland Bayou Park. He thanked provisions for their grant work. He asked for Facebook updates on the Mac McGaffey Highland Bayou Park page. He thanked La Marque Police Department for "cleaning up the streets." He also announced the Easter egg hunt for the visually impaired hosted by the La Marque Fire Department.

Councilmember Yancy announced a resident's movie that is being released on Amazon Prime, and shared her congratulations. She announced the opening of the new La

Marque High School. She asked for water rate education for residents. She also requested the pavement of alleyways in District A. She congratulated La Marque Police Department for their work on Rosalee stating that when you report it, things will get done. She requested a proclamation for teachers week in May and an update on the Juneteenth and Life & Liberty events.

Mayor Pro Tem Compian announced that Queen of Peace Church is having their annual Palm Sunday walk. He is tired of all the other cities being listed as the best place to live for seniors and not La Marque. He is aiming to prove that La Marque is the best place to live.

Mayor Bell announced Flock the Block on Saturday at College of the Mainland, requested a report on LM2050 and the State of the Cities is Thursday, March 26. He attended the ribbon cutting at the new La Marque High School campus, and shared his pride in the La Marque High School boys basketball team for their consistency of character, passion for their craft, and belief in themselves. He also recognized the members of the La Marque High School football team that assisted with serving the community during the holiday season.

14. ADJOURNMENT

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

MOTION CARRIED UNANIMOUSLY.

***Meeting was adjourned at 8:14 p.m.*

INTERLOCAL COLLECTION AGREEMENT

STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF GALVESTON

§

Agreement is made and entered into by, between and among the County of Galveston (County), acting by and through its County Commissioners' Court, the City of La Marque (Taxing Entity), acting by and through its governing body and Galveston County Tax Assessor Collector, Cheryl E. Johnson (Assessor Collector) for collection of La Marque Public Improvement District (PID) #1 assessments on property located within the Taxing Entity's jurisdictional boundaries.

RECITALS

WHEREAS, County and Taxing Entity are political subdivisions of the State of Texas, organized and existing under the laws of the State of Texas; and,

WHEREAS; Assessor Collector is an elected public official charged with the responsibility of the assessment and collection of certain property taxes levied by certain taxing authorities within the boundaries of Galveston and Harris Counties; and

WHEREAS, as set forth in Local Government Code §372.0175, a municipality may contract with the governing body of another taxing unit to perform the duties of the municipality relating to collection of special assessments; and

WHEREAS, County and Taxing Entity each levy a tax or assessment against property located in the taxing jurisdictions of both; and,

WHEREAS, the parties find that coordination of the collection of a special assessment tax on property located in the geographic boundaries of both County and Taxing Entity would be expedient, cost effective and mutually beneficial and would promote governmental efficiency;

NOW, THEREFORE, as authorized by the Local Government Code §372.0175 and Government Code Chapter 791, the parties hereto enter into this Agreement in accordance with the terms and for the purposes and considerations herein expressed.

SERVICES TO BE PERFORMED

Assessor Collector will be responsible for collecting a special assessment on La Marque PID #1 properties located in the Taxing Entity. Assessments will be provided each September 30th by the Taxing Entity or its PID administrator and shall be included on the consolidated tax statement that will be sent to each property owner who owns property located within City and PID boundaries on or before October 10th of each calendar year, or as soon thereafter as practicable. Such consolidated tax statements shall also include taxes owed to any other participating taxing entity that, in Assessor Collector's opinion, should be included on such statement.

Assessor Collector shall use all available resources as provided by County to collect such assessment prior to the taxes and assessments becoming delinquent.

Assessor Collector may prepare and deliver separate tax bills for Taxing Entity Special Assessments if the assessment rate for each property is not provided by September 30th of each year. If Taxing Entity or its administrator has not provided the assessment by such date, and if separate bills are prepared and delivered, Taxing Entity shall pay the reasonable additional costs incurred by Assessor Collector in preparing and mailing these separate bills.

If a property owner is entitled to a refund, County and Assessor-Collector are authorized to make the refund on collected accounts on Taxing Entity's behalf and withhold the amount of the refund from current collections.

Taxing Entity shall require the Galveston Central Appraisal District to include PID coding on each appropriate parcel so that the Assessor Collector can bill, collect, disburse and provide, upon request, a report showing receipt of all assessments, penalties and interest paid by parcel number to the Taxing Entity.

Assessor Collector shall provide Taxing Entity a monthly report reflecting the total amount of current and delinquent assessments, penalties and interest collected within the PID by tax year on Taxing Entity's behalf.

PAYMENT & COST OF SERVICES

Pursuant to §372.018(b) of the Local Government Code, the parties agree that Assessor Collector is entitled to a reasonable fee for the services performed under this Agreement, not to exceed the actual costs incurred by County. Accordingly, Taxing Entity agrees to pay the fees as specified below.

A per parcel rate for the collection, posting, balancing, reporting, and distribution of current and delinquent assessments, an annual amount not to exceed \$0.27 per parcel. Appropriate sums will be due and payable to the Assessor Collector at the conclusion of the January payment cycle or no later than April 1. The annual payment shall be listed by total parcel count within the PID and will automatically be adjusted each year to reflect the actual parcel count as of the most current assessment billing roll for the tax year.

All expenses incurred by Assessor Collector in issuing Taxing Entity refunds on overpayment or erroneous payment caused by errors on the part of Taxing Entity shall be included as a charge against Taxing Entity. The Assessor Collector will issue an itemized billing of such expenses and shall receive a timely reimbursement from Taxing Entity. Expenses incurred by Assessor Collector shall be available for review by Taxing Entity upon request.

REMITTANCE OF COLLECTIONS

All assessment rolls, billing, accounting and collection activities performed by Assessor Collector for Taxing Entity shall be the same as and included with County activities performed by Assessor Collector. Payment options, penalties and interest shall be the same for PID assessments as property tax payments (e.g. quarter payments, delinquency dates). Collections of Taxing Entity shall

be remitted daily to Taxing Entity, upon validation of receipt and availability of funds for distribution from the County depository.

All delinquent assessments, penalties and interest for Taxing Entity collected by Taxing Entity's delinquent tax attorneys after July 1 of the first year such taxes are delinquent and all delinquent taxes, penalties and interest for prior years shall be credited in full to Taxing Entity upon request of the property owner or if payable to the Taxing Entity. In the event that the property owner makes no such request, delinquent assessments, penalties, and interest remitted shall be credited proportionately, as billed, to all taxing jurisdictions in the County.

TERMS OF AGREEMENT

This Agreement shall be for an initial period commencing August 1, 2026, and ending July 31, 2027. Notwithstanding the foregoing, collection services to be provided by Assessor Collector shall begin with the 2026 tax year. This Agreement will be automatically renewed on an annual basis unless either party to this Agreement chooses to cancel this Agreement for an upcoming renewal term by giving the other party notice of such cancellation by June 1st of each year.

Tax Assessor Collector shall provide Taxing Entity with notice by April 1 of each year of any change in the per parcel price for services provided.

In the event this Agreement is not renewed, the parties shall work together expeditiously to enable Taxing Entity to obtain such information it requires to do so to re-establish its own collection efforts or to enable another entity to collect the assessments on its behalf. Taxing Entity agrees to reimburse County its actual cost for transferring this information upon receipt of an invoice from Assessor Collector.

MISCELLANEOUS PROVISIONS

Upon request, Assessor Collector shall provide a computer printout of the annual special assessment roll of Taxing Entity showing all current and delinquent assessments owing by parcel number.

Upon request, Assessor Collector shall furnish a monthly report showing the total amount of assessment, penalty and interest due on delinquent parcels by parcel number.

Upon request, Assessor Collector shall provide Taxing Entity with its best estimate of current, delinquent, and total collection rates for the current or an upcoming year.

Assessor Collector shall provide or make available for inspection any other information it has which affects the collection of Taxing Entity's assessment upon the request of Taxing Entity for the purpose of administration, auditing, reporting or any such legitimate business purpose.

Taxing Entity shall not make any claim for damages against Galveston County, its elected and appointed officials and employees as a result of any mistake or error in tax collection efforts for Taxing entity save and except for any acts of fraud, theft or malfeasance.

DELINQUENT TAX ATTORNEY

Taxing Entity retains the exclusive authority to hire its own legal counsel to represent it to enforce collection of delinquent assessments. The County and/or Assessor-Collector shall cooperate with the delinquent collection attorney so designated, and shall deduct from the monies to be tendered to the Taxing Entity such fees as are earned by said attorney pursuant to said contract.

This Interlocal Tax Collector Agreement is signed and made effective this ____ day of _____, 2026.

County of Galveston

City of La Marque

Mark Henry, County Judge

Keith Bell, Mayor

Attest:

Attest:

Dwight Sullivan, County Clerk

City Secretary of La Marque

Cheryl E. Johnson, PCC, CTOP

Key Focus Areas

A. PUBLIC SAFETY Ensure a safe and secure environment through proactive measures, community partnerships, and effective resource allocation.

B. GROWTH & DEVELOPMENT Cultivate an economically diverse and thriving community that attracts businesses, fosters innovation, and supports prosperity for all.

C. JOB CREATION & ECONOMIC VITALITY Plan and manage La Marque's growth to ensure a desirable and sustainable future, including business planning and development.

D. QUALITY HOUSING & NEIGHBORHOOD DEVELOPMENT Encourage diverse, high-quality housing options and vibrant neighborhoods that enhance community well-being.

E. LEISURE SERVICES (Sports & Entertainment) Expand recreational and entertainment opportunities to enrich residents' lifestyles and attract visitors.

F. HEALTH & HUMAN SERVICES (Including Wellness & Nutrition) Advance wellness and nutrition programs while enhancing access to essential services for a healthier community.

G. FINANCIAL STABILITY & CITY HEALTH Maintain sound financial practices to ensure the city's fiscal health and sustain essential services.

H. UPGRADE CITY SERVICES & INFRASTRUCTURE Provide reliable city services and modernize infrastructure to support current and future needs.

I. REGIONAL COLLABORATION Strengthen partnerships with regional stakeholders to address shared challenges and leverage collective opportunities.

J. CELEBRATING CITY VALUES, CULTURE & HERITAGE Honor and promote the city's unique identity, fostering pride and unity through cultural events and historical preservation efforts.

The Strategic Implementation Plan

2025-2030 Policy Updates, Comprehensive Master Plan, a Focus on Infrastructure Improvements & Foundational Economic Development.

2030-2040 Transform the City of La Marque into “The” Place to Live, Work & Thrive.

2040-2050 Establish La Marque as a Regional Leader in Innovation, Investment & Sustainable Growth.

Measurable Goals

1. Double Business Investments Over the Next Decade
2. Enhance Infrastructure & Capacity for City Services to Meet Future Demands
3. Provide a Diversity of Housing, Education, Healthcare & Job Opportunities
4. Improve & Support the Lifestyle for Our Families & Community

2050

Strategic Visioning Plan

Building a Better Tomorrow, Together.



OFFICE OF ECONOMIC DEVELOPMENT ■

■ CITY OF LA MARQUE



Keith Bell
Mayor, City of La Marque

As Mayor of La Marque, I am honored to champion our community’s shared vision for 2050. This initiative not only reflects our aspirations but underscores the responsibility

we bear to ensure that La Marque becomes a beacon of safety, opportunity, and quality living for all who call it home.

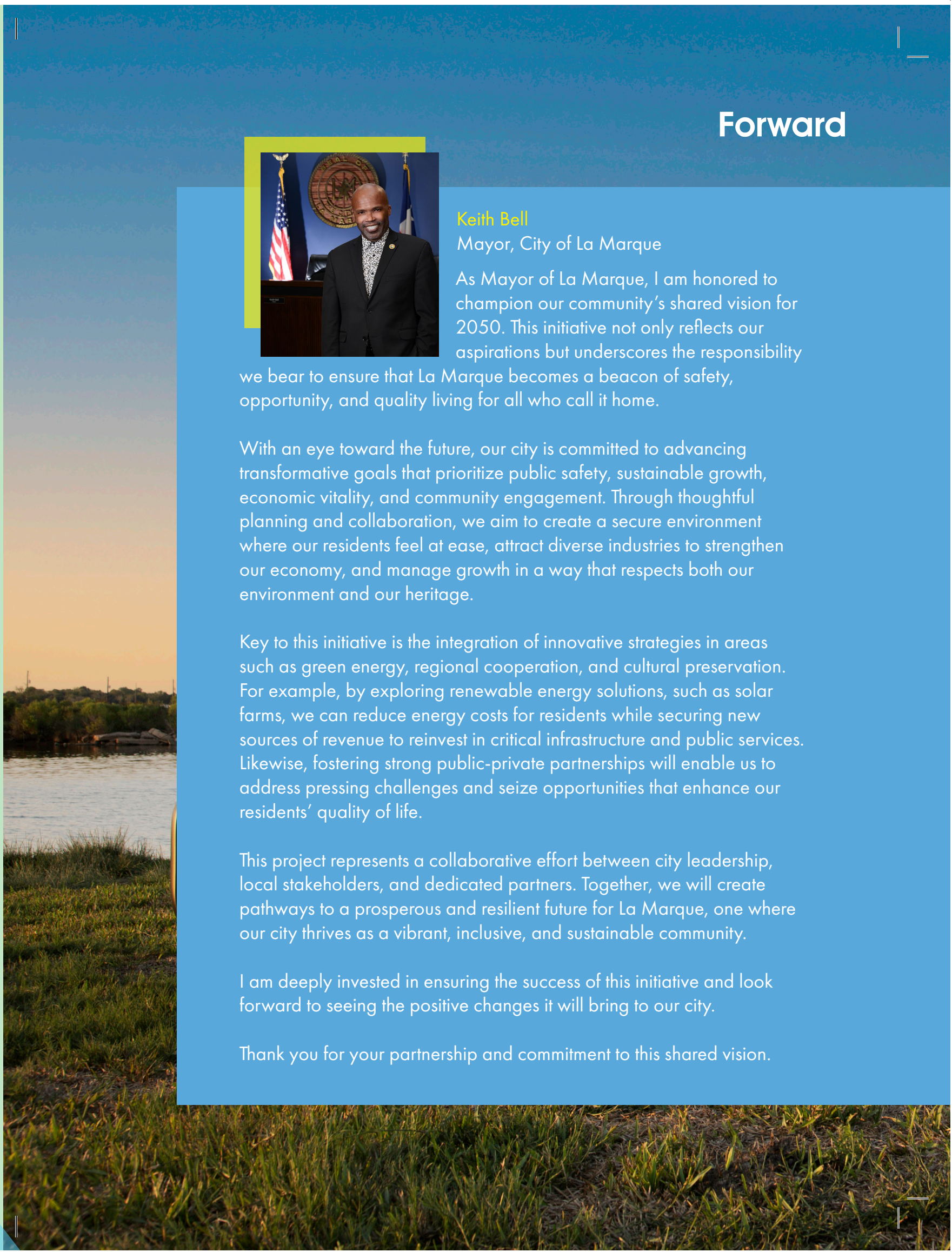
With an eye toward the future, our city is committed to advancing transformative goals that prioritize public safety, sustainable growth, economic vitality, and community engagement. Through thoughtful planning and collaboration, we aim to create a secure environment where our residents feel at ease, attract diverse industries to strengthen our economy, and manage growth in a way that respects both our environment and our heritage.

Key to this initiative is the integration of innovative strategies in areas such as green energy, regional cooperation, and cultural preservation. For example, by exploring renewable energy solutions, such as solar farms, we can reduce energy costs for residents while securing new sources of revenue to reinvest in critical infrastructure and public services. Likewise, fostering strong public-private partnerships will enable us to address pressing challenges and seize opportunities that enhance our residents’ quality of life.

This project represents a collaborative effort between city leadership, local stakeholders, and dedicated partners. Together, we will create pathways to a prosperous and resilient future for La Marque, one where our city thrives as a vibrant, inclusive, and sustainable community.

I am deeply invested in ensuring the success of this initiative and look forward to seeing the positive changes it will bring to our city.

Thank you for your partnership and commitment to this shared vision.



Forward

On behalf of the La Marque Economic Development Committee,
We are excited to support our city's efforts for the 2050 City's Vision,
"Building a Better Tomorrow, Together."

This initiative aligns with our commitment to fostering sustainable growth, attracting new businesses, and enhancing the quality of life for all residents. By prioritizing green energy solutions, public-private partnerships, and regional collaboration, we aim to build a vibrant, resilient economy that serves our community's present and future needs. Together, we can position La Marque as a model of innovation and opportunity.

Thank you for your support and collaboration as we work toward a prosperous future for our city.



Economic Development Committee



Alex Getty
Executive Director



Cleveland Lane
Secretary



Gene Smith
Chairman



Tracie Steans
Board Member



Joe Compain
Board Member



James Osteen
Board Member

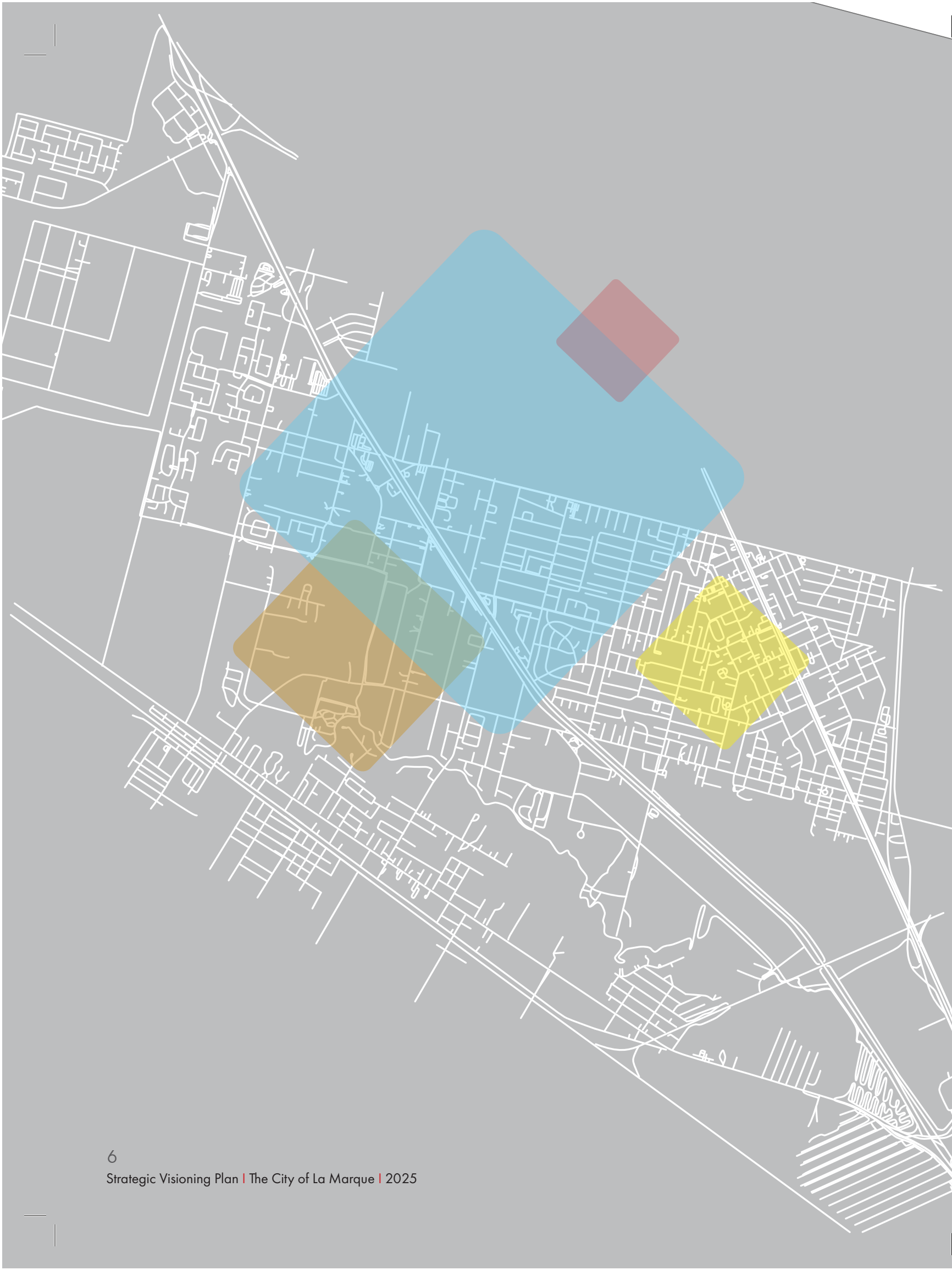


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Vision Statement

Building a Better Tomorrow, Together.

Building on our strong foundation, we are transforming La Marque into a hub of opportunity, innovation, and an improved quality of life. Our city is poised to thrive as a center for economic growth, business expansion, and community well-being.

Together we can ...

Shape La Marque's future.

Explore opportunities.

Invest in progress.

Experience the transformation.



Economic Development Corporation
La Marque, Texas



Executive Summary

To implement the strategies Identified in this document the city must move forward with a master plan that will highlight actionable development opportunities in keeping with the direction and spirit of the strategic plan. La Marque city leaders, under the direction of the Economic Development Corporation must also periodically re-examine the goals and objectives of the strategic plan as well, as the policies and specific actions that will be identified in the long range master plan. The plan should be updated every 3 years to reflect current economic and social conditions to ensure that the city’s vision remains in line with the community’s priorities.

Key Focus Areas

- A. PUBLIC SAFETY**
Ensure a safe and secure environment through proactive measures, community partnerships, and effective resource allocation.

B. GROWTH & DEVELOPMENT
Cultivate an economically diverse and thriving community that attracts businesses, fosters innovation, and supports prosperity for all.

C. JOB CREATION & ECONOMIC VITALITY
Plan and manage La Marque’s growth to ensure a desirable and sustainable future, including business planning and development.

D. QUALITY HOUSING & NEIGHBORHOOD DEVELOPMENT
Encourage diverse, high-quality housing options and vibrant neighborhoods that enhance community well-being.

E. LEISURE SERVICES (Sports & Entertainment)
Expand recreational and entertainment opportunities to enrich residents’ lifestyles and attract visitors.
- F. HEALTH & HUMAN SERVICES (Including Wellness & Nutrition)**
Advance wellness and nutrition programs while enhancing access to essential services for a healthier community.

G. FINANCIAL STABILITY & CITY HEALTH
Maintain sound financial practices to ensure the city’s fiscal health and sustain essential services.

H. UPGRADE CITY SERVICES & INFRASTRUCTURE
Provide reliable city services and modernize infrastructure to support current and future needs.

I. REGIONAL COLLABORATION
Strengthen partnerships with regional stakeholders to address shared challenges and leverage collective opportunities.

J. CELEBRATING CITY VALUES, CULTURE & HERITAGE
Honor and promote the city’s unique identity, fostering pride and unity through cultural events and historical preservation efforts.



The Vision Where We Are Headed



Why La Marque

La Marque’s strategic location between Houston and Galveston provides an unparalleled advantage for economic development and livability. With a growing population, expanding industries, and a commitment to innovation, La Marque is set to lead the region in job creation, business opportunities, and community transformation.

Rooted in strong family values and a tradition of leadership, La Marque is home to generations of residents who take pride in their community. The city fosters a high quality of life, where families thrive, businesses grow, and local leaders continue to shape its promising future for people to live, work and play.

Future of Innovation & Prosperity

La Marque will be a place where businesses thrive, visitors experience unparalleled hospitality, and residents enjoy a high quality of life. By fostering an environment of growth and collaboration, our city will become a premier destination for investment, development and future generations.

Leadership Commitment

Our city leadership is dedicated to executing this vision with clear strategies, measurable goals, and ongoing community engagement.



A. Public Safety & Community Well-Being

- Strengthen community safety and security programs
- Expand community youth sports and education programs
- Promote access to quality health and wellness services

B. Growth & Investment: A Roadmap to Prosperity

- Increase city revenues through key investments and developments



C. Business & Economic Development

- Establish investment incentives and tax benefits for businesses
- Leverage public-private partnerships to drive civic and economic expansion
- Develop business incubators and entrepreneurial support programs

D. Housing & Neighborhood Revitalization

- Encourage high quality mixed-use developments
- Attract national home builders and developers to provide quality housing at varying price levels
- Create sustainable neighborhoods that promote a better lifestyle

E. Parks & Quality of Life

- Upgrade amenities in the park system to promote the community's quality of life
- Expand green spaces, recreational facilities, and provide a community center
- Continue to improve the quality of city infrastructure systems

Strategic Priorities for 2025-2050



Community Visioning

- Host workshops for public & stakeholder feedback to address evolving needs.
- Use surveys & forums to gather actionable insights.
- Promote unity between East & West La Marque with shared initiatives.



Data-Driven Focus

- Identify priorities through land use & crime mapping.
- Tailor strategies using demographic & economic data.



Key Priorities

- Enhance public safety with improved lighting levels & community policing.
- Develop a variety of mixed-use & housing stock.
- Foster economic growth by attracting businesses with partnerships & incentives.
- Improve parks & recreational access.



Quick Wins

- Upgrade infrastructure, roadways, & pathways.
- Improve La Marque's brand identity & visibility.
- Strengthen regional collaborations.



Long-Term Framework

- Kick off a Master Plan task force aligned with the 2050 Vision.
- Set measurable objectives for growth & sustainability.
- Identify opportunities for public-private partnerships.





PHASE 1 Foundational Growth

How We Get There The Strategic Implementation Plan

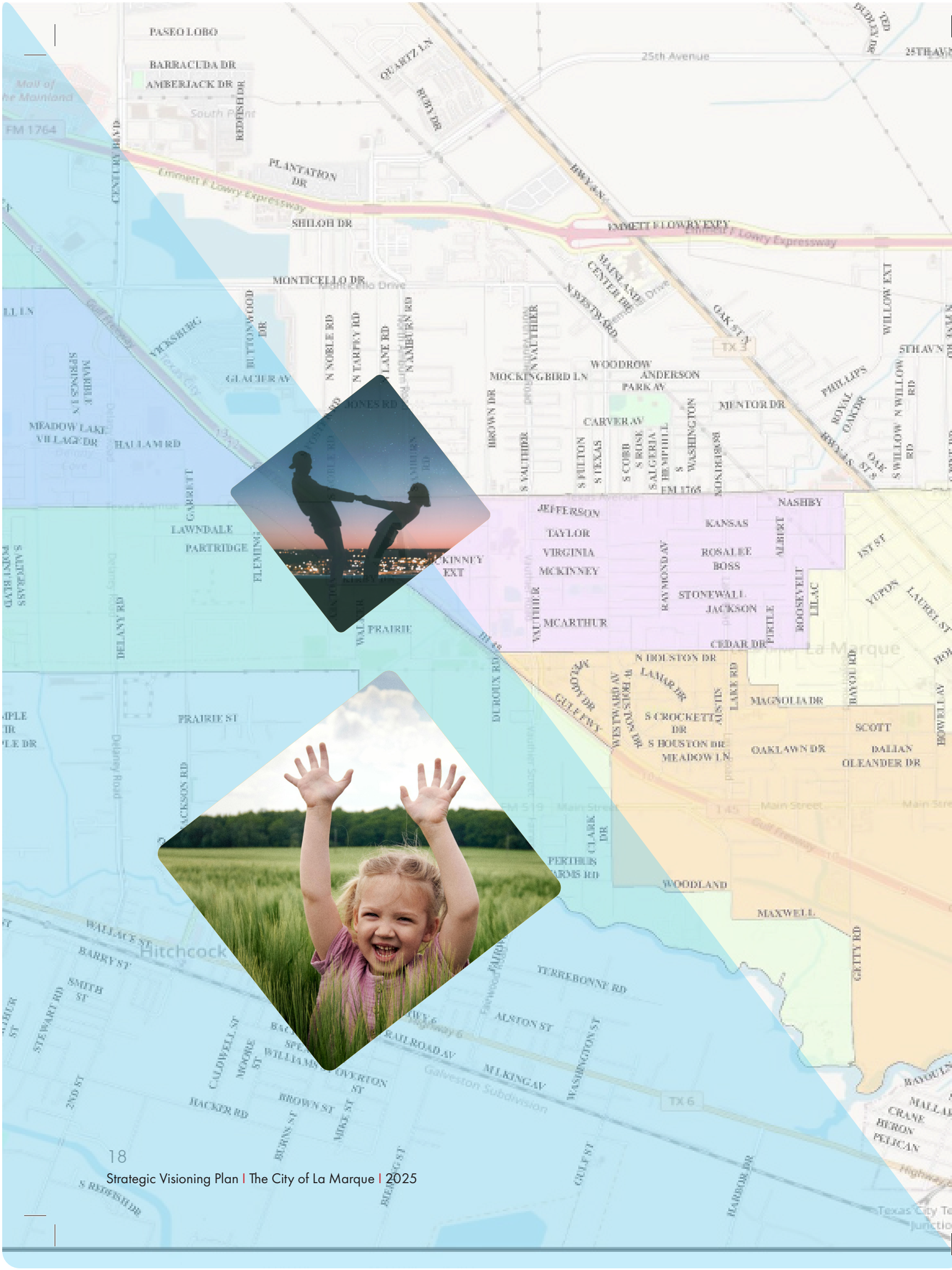
2025-2030
Policy Updates, Comprehensive Master Plan,
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2030-2040
Transform the City of La Marque into “The”
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PHASE 2 Transformational Growth

PHASE 3 Sustainable Growth

2040-2050
Establish La Marque as a Regional Leader
in Innovation, Investment & Sustainable Growth.



Measurable Goals

1

Double Business Investments Over the Next Decade

2

Enhance Infrastructure & Capacity for City Services to Meet Future Demands

3

Provide a Diversity of Housing, Education, Healthcare & Job Opportunities

4

Improve & Support the Lifestyle for Our Families & Community



Our Time Has Come.

La Marque’s Journey to a Vibrant Future.

La Marque stands for something extraordinary. We are not just another city along the Gulf Coast; we are a place of resilience, heart, and endless potential. For too long, La Marque has been seen as a pass-through town on the way to somewhere else, but not anymore.

Today, we take bold steps toward becoming the destination, the home, and the future that our community deserves. Let’s discover why.

Our Legacy is Strength in Unity.

Our city was built on dreams of people who believed in what this place could be. Generations of families have called La Marque home, planting their roots deep in our rich soil. They have weathered storms, economic shifts, and catastrophic changes such as Covid; but through it all, the people of La Marque have stood strong demonstrated by a shared commitment to each other.

As neighboring communities evolve and grow, we cannot afford to “stand pat” and watch opportunities pass by. Our proximity to Houston and Galveston gives us an edge, but it’s our people, our pride, our work ethic, but more importantly, our desire to improve that makes La Marque stand out.

The choices before us is clear.

We can lead, or we can follow. And La Marque has never been a city that follows!

“La Marque is the second fastest-growing city in Galveston County, with an estimated population of approximately 20,000.”

Its strategic location offers 14.3 miles of I-45 frontage more than any other city in the county, positioning it advantageously between Houston and Galveston. With a yearly growth rate of 4.01% and a daytime population of over 300,000, La Marque is uniquely poised to lead in regional development and seize the opportunities of the future.

Source: City of La Marque Community Outlook





A Commitment to Community.

This journey isn't just about constructing buildings or paving roads, it's about building a stronger future together.

We're not just creating places to live, work, and play, we're creating communities. Our plans will reflect the voices of the people who call La Marque home, creating youth sport programs, great educational opportunities and local partnerships ensuring that all citizens thrive.

"We are building communities, not just structures where every voice matters & every dream has a place to grow."

The city's commitment to revitalization is evident in projects like *Imagine La Marque 2017*, *Renaissance District Revitalization Plan* which focuses on enhancing the historic district to attract businesses and residents.

Source: The City of La Marque Community Outlook



Our Future, is a Story of Transformation

Cities around the world have shown us what's possible when vision meets action. Look at Sugar Land, which turned its downtown into a thriving cultural hub. Look at Galveston, which harnessed its charm to draw visitors and opportunity. La Marque is poised to write its own success story, but one that's uniquely ours.

Together, We Lead.

This is our moment to rise. The decisions we make today will ripple across generations, shaping the lives of our children and their children after them. Let's make those decisions boldly, with courage and with confidence. Let's embrace the responsibility to leave a legacy of progress, hope, and pride.

"La Marque's population growth fuels economic transformation"

Between 2020 and 2024, La Marque's population increased from 18,030 to an estimated total of 20,194 - an increase of 12%. This growth reflects the city's ongoing development and the positive effects of strategic decisions on community expansion.

Source: Data Commons



2015 Strategic Plan Review & Community Goals

The following list of 12 critical issues were previously identified for the La Marque Strategic Economic & Community Development Plan 2015. The list provides current updates to the critical issues identified. Additional comments have been provided.

1. Infrastructure Improvement Plan

- A. \$8 million on water line upgrades. (Phases 1 & 2 of 8 grant projects are in progress.)
- B. \$48 million in grant funding on wastewater upgrades, including repair/replacement of manholes and lift stations in 2024. Waste water treatment plant expansion in the design phase. Applying for two additional grants totaling \$10 million and \$11 million for 2025.
- C. \$3.3 million in funding for stormwater improvements and master plan.
- D. \$5.5 million for sidewalk improvements, bridge replacement, street maintenance, and street lighting improvements.
- E. \$0.75 million on park improvements.

2. Blight Reduction

- A. Ordinances were created to address blight. (Re: Chapter 71 of the Code)
- B. Code enforcement staff has been increased from one to five.

- C. 120-125 vacant and dilapidated structures have been demolished.
- D. EDC investment at 1130 1st. Street for its new office.
- E. EDC commissioned a study to revitalize the historic Renaissance District - *Imagine La Marque 2017*.
- F. Basic landscaping and signage guidelines were created in the city Code of Ordinances which have begun being implemented.

Recommendations

1. Streamline the city's ability to address blight issues and rigorously enforce it.
2. Provide an approved list of plant species that create the desired visual impact which are indigenous to the coastal plain region.
3. I-45 is a barrier that separates East La Marque from West La Marque. The streets that cross I-45 and run east and west must be designed to minimize the barrier and strengthen this connection to facilitate the "One-City" concept.

3. Interstate 45 Plan

- A. Zoning and development guidelines have been included to protect & enhance improvements along the La Marque I-45 corridor.
- B. The city has been in discussions with TxDOT to provide amenities at the different I-45 entry/exits.

2. Communication Plan

- A. EDC created a position for a Public Relations Specialist in 2016 to provide these services.
- B. Community newsletter is published and distributed quarterly.

Recommendation

Rather than fitting the program to existing buildings, facilities should be designed based on programming needs. The best option for locating civic buildings can be determined during the future master plan phase. For example, a "City Center" complex of municipal buildings can be provided with new facilities for the police department, public works, city council, and city hall to the west of I-45 in conjunction with a new mixed-use development. In addition, opportunities to support upgrades in east La Marque can revitalize that area of the city.

5. Community Center Plan

- A. An existing metal building located at 4916 Texas Avenue is designated as the community center, directed by the Park Recreation Board.

Recommendation

Determine the most appropriate location to benefit the entire city.

6. Quality Public Education

- A. Responsibility for educating La Marque students is being shared by four ISDs – Texas City, Hitchcock, Santa Fe, and Dickinson – all four school districts have plans for future expansion.

7. Grocery Store Plan

- A. The city has had discussions with retail recruiters along with store outlets such as HEB, Kroger, Trader Joe's, and Aldi, Walmart and Sam's Stores. Two small meat and produce stores – DG Market and Mike's Store - currently exist.

8. Expanded Tax Base Strategy

- A. Through different strategies the city has increased its worth from \$750 million in 2016 to \$1.3 billion in 2021.
- B. Barriers to new development continue to exist including perceived high crime rates, poor infrastructure, and blight.
- C. East La Marque is perceived as an underserved area. West La Marque is perceived as a "better investment opportunity" for development. This inequality must be addressed.

Recommendation

A portion of the triangular-shaped land between SH 3 and FM 146 that is south of Texas Avenue is zoned for light-industrial use. Increase the tax base, by zoning the area for predominantly light industrial use. This can support Texas City's refineries east of FM 146, while serving as a buffer for residents living west of SH 3 in case of a plant explosion at the refineries.

Recommendation

Texas City does not allow residential improvements or permits for the land south of Texas Avenue to minimize health and safety concerns for its citizens. La Marque should instigate the same restrictions for the triangular area east of SH-3.

The city must continue to facilitate commercial development along SH-3. The new commercial uses must support new residential development in the historic Renaissance District. For example, provide retail facilities such as barber shops and hardware stores in lieu of tire repair and replacement shops.

New market tax credit strategies include:

- The city of La Marque should capitalize on the New Markets Tax Credit (NMTC) program established to stimulate investment opportunities for not-for-profits, operating businesses, and real estate projects located in low-income communities.
- Community Development Entities (CDEs) apply annually to the U.S. Treasury Department for delegated authority to sell these federal tax credits. The proceeds from that sale are then used to fund investments, typically structured as low-interest rate loans, in qualifying businesses or commercial real estate developments.
- NMTCs were not designed to be a primary source of funding, but they can be an excellent option to fill a gap in funding for projects that make economic sense.
- NMTC net proceeds can fund up to 20-25% of a project and are paired with capital campaign proceeds, owner equity, borrowed funds, or other available tax credits and incentives.

9. Economic Development Plan

- A. The city and EDC are working with businesses and developers to provide incentives depending on the merits of the projects.
- B. Tax abatements are assigned on a sliding scale.
- C. Developed two incentive programs in the last 18 months – Sign Grant and \$500 Chamber Grant.

Recommendation

La Marques leadership is focused on building a resilient community, with opportunities for continued growth and prosperity by cultivating holistic solutions for short and long-term economic development activities delivered with both public and private partnerships and incentives. The La Marque 2050 Strategic Plan provides unbiased and transparent guidance with which to frame the requirements of a new master plan while allowing city and community leaders to make more informed decisions and offer the opportunity "to tell your story" to various audiences – from residents to new development partners. All planning starts with a vision of the future and strategic economic development guided by a vision and community stakeholder input, which ultimately leads to policies, strategies, and goals that support growth and prosperity. This includes:

- Identifying the community's vision for a better tomorrow.
- Outlining a strategy to move forward with a comprehensive master planning effort.
- Create a local & regional economic development strategic plan.
- Policy positioning & development.
- Revitalization strategies.
- Retail & small business support strategies.
- Public-Private Partnership (P3) strategies targeting economic & real estate development partners.



Recommendation (Continued)

- Stakeholder education & engagement
- Project facilitation, implementation, & evaluation
- Strategic funding planning & implementation
- Prioritize public Infrastructure development
- Prioritize private investment strategies
- Create a comprehensive & engaging marketing & communications campaign.

10. Compensation Improvement Plan

- A. In 2017, the city updated the compensation plan for city employees based on comparative data from established standards such as what the HGAC publishes and offers.

11. Expanded Youth Recreation Program

- A. The city has designated Building A at 4916 Texas Avenue as its youth center. During the master plan phase identify opportunities for locating the community and youth center.
- B. Youth programs have been initiated including the Youth Council, Fire Department Explorers, and the Police Department Explorers.

12. Lemonade Day Plan

- A. The city has developed an ongoing Lemonade Day Plan which would teach business skills, life skills, and mentorship to elementary school-age students. Currently, there is minimal participation. Explore ways to increase participation.



VISIONING MEMORANDUM

Developing a Vision Statement & Guiding Principles
to Guide Planning Efforts for

“Building a Better Tomorrow, Together.”



Methodology

- Stakeholder meetings were conducted in September 2024 to gather impactful feedback.
- November 2024 Visioning Workshop brought community leaders together to develop shared goals.

Decision-Making Tools

- **Vision Statement:** Defines La Marque’s future direction.
- **Guiding Principles:** Framework to achieve the vision, supported by policies, plans, and actionable strategies (e.g., incentives, capital improvements).

Crafting the Vision Statement

- **Traits of a strong vision:** Brief, clear, inspiring, achievable, and future-focused.
- Focus on desirable traits to embody the future of La Marque.

Guiding Principles

- Guidelines for key areas like community character, growth, destinations, housing, infrastructure, and finances.

Vision Statement

- Envisions La Marque as innovative and economically robust while preserving small-town charm.
- Sustainability integrated into daily life.

Guiding Principles Overview

- **Economic Opportunity:** Vibrant economy with small businesses and skilled labor.
- **Safety:** Safe, welcoming community for residents and investors.
- **Infrastructure:** Sustainable, modern systems.
- **Amenities:** Green spaces, trails, and event areas as economic and quality-of-life assets.
- **Identity:** A unique brand that celebrates diversity and draws regional visitors.
- **Capacity Building:** Empower residents through partnerships and programs.
- **Housing:** Diverse housing options to meet all needs.
- **Governance:** Long-term strategies for high-quality services and fiscal responsibility.

Visioning Workshop Results

- **Key words identified by groups:** Safety, innovation, community-driven, diversity, and progress.
- Sample vision statements highlight safety, inclusivity, sustainability, and economic growth.

Guiding Principles Group Exercises

- **Group A:** Safety, infrastructure, recreation, and economic development as top priorities.
- **Group B:** Focus on safety, small business support, diversity, and family-oriented programs.
- **Group C:** Affordable housing, tourism, and improved infrastructure.

Additional groups added insights into healthcare, arts, education, and cultural events.

Conclusion

A comprehensive plan with actionable principles ensures La Marque thrives as a safe, inclusive, and innovative city.

Guiding Principle 1

Foster Economic Opportunity

Create a thriving economy by fostering a network of small businesses, a skilled and rewarded workforce, and a forward-looking approach. Leverage regional strengths in energy, aerospace, health, maritime, and conservation, along with advantages in rail, coastal access, and available land. Attract progressive businesses that align with La Marque's culture through incentives, marketing, and the opportunity to be part of something unique.

Guiding Principle 2

Promote a Sense of Safety & Comfort

Build a safe, comfortable city rooted in community responsibility and trust between residents, investors, and safety partners. Foster communication and responsiveness while making intentional improvements, from street lighting to community facility placement, to enhance safety and comfort.

Guiding Principle 3

Construct Sound Infrastructure Systems

Develop and maintain sustainable infrastructure that meets community needs in a fiscally responsible way. Build modern water, wastewater, and storm drainage systems using innovative technology, minimizing maintenance while growing with the community. Ensure an accessible, affordable, and adaptable mobility system for all, including transit, vehicles, pedestrians, and cyclists.

Guiding Principle 4

Promote Natural & Cultural Amenities

Recognize green spaces, trails, and recreational amenities as vital to quality of life and economic growth. Expand and update parks as indicated in the parks master plan including the play areas, pools, and community centers for all residents, connecting them through trails, art, and local cultural celebrations. Conserve natural areas as ecological learning labs and opportunities for environmental entrepreneurship.

Guiding Principle 5

Establish a Unified Community Identity

Develop a unique brand for La Marque that unites the community and attracts visitors. Celebrate diversity while embracing ecotourism, cultural tourism, and sports tourism with events, programs, and supporting venues.

Guiding Principle 6

Prioritize Community Capacity Building

Empower La Marque residents to thrive through strong partnerships with the city, local businesses, nonprofits, educational and health institutions, and the faith community. Address community needs with programs, classes, and support facilities, while promoting capacity building to foster local economic prosperity.

Guiding Principle 7

Promote Affordable Quality Housing

Promote investment and reinvestment in local neighborhoods and celebrate the availability of a housing stock with the diversity that can meet a wide variety of needs and desires in a home and overall living environment. Pursue infill and reinvestment opportunities in established neighborhoods as well as new development with a focus on providing a variety of housing types from traditional single family homes and apartment living to other options from townhomes to quadplexes.

Guiding Principle 8

Implement a Program of Good Governance & Fiscal Sustainability

Develop and implement a long-term strategy for La Marque that ensures a high quality of life and sustainable revenue for community facilities, services, and programs. Focus on creating "destinations" that offer strong returns on investment and attract residents, businesses, and visitors. Establish a responsive governance system adaptable to market shifts and community needs.



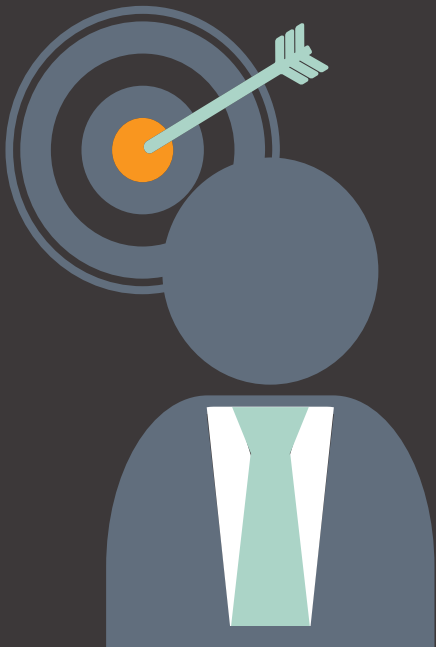
"BUILDING A BETTER TOMORROW, TOGETHER."

NOVEMBER VISIONING I & II WORKSHOP RESULTS



Group Study Key Words

- Location
- Innovation, Opportunity, Forward-Thinking, Progressive (7)
- Mid-County Hub
- Culture (2)
- Nature, Tourism (2)
- Bird City
- Tree City
- Parks
- Conservation
- Beaches
- Music
- Families, Family Oriented (4)
- Fun, Vibrant (2)
- Diverse, Diversity (3)
- Evolving
- Expansion
- Resourceful, Resilient, Flexible, Adaptable (3)
- Community Driven (4)
- Safe, Safety (9)
- Health, Healthy
- Economic Growth (4)
- Development
- Business, Small Business (2)
- Space Research Facility
- Business Friendly
- Small
- Events
- Town Center
- History Focused
- Thriving
- Ecology, Environment
- Greenspace, Openness
- Clean, Beautiful (2)
- Recreation
- Affordable (2)
- Respect
- Friendly, Welcoming (2)
- Excellence, High Standards (2)
- Youth Programs
- Communication, Engaged, Well Connected
- Adequate Infrastructure (2)
- Cohesiveness, Togetherness, Unity
- Effective, Efficiency (2)
- Proactive, Preventative, Striving, Planning (3)
- Financially Sound, Sustainability, Prosperity
- Unique
- Quality of Life
- Literate, Well Informed
- Custom Cars, Bikes
- Manufacturing, Distribution



Group Study

Vision Statement Compilation

1. As a hub of the Mainland, La Marque will create innovative approaches to tomorrow's opportunities today.
2. La Marque will be a diverse, fun, family-oriented city providing a safe environment connecting families and small businesses.
3. To build a vibrant, inclusive city that drives sustainable growth, fosters community, engagement, and attracts tourism, creating a lasting prosperity for all!
4. La Marque will be a safe city, fostering continued economic growth and nurturing a thriving community culture and diversity that actively supports environmental sustainability.
5. La Marque will be an affordable, safe, clean, diverse community for opportunity and growth.
6. La Marque will be a safe, family friendly, affordable community built on respect and commitment to its citizens.
7. La Marque will be an inspired and engaged community providing an effective, informed and safe living environment.
8. La Marque will be a proactive community that brings businesses together to be truly unique, welcomes diversity, and strives to create a high quality of life for all.
9. La Marque will have a qualified, responsible government that embraces the use of innovative practices.
10. To strengthen planning, infrastructure, parks and crime prevention while remaining flexible to an ever-changing environment.



Guiding Principles Group Exercise

Group A

1. **Safety.** Increase safety through continued community policing, neighborhood watches and the citizen's police academy. Provide our community with proper hazard mitigation and disaster preparedness protocols.
2. **Infrastructure.** Improve and maintain critical infrastructure to continue to support the city in its continual growth.
3. **Economic Development.** Maximize land use for sustainable, highest and best use to promote economic development.
4. **Mobility.** Improve mobility utilizing public transportation by completing audits, grants and gathering community insight.
5. **Recreation.** Leverage recreational growth through development of green spaces, parks and other open spaces. Become a Certified City to welcome tourism through our natural resources.
6. **Identity.** Create an identity that defines the City of La Marque.

Group B

1. **Safety.** Promote Safety by encouraging growth with city services such as the Police Department, Fire Department, administration and more.
2. **Economic Development (Small Business).** Promote small businesses by providing incentives & help find ways to occupy vacant commercial properties.
3. **Programs.** Attract families by supporting programs that encourage support for after-school care, extracurricular activities, homeschooling, and summer programs.
4. **Connection.** Promote connection by encouraging churches and nonprofits to do more outreach.
5. **Diversity.** Promote diversity by hosting & highlighting events that lift our citizen's cultures.
6. **Fun.** Promote fun by upgrading and maintaining parks and encouraging businesses that provide family-focused entertainment.

Group C

1. **Infrastructure.** Maintain, improve and expand water and wastewater service as well as the street network.
2. **Employment.** Provide an employer friendly environment to promote job fairs and economic growth.
3. **Affordable Housing.** Develop housing that provides homes for all incomes.
4. **Events.** Create engagement opportunities with citizens as a means of building rapport between the city and its residents.
5. **Entertainment.** Encourage tourism opportunities within the city (movies & skating rink).
6. **Lodging.** Encourage development of hotels, Airbnb, resorts and more to drive tourism.

Group D

1. **Safety.** Become one of the safest cities in the county (cameras, eyes on La Marque, community policing, crime stoppers).
2. **Innovation.** Leverage new technology and community input.
3. **Environment.** Connecting greenspace, green infrastructure, conserving resources, preserving habitat.
4. **Affordability.** Business incentives (support) and job creation (local).
5. **Community Culture.** Amenities (bike trails, playgrounds, renovated parks) and art (murals, bird statues).
6. **Growth.** Jobs, higher education, more developers, new schools (new technology).

STRENGTHS

Strategic Location

- Proximity to Houston & Galveston enhances economic opportunities & tourism appeal.
- Easy access to major highways such as I-45 & other regional thoroughfares.

Community Appeal

- Strong sense of community with small-town charm.
- Family-friendly neighborhoods & affordable housing options.

Growth Potential

- Significant undeveloped land for residential, commercial, & industrial expansion.
- Support for business development through economic incentives.

Cultural & Historical Significance

- Rich history & heritage, including local landmarks & festivals.
- Gateway to the Texas Gulf Coast, a popular destination for tourism & visitors.

OPPORTUNITIES

Economic Development

- Expanding the industrial base with technology, healthcare, & renewable energy sectors.
- Leveraging its location near major ports & distribution hubs to attract logistics companies.

Tourism Growth

- Promoting proximity to Galveston's beaches, entertainment, & cruise terminals.
- Developing eco-tourism & outdoor activities in nearby natural areas.

Community Investments

- Revitalizing downtown & older neighborhoods to enhance aesthetics & livability.
- Expanding recreational (Sports) facilities & parks to improve quality of life.

Regional Collaboration

- Partnering with surrounding cities & counties to attract regional developments & shared resources.

A graphic consisting of four large, overlapping circles in shades of blue and purple. Inside the circles are the letters S, W, O, and T respectively, in a bold, sans-serif font. The circles overlap in a way that creates a continuous horizontal band across the middle of the page.

S

W

O

T

ANALYSIS

“BUILDING A BETTER TOMORROW, TOGETHER.”

WEAKNESSES

Infrastructure Challenges

- Aging infrastructure in business & residential areas, requiring updates to accommodate growth & modern living.
- Limited public transportation options.

Economic Diversification

- Heavy reliance on certain industries, such as petrochemicals, industrial TMS & logistics, could limit economic stability.
- Need for more diverse job opportunities to attract younger entrepreneurs.

Perception Issues

- Struggles with branding & marketing itself as a desirable destination for residents & businesses.
- Limited awareness of the city's unique strengths & opportunities outside the immediate region.

THREATS

Natural Disasters

- Vulnerability to hurricanes & flooding due to proximity to the Gulf Coast.
- Rising sea levels & climate change effects may increase risks. (Levy Protection)

Economic Competition

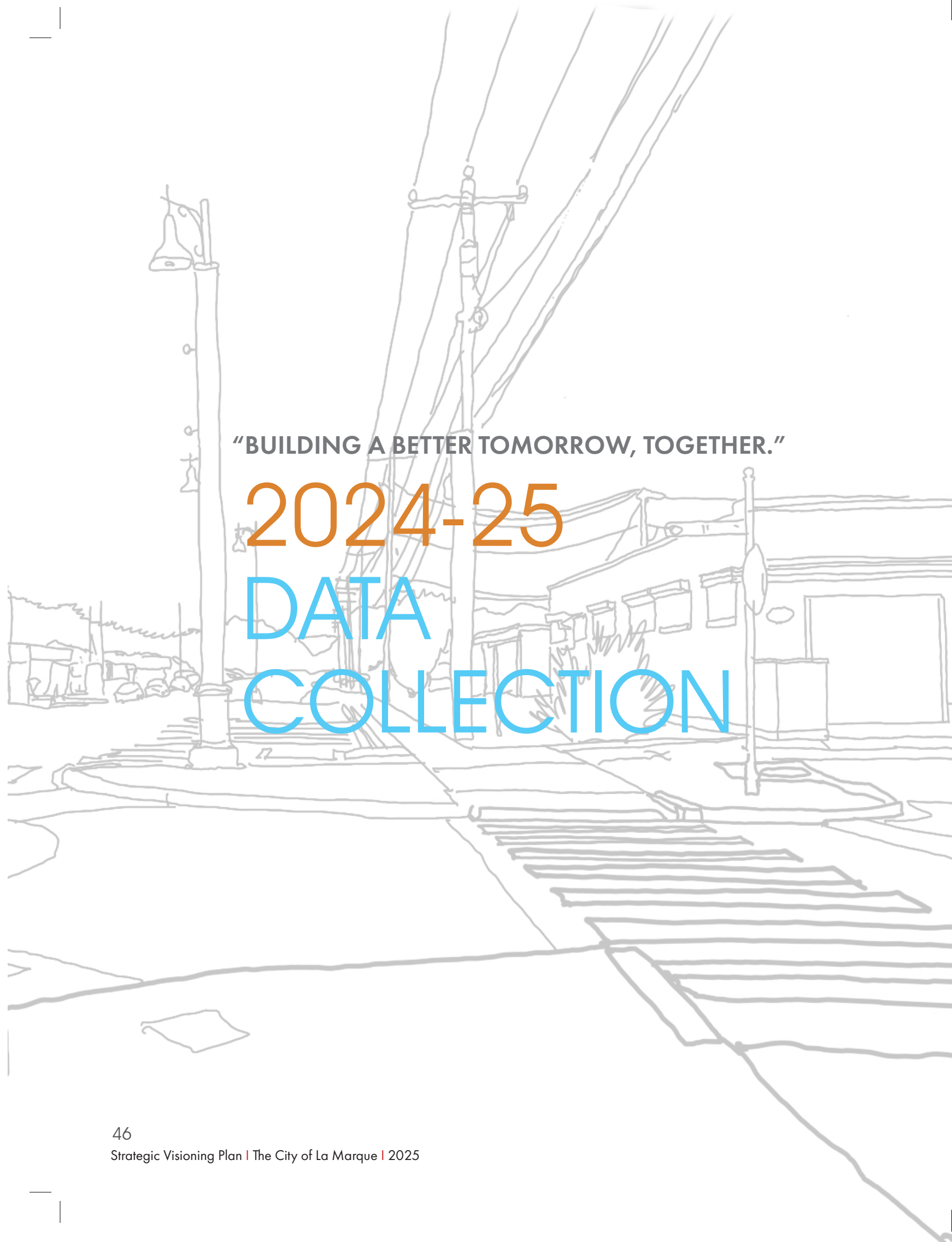
- Neighboring cities like Texas City & Galveston may draw businesses & residents away.
- Challenges in retaining local business opportunities due to better opportunities in larger & safer metro areas.

Slow Population Growth

- Limited growth in population compared to regional averages.
- Risk of stagnation without proactive development initiatives.

Environmental Concerns

- Environmental regulations limit industrial growth.
- Need to balance development with energy production efforts.



"BUILDING A BETTER TOMORROW, TOGETHER."

2024-25 DATA COLLECTION

Data Introduction

The data collection process took several months to complete. It is a critical step in developing an understanding of La Marque's circumstances & issues.

The process includes the following tasks:

- Collected information, studies, and information that the city has already prepared. This included the La Marque Strategic Economic and Community Development Plan 2015, Imagine La Marque 2017 Renaissance District Revitalization Plan, and the Parks Master Plan 2022.
- Collected demographic information from various sources including Galveston County Appraisal District, Census Bureau, Data USA, and the City of La Marque website.
- Information was gathered from interviews with the different city department heads including the Fire Department, Police Department, IT and Facilities, Public Works, and City Engineer. In addition, the information we gathered was supplemented by input from City Manager, the Executive Assistant to the City Manager, and the Executive Director of La Marque Economic Development Corporation (EDC).
- Information was gathered during two meetings with different groups of stakeholders in addition to a presentation and subsequent discussion with the EDC Board Members. Discussion questions included:

What makes La Marque special?

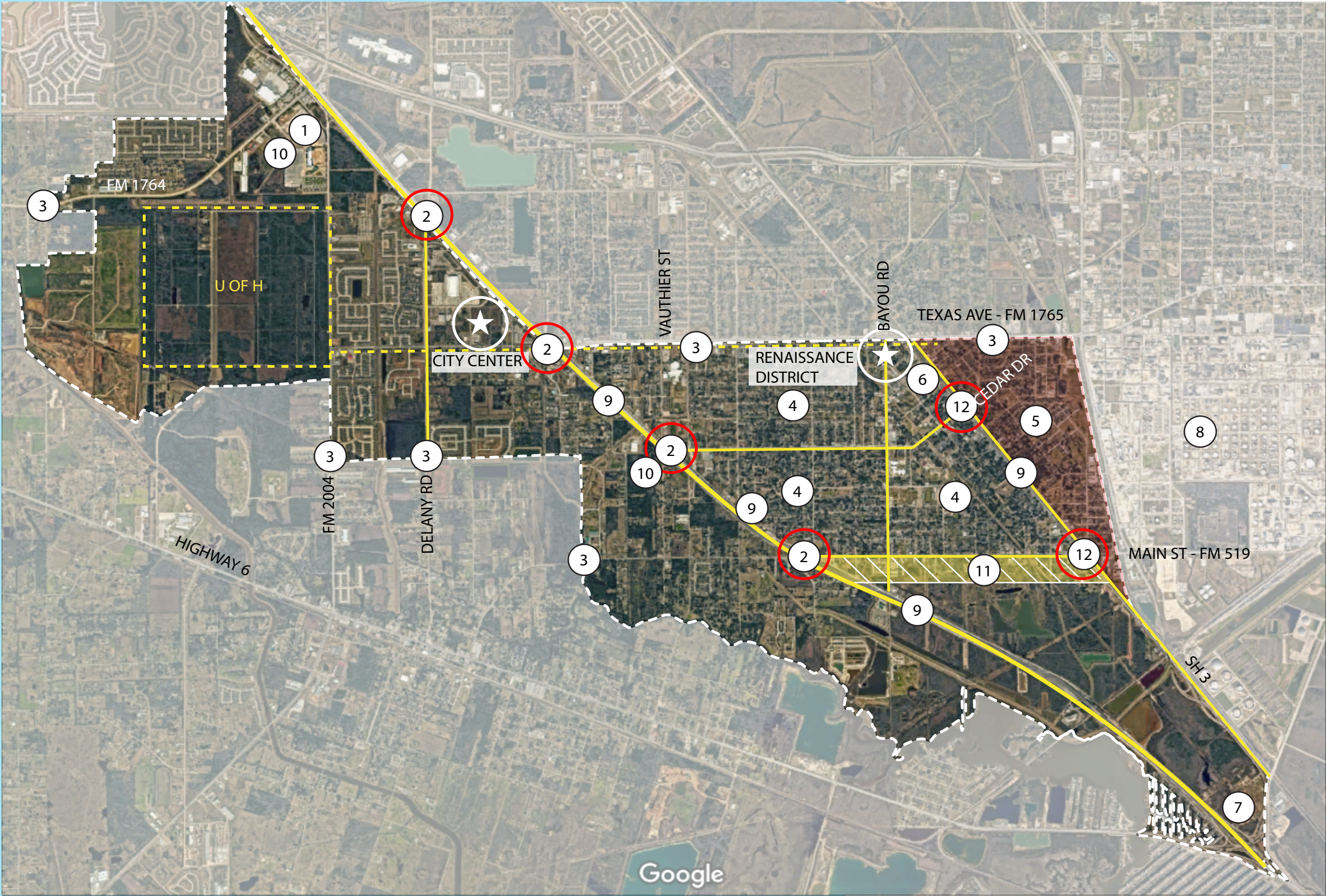
What are the strengths of our community?

What are the weaknesses of our community?

- Information was gathered from the visioning session with approximately 40 people (10 groups of 4 people) including the mayor, department heads, and selected citizens of La Marque. Each group developed a vision statement along with a set of guiding principles that will provide direction for future planning and decision-making.

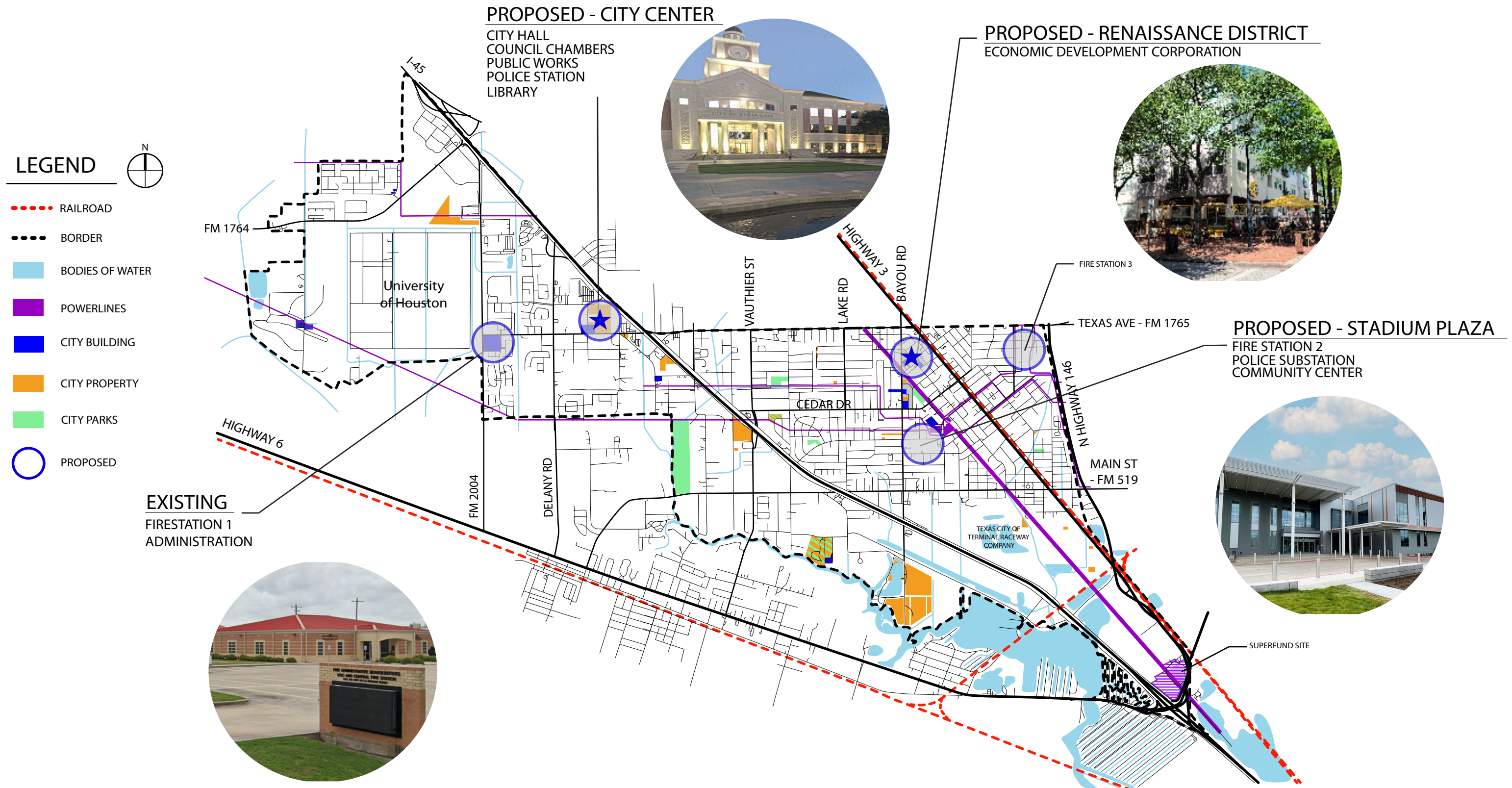
This information will provide a baseline for developing standards and recommendations for future decision making by the City of La Marque.

Preliminary Findings Map



- 1 ENTERTAINMENT SITE
- 2 PROVIDE CITY IDENTIFICATION AT ENTRY / EXITS ON I-45. PROMOTE EAST - WEST CONNECTION.
- 3 DEFINE EDGE OF CITY PERIMETER
- 4 UPGRADE UTILITIES / HOUSING
- 5 PROMOTE LIGHT INDUSTRIAL USE BUFFER NEXT TO TEXAS CITY REFINERIES FOR SAFETY
- 6 "BUTTERMILK STATION" MUSEUM
- 7 SUPERFUND SITE
- 8 TEXAS CITY REFINERIES
- 9 PROMOTE COMMERCIAL & RETAIL DEVELOPMENT ALONG MAJOR THOROUGHFARES
- 10 HOTEL
- 11 PROVIDE COMMERCIAL BUFFER NORTH OF RAILYARD
- 12 PROVIDE CITY IDENTIFICATION AT ENTRY FROM SH-3

City Buildings Proposed Future Locations



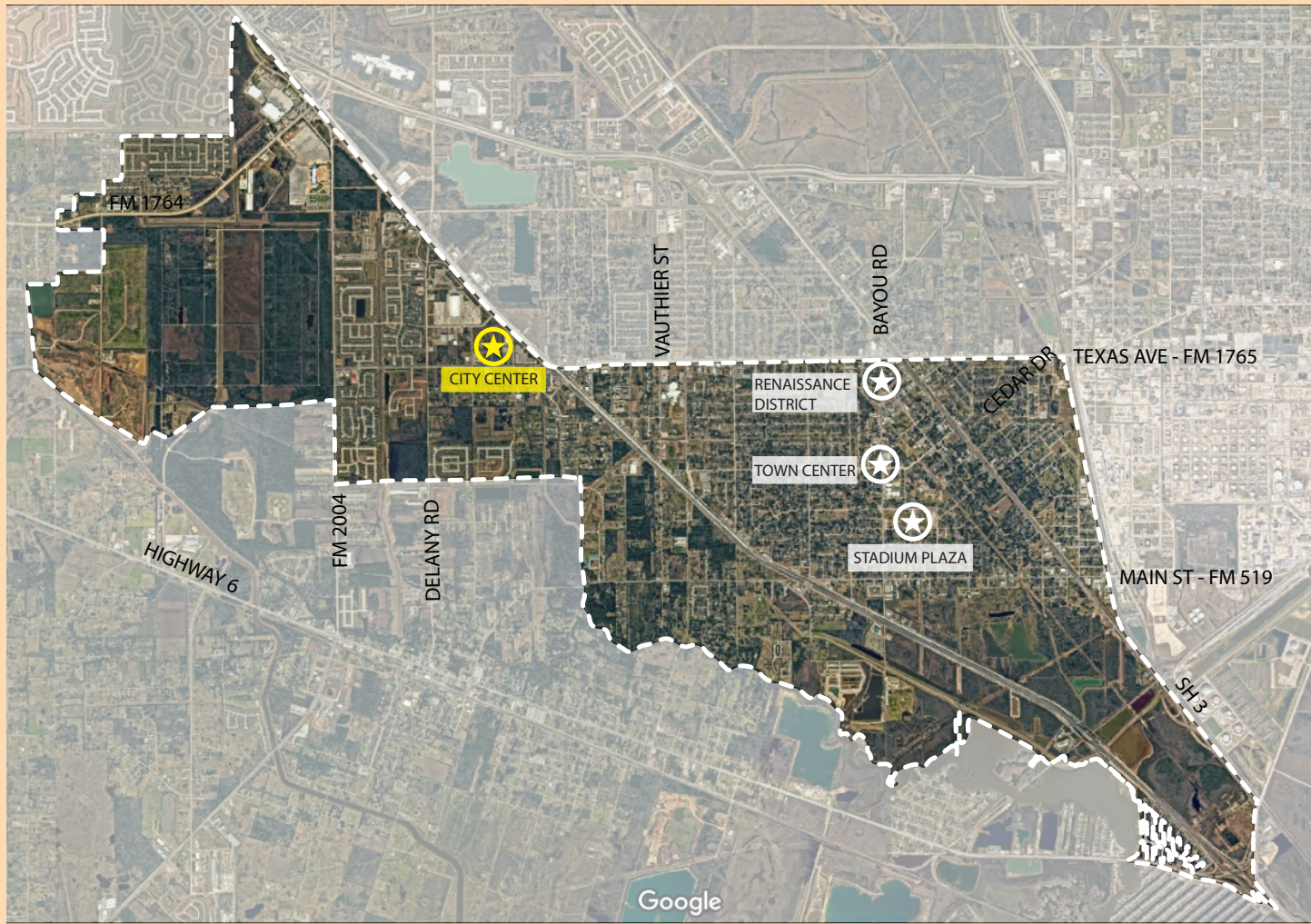
City Center



MULTI-FAMILY



CITY HALL + PLAZA





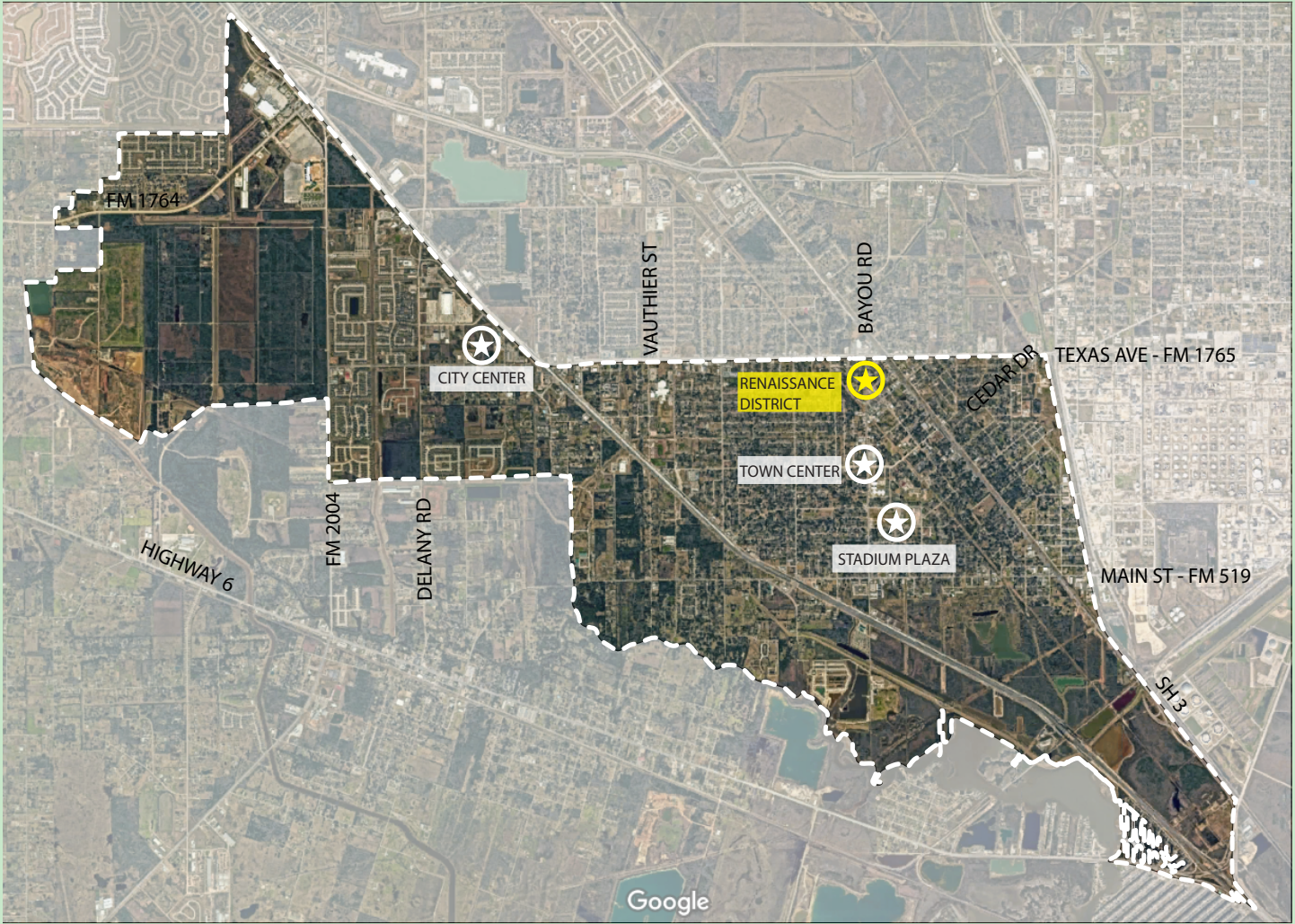
MIXED USE



STREET SCENE



TRAIN STATION MUSEUM



Renaissance District



MIXED USE

INFILL DEVELOPMENT





Strategic Visioning Plan | The City of La Marque | 2025

Closing Statement



“BUILDING A BETTER TOMORROW, **TOGETHER.**”

Invest, Build & Join The Growth.

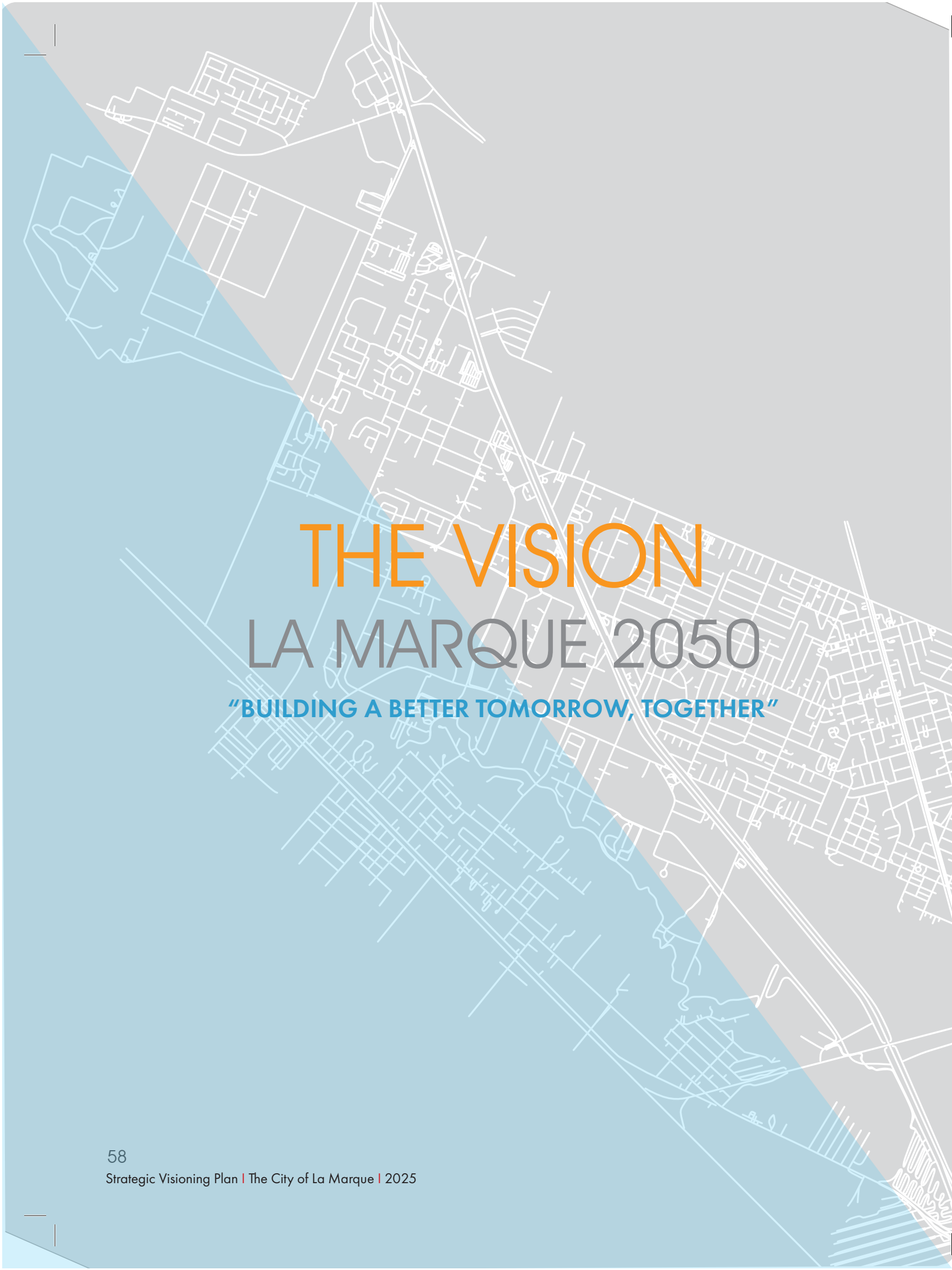
La Marque’s future is bright, and the time to act is now. Whether you’re an investor, developer, entrepreneur, or resident, your role in this transformation is invaluable. Together, we will build a city that thrives on opportunity, innovation, and quality living.

For Investors & Developers

- Discover prime opportunities for commercial and residential projects
- Take advantage of economic incentives and business-friendly policies
- Partner with city leadership to shape La Marque’s transformation

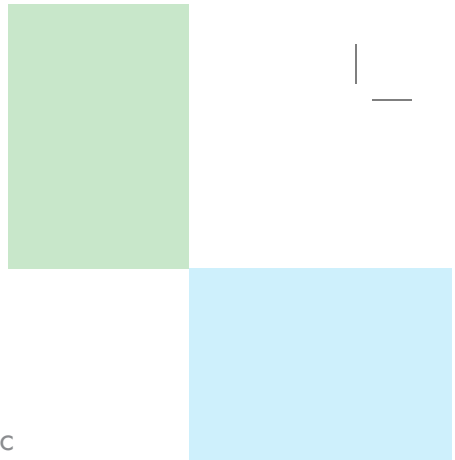
For Business Owners & Residents

- Engage with city initiatives to foster economic and community growth
- Join local programs that support entrepreneurs and workforce development
- Participate in shaping La Marque’s future through civic engagement



THE VISION LA MARQUE 2050

"BUILDING A BETTER TOMORROW, TOGETHER"



We thank the City of La Marque, including Mayor Keith Bell, the Economic Development Corporation Director, Alex Getty, and city leaders for the opportunity to assist with this visioning and strategic effort. Through the different town meetings, we have seen the passion of your citizens and the dedication of your city staff. We are honored to have played a supporting role in shaping this vision and remain committed to supporting its realization.

Through this visioning initiative, we have collaborated with city leadership, stakeholders, and the community to craft a work plan that preserves the rich heritage of La Marque while embracing innovation and sustainable growth. By integrating thoughtful design, responsible infrastructure planning, and a deep respect for community identity, the city is setting the foundation that will advance economic, social, and environmental improvements.

We are "Building a Better Tomorrow, Together" to focus on economic vitality, safety, unity, and community development by improving quality of life. The city can thrive through new business opportunities, vibrant neighborhoods, and public spaces where the community can come together. In other words, it will be a city where people want to live, work, and thrive.

Again, thank you to the City's leadership, stakeholders, and the community for allowing us to lead this process. We look forward to helping La Marque achieve its future goals and aspirations.

Respectfully,



Saul Valentin
Founding Principal, CEO
Collaborate



1206 Nance Street Houston Texas 77002
info@collaborateteam.com



Strategic Visioning Plan | The City of La Marque | 2025



CITY COUNCIL AGENDA FORM

Meeting Date: May 11, 2026

Agenda Item: 7.II.

Prepared by: _____

Reviewed by: _____

Department: City Clerk

AGENDA ITEM DESCRIPTION:

Selecting a Consulting City Attorney for the City of La Marque, TX - *Council*

THIS ITEM WAS TABLED ON APRIL 27, 2026

STAFF BRIEFING:

HISTORY:

FISCAL IMPACT:



CITY COUNCIL AGENDA FORM

Meeting Date: May 11, 2026

Prepared by: Kierra Nance

Department: Finance

Agenda Item: 8.I.

Reviewed by:

AGENDA ITEM DESCRIPTION:

Amending the City of La Marque's prescribed sewer rates - *Finance*

STAFF BRIEFING:

HISTORY:

FISCAL IMPACT:

ORDINANCE NO. 2026-xxx

AN ORDINANCE OF THE CITY OF LA MARQUE TEXAS AMENDING APPENDIX A, SCHEDULE OF FEES AND CHARGES OF THE CODE OF ORDINANCES, CITY OF LA MARQUE, TEXAS BY AMENDING PRESCRIBED WATER AND SEWER RATES 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, Water and Sewer Rates, of the La Marque Code of Ordinances is hereby amended to read as follows:

APPENDIX A: SCHEDULE OF FEES AND CHARGES

Water and Sewer Rates

INSIDE CITY LIMITS: The following rates shall apply to all residential customers of the city water and sewer system:

(a) Water Rates:

Single-Family Residential - Any single-family structure designed for occupancy as a residence whether by owner or by a renter or lessee, including any single-family residence, mobile home, townhouse, or other structure generally considered to be used solely for residential purposes by not more than one family and which is separately metered.

Commercial and Industrial - Any structure designed or utilized for business purposes including office buildings, hotels, shops, retail stores, warehouses, service stations, churches, schools, recreational centers and all other premises, locations, or entities, public or private, not generally considered as Single-Family Residential or Multi-Family Residential.

Multi-Family Residential - Apartments, manufactured home rental communities, and multiple residences on one meter shall pay a minimum water and sanitary sewer charge per Unit. These minimum bill charges shall be applied at the 1" monthly minimum bill charge rates per Unit. The commodity charge for water and wastewater shall be in addition to the monthly minimum bill charge per Unit. As the existing water rate structure is tiered, water commodity charges shall be calculated by dividing the number of Units into the total water usage for the facility and then applying the water commodity rates on a per Unit basis.

Water Commodity (Consumption) Tier Rates Per Thousand Gallons					
Residential					
Tier	FY26	FY27	FY28	FY29	FY30
up to 1,000 gallons	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.50	\$ 2.50
1,001 - 3000 gallons	\$ 4.00	\$ 4.50	\$ 4.50	\$ 5.00	\$ 5.00
3,001 - 6,000 gallons	\$ 6.00	\$ 6.50	\$ 7.00	\$ 7.00	\$ 7.50
6,001 - 9,000 gallons	\$ 8.00	\$ 8.50	\$ 8.50	\$ 9.00	\$ 10.00
9,001 - 12,000 gallons	\$ 10.00	\$ 11.00	\$ 12.00	\$ 14.00	\$ 15.00
> 12,000 gallons	\$ 15.00	\$ 17.00	\$ 18.00	\$ 19.00	\$ 20.00
Commercial/Industrial					
Tier	FY26	FY27	FY28	FY29	FY30
up to 1,000 gallons	\$ 5.00	\$ 5.50	\$ 5.50	\$ 6.00	\$ 6.00
1,001 - 3000 gallons	\$ 7.50	\$ 8.00	\$ 8.50	\$ 9.00	\$ 10.00
3,001 - 6,000 gallons	\$ 10.00	\$ 11.00	\$ 12.00	\$ 14.00	\$ 15.00
6,001 - 9,000 gallons	\$ 15.00	\$ 17.00	\$ 18.00	\$ 19.00	\$ 20.00
9,001 - 12,000 gallons	\$ 20.00	\$ 21.00	\$ 22.00	\$ 24.00	\$ 25.00
> 12,000 gallons	\$ 25.00	\$ 26.00	\$ 27.00	\$ 29.00	\$ 30.00
Multi-Family					
Tier	FY26	FY27	FY28	FY29	FY30
up to 1,000 gallons	\$ 3.00	\$ 3.50	\$ 3.50	\$ 4.00	\$ 4.00
1,001 - 3000 gallons	\$ 5.00	\$ 5.50	\$ 6.00	\$ 7.00	\$ 7.50
3,001 - 6,000 gallons	\$ 7.50	\$ 8.00	\$ 8.50	\$ 9.00	\$ 10.00
6,001 - 9,000 gallons	\$ 10.00	\$ 11.00	\$ 12.00	\$ 14.00	\$ 15.00
9,001 - 12,000 gallons	\$ 15.00	\$ 17.00	\$ 18.00	\$ 19.00	\$ 20.00
> 12,000 gallons	\$ 20.00	\$ 21.00	\$ 22.00	\$ 24.00	\$ 25.00
Base Water Rates (Excludes Charges for Consumption)					
Meter Size	Residential	Commercial/Industrial	Multi-Family		
3/4" or 1"	\$ 15.00	\$ 25.00	\$ 20.00		
1 1/2"	\$ 25.00	\$ 40.00	\$ 25.00		
2"	\$ 40.00	\$ 60.00	\$ 40.00		
3"		\$ 80.00	\$ 75.00		
4"		\$ 100.00	\$ 90.00		
6"		\$ 150.00	\$ 125.00		
8"		\$ 200.00	\$ 150.00		

Senior Rates for Consumption are discounted by \$1.00 per 1,000 gallons

(b) Sewer Rates:

Sewer Commodity (Consumption) Tier Rates Per Thousand Gallons					
Residential					
Tier	FY26	FY27	FY28	FY29	FY30
up to 1,000 gallons	\$ 2.50	\$ 3.00	\$ 3.00	\$ 3.50	\$ 3.50
1,001 - 3000 gallons	\$ 5.00	\$ 5.50	\$ 6.00	\$ 7.00	\$ 7.50
3,001 - 6,000 gallons	\$ 7.50	\$ 8.00	\$ 8.50	\$ 9.00	\$10.00
6,001 - 9,000 gallons	\$ 8.75	\$ 9.50	\$ 9.50	\$10.00	\$11.00
9,001 - 12,000 gallons	\$ 11.00	\$ 12.00	\$ 13.00	\$15.00	\$16.00
> 12,000 gallons	\$ 16.00	\$ 18.00	\$ 19.00	\$20.00	\$21.00
Commercial/Industrial					
Tier	FY26	FY27	FY28	FY29	FY30
up to 1,000 gallons	\$ 7.50	\$ 8.00	\$ 8.50	\$ 9.00	\$10.00
1,001 - 3000 gallons	\$ 10.00	\$ 11.00	\$ 12.00	\$14.00	\$15.00
3,001 - 6,000 gallons	\$ 15.00	\$ 17.00	\$ 18.00	\$19.00	\$20.00
6,001 - 9,000 gallons	\$ 16.00	\$ 18.00	\$ 19.00	\$20.00	\$21.00
9,001 - 12,000 gallons	\$ 21.00	\$ 22.00	\$ 23.00	\$25.00	\$26.00
> 12,000 gallons	\$ 26.00	\$ 27.00	\$ 28.00	\$30.00	\$31.00
Multi-Family					
Tier	FY26	FY27	FY28	FY29	FY30
up to 1,000 gallons	\$ 4.00	\$ 4.50	\$ 4.50	\$ 5.00	\$ 5.00
1,001 - 3000 gallons	\$ 7.50	\$ 8.00	\$ 8.50	\$ 9.00	\$10.00
3,001 - 6,000 gallons	\$ 10.00	\$ 11.00	\$ 12.00	\$14.00	\$15.00
6,001 - 9,000 gallons	\$ 11.00	\$ 12.00	\$ 13.00	\$15.00	\$16.00
9,001 - 12,000 gallons	\$ 16.00	\$ 18.00	\$ 19.00	\$20.00	\$21.00
> 12,000 gallons	\$ 21.00	\$ 22.00	\$ 23.00	\$25.00	\$26.00
Base Sewer Rates (Excludes Charges for Consumption)					
Meter Size	Residential	Commercial/Industrial	Multi-Family		
3/4" or 1"	\$ 20.00	\$ 30.00	\$ 25.00		
1 1/2"	\$ 30.00	\$ 50.00	\$ 35.00		
2"	\$ 50.00	\$ 70.00	\$ 45.00		
3"		\$ 100.00	\$ 80.00		
4"		\$ 125.00	\$ 100.00		
6"		\$ 175.00	\$ 135.00		
8"		\$ 250.00	\$ 175.00		

Senior Rates for Consumption are discounted by \$1.00 per 1,000 gallons

(c) OUTSIDE CITY LIMITS: One and one-half times the charge applied inside the city limits for the same water usage.

Section 2. This ordinance is intended to be cumulative and shall not repeal any provision of a previous ordinance or City Code provision, except to the extent that a provision is inconsistent and cannot be reconciled with this ordinance.

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 the first day of the utility billing period 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, AND APPROVED by the City Council of the City of La Marque on First Reading this ____ day of _____, **2026**; and

PASSED, APPROVED, AND ADOPTED by the City Council of the City of La Marque on Second and Final Reading this ____ day of _____, **2026**.

***** SIGNATURES ON NEXT PAGE *****

[REMAINDER OF PAGE INTENTIONALLY BLANK]

CITY OF LA MARQUE, TEXAS

Keith Bell, Mayor

ATTEST:

Kierra Nance, TRMC, City Clerk

APPROVED AS TO FORM:

Gus Knebel, Consulting City Attorney

Exhibit A:

Combined Consumption Rates					
Residential					
Tier	FY26	FY27	FY28	FY29	FY30
up to 1,000 gallons	\$ 4.50	\$ 5.00	\$ 5.00	\$ 6.00	\$ 6.00
1,001 - 3,000 gallons	\$ 9.00	\$10.00	\$10.50	\$12.00	\$12.50
3,001 - 6,000 gallons	\$13.50	\$14.50	\$15.50	\$16.00	\$17.50
6,001 - 9,000 gallons	\$16.75	\$18.00	\$18.00	\$19.00	\$21.00
9,001 - 12,000 gallons	\$21.00	\$23.00	\$25.00	\$29.00	\$31.00
> 12,000 gallons	\$31.00	\$35.00	\$37.00	\$39.00	\$41.00
Commercial/Industrial					
Tier	FY26	FY27	FY28	FY29	FY30
up to 1,000 gallons	\$12.50	\$13.50	\$14.00	\$15.00	\$16.00
1,001 - 3,000 gallons	\$17.50	\$19.00	\$20.50	\$23.00	\$25.00
3,001 - 6,000 gallons	\$25.00	\$28.00	\$30.00	\$33.00	\$35.00
6,001 - 9,000 gallons	\$31.00	\$35.00	\$37.00	\$39.00	\$41.00
9,001 - 12,000 gallons	\$41.00	\$43.00	\$45.00	\$49.00	\$51.00
> 12,000 gallons	\$51.00	\$53.00	\$55.00	\$59.00	\$61.00
Multi-Family					
Tier	FY26	FY27	FY28	FY29	FY30
up to 1,000 gallons	\$ 7.00	\$ 8.00	\$ 8.00	\$ 9.00	\$ 9.00
1,001 - 3,000 gallons	\$12.50	\$13.50	\$14.50	\$16.00	\$17.50
3,001 - 6,000 gallons	\$17.50	\$19.00	\$20.50	\$23.00	\$25.00
6,001 - 9,000 gallons	\$21.00	\$23.00	\$25.00	\$29.00	\$31.00
9,001 - 12,000 gallons	\$31.00	\$35.00	\$37.00	\$39.00	\$41.00
> 12,000 gallons	\$41.00	\$43.00	\$45.00	\$49.00	\$51.00

Total Bill (Water and Sewer)									
Residential - Non Senior									
Tier	Current	FY26	FY27	FY28	FY29	FY30			
1,000 gal	\$ 35.37	\$ 39.50	\$ 40.00	\$ 40.00	\$ 41.00	\$ 41.00			
2,000	\$ 43.13	\$ 48.50	\$ 50.00	\$ 50.50	\$ 53.00	\$ 53.50			
3,000	\$ 51.72	\$ 57.50	\$ 60.00	\$ 61.00	\$ 65.00	\$ 66.00			
4,000	\$ 60.31	\$ 71.00	\$ 74.50	\$ 76.50	\$ 81.00	\$ 83.50			
5,000	\$ 68.90	\$ 84.50	\$ 89.00	\$ 92.00	\$ 97.00	\$ 101.00			
6,000	\$ 78.57	\$ 98.00	\$ 103.50	\$ 107.50	\$ 113.00	\$ 118.50			
7,000	\$ 88.24	\$ 114.75	\$ 121.50	\$ 125.50	\$ 132.00	\$ 139.50			
8,000	\$ 97.91	\$ 131.50	\$ 139.50	\$ 143.50	\$ 151.00	\$ 160.50			
9,000	\$ 107.58	\$ 148.25	\$ 157.50	\$ 161.50	\$ 170.00	\$ 181.50			
10,000	\$ 117.25	\$ 169.25	\$ 180.50	\$ 186.50	\$ 199.00	\$ 212.50			
11,000	\$ 127.82	\$ 190.25	\$ 203.50	\$ 211.50	\$ 228.00	\$ 243.50			
12,000	\$ 138.39	\$ 211.25	\$ 226.50	\$ 236.50	\$ 257.00	\$ 274.50			
13,000	\$ 148.96	\$ 242.25	\$ 261.50	\$ 273.50	\$ 296.00	\$ 315.50			
14,000	\$ 159.53	\$ 273.25	\$ 296.50	\$ 310.50	\$ 335.00	\$ 356.50			
Residential - Senior							Combined Senior Discount		
Tier	Current	FY26	FY27	FY28	FY29	FY30	Tier	Total Discount	
1,000 gal	\$ 34.37	\$ 37.50	\$ 38.00	\$ 38.00	\$ 39.00	\$ 39.00	1,000 gal	\$ 2.00	
2,000	\$ 42.13	\$ 44.50	\$ 46.00	\$ 46.50	\$ 49.00	\$ 49.50	2,000	\$ 4.00	
3,000	\$ 50.72	\$ 51.50	\$ 54.00	\$ 55.00	\$ 59.00	\$ 60.00	3,000	\$ 6.00	
4,000	\$ 59.31	\$ 63.00	\$ 66.50	\$ 68.50	\$ 73.00	\$ 75.50	4,000	\$ 8.00	
5,000	\$ 67.90	\$ 74.50	\$ 79.00	\$ 82.00	\$ 87.00	\$ 91.00	5,000	\$ 10.00	
6,000	\$ 77.57	\$ 86.00	\$ 91.50	\$ 95.50	\$ 101.00	\$ 106.50	6,000	\$ 12.00	
7,000	\$ 87.24	\$ 100.75	\$ 107.50	\$ 111.50	\$ 118.00	\$ 125.50	7,000	\$ 14.00	
8,000	\$ 96.91	\$ 115.50	\$ 123.50	\$ 127.50	\$ 135.00	\$ 144.50	8,000	\$ 16.00	
9,000	\$ 106.58	\$ 130.25	\$ 139.50	\$ 143.50	\$ 152.00	\$ 163.50	9,000	\$ 18.00	
10,000	\$ 116.25	\$ 149.25	\$ 160.50	\$ 166.50	\$ 179.00	\$ 192.50	10,000	\$ 20.00	
11,000	\$ 126.82	\$ 168.25	\$ 181.50	\$ 189.50	\$ 206.00	\$ 221.50	11,000	\$ 22.00	
12,000	\$ 137.39	\$ 187.25	\$ 202.50	\$ 212.50	\$ 233.00	\$ 250.50	12,000	\$ 24.00	
13,000	\$ 147.96	\$ 216.25	\$ 235.50	\$ 247.50	\$ 270.00	\$ 289.50	13,000	\$ 26.00	
14,000	\$ 158.53	\$ 245.25	\$ 268.50	\$ 282.50	\$ 307.00	\$ 328.50	14,000	\$ 28.00	



CITY COUNCIL AGENDA FORM

Meeting Date: May 11, 2026

Prepared by: Kierra Nance

Department: City Clerk

Agenda Item: 8.II.

Reviewed by:

AGENDA ITEM DESCRIPTION:

Canvassing the election returns and declaring the results of the May 2, 2026, General Election, pursuant to the Election Code - *City Clerk*

STAFF BRIEFING:

The City of La Marque conducted a General Election on May 2, 2026, to elect a Councilmember for District "B" and District "D". According to the City Charter, officials are elected by majority vote. After the tabulation of the election returns, Tonia Griffin was re-elected for District "D", and since no one received 50.1% of the votes for District "B", it is necessary to hold a Run-Off Election between Joe Compian and Sade Williams.

HISTORY:

FISCAL IMPACT:

N/A

RESOLUTION NO: R-2023-0034

RESOLUTION OF THE CITY OF LA MARQUE, TEXAS DECLARING THE RESULTS OF THE LA MARQUE CITY COUNCIL GENERAL ELECTION HELD FOR AND BY THE GALVESTON COUNTY ELECTIONS DIVISION ON MAY 6, 2023, THE CANVASS OF THE VOTES PURSUANT TO THE TEXAS ELECTION CODE

WHEREAS, the County of Galveston Election Judges for the La Marque City Council General Election held May 6, 2023, in the City of La Marque, Texas, have duly filed the returns of such election, which returns have been verified by the City Clerk;

WHEREAS, it appears that such election was duly called; that notice thereof was given in accordance with the law, and the returns and tabulations should be adopted;

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

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and they are hereby adopted by the City Council and made apart hereof for all purposes.

SECTION 2. The City Council of La Marque, Texas convened on May 15, 2023 to canvass the returns of the La Marque City Council General Election held on Saturday, May 6, 2023, and after canvassing the returns of said election, officially finds and determines that said election was duly ordered; proper notice of said election was duly given; proper election officers were duly appointed prior to said election; said election was duly held; the City has complied with the Federal Voting Rights Act and the Texas Election Code; and due returns of the results of said election have been made and delivered, all in accordance with applicable law and the Resolutions calling the election.

SECTION 3. (a) Upon a canvass of the returns of the for the La Marque City Council General Election, it is hereby officially declared that the following positions received the following number of votes listed beside each position, respectively:

**GENERAL ELECTION
May 6, 2023**

FOR COUNCILMEMBER DISTRICT "B"

<u>Name of Candidate as it appeared on the ballot</u>	<u>Total Votes / Percentage</u>	
Justin McDonald	74	46.25%
Joe Compian	86	53.75%

It is determined that Joe Compian is re-elected for Councilmember in District “B” for another three-year term; and

FOR COUNCILMEMBER DISTRICT “D”

<u>Name of Candidate as it appeared on the ballot</u>	<u>Total Votes / Percentage</u>	
Cassandra Lafferty	55	44.00%
James Ross	70	56.00%

It is determined that James Ross is elected for Councilmember in District “D” for a three-year term.

SECTION 4. The City Council of the City of La Marque, Texas, upon completion of this canvass, delivers this tabulation, lists, and other records used in this canvass to the City Clerk, the general custodian of the election records, for entry into the election register as required by the Texas Election Code.

SECTION 5. The City Clerk is hereby directed to record in the election register the precinct totals of all of the election returns, which shall be incorporated into this Resolution by reference, in accordance with Texas law.

SECTION 6. This canvass has been conducted in accordance with Article IV of the City Charter of La Marque, Texas and Texas law.

SECTION 7. It is hereby declared to be the intention of the City Council of La Marque, Texas that the sections, paragraphs, sentences, clauses, and phrases of this Resolution are severable and, if any phrase, clause, sentence, paragraph or section of this Resolution should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Resolution, because the same would have been enacted by the City Council of La Marque, Texas without the incorporation in this Resolution of any such invalid phrase, clause, sentence, paragraph or section.

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Marque on this the 15th day of May 2023.

CITY OF LA MARQUE, TEXAS

Keith Bell, Mayor

ATTEST:

Kierra K. Nance, TRMC

City Clerk

APPROVED AS TO FORM:

Gus Knebel, Consulting City Attorney



CITY COUNCIL AGENDA FORM

Meeting Date: May 11, 2026

Prepared by: Kierra Nance

Department: City Clerk

Agenda Item: 8.III.

Reviewed by:

AGENDA ITEM DESCRIPTION:

Ordering a runoff election to be held on June 13, 2026, to be administered by the Galveston County Elections Administrator for the purpose of electing one (1) Councilmember for District B to the La Marque City Council to hold office for a period of three (3) years — *City Clerk*

STAFF BRIEFING:

HISTORY:

FISCAL IMPACT:

RESOLUTION R-2026-00xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS, CALLING A RUN-OFF ELECTION TO BE HELD ON JUNE 13, 2026 TO BE ADMINISTERED BY THE GALVESTON COUNTY ELECTIONS ADMINISTRATOR FOR THE PURPOSE OF ELECTING ONE (1) COUNCILMEMBER TO (DISTRICT B), TO THE LA MARQUE CITY COUNCIL TO HOLD OFFICE FOR A PERIOD OF THREE (3) YEARS

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

Section 1. That the City of La Marque General Election was held on Saturday May 2, 2026.

Section 2. According to Section 4.05 of the City of La Marque Charter, elections are by “majority” vote. Since no candidate received a majority of all votes (50.1 %), a Runoff Election is required between the two candidates with the highest number of votes in District “B”.

Section 3. Notice is hereby given that a Run-off Election will be held on June 13, 2026, for the purpose of electing one (1) Councilmember for City Council District “B”.

Section 4. The **Early Voting** polling location where qualified voters shall cast ballots for voting by personal appearance in the City of La Marque Run-off Election will be in the Community Room, located at 1109 Bayou Road, in La Marque, Texas.

Early voting begins on Monday, June 1, 2026, through Friday, June 5, 2026, from 8:00 a.m. until 5:00 p.m.

Early Voting resumes on Monday, June 8, 2026, from 7:00 a.m. until 7:00 p.m. and Tuesday, June 9, 2026, from 7:00 a.m. until 7:00 p.m.

Early Voting by **mail** shall be conducted by the Early Voting Clerk for Galveston County.

Applications for ballots by mail must be received no later than the close of business on June 8, 2021. Applications must be sent to:

**Galveston County Elections Administration Office
Attn: Elections Coordinator (Early Voting Clerk)
P.O. Box 17253
Galveston, Texas 77552-4253**

Dwight Sullivan, County Clerk Galveston County or his designee shall serve as the Presiding Judge of the Central Counting Station.

Section 5. The **Election Day** polling location where qualified voters shall cast ballots for voting by personal appearance in the City of La Marque Run-off Election will be in the Community Room, located at 1109 Bayou Road, in La Marque, Texas.

Section 6. The City Clerk is hereby authorized and directed to publish and/or post, in the time and manner prescribed by law, all notices required to be so published and/or posted in connection with the conduct of this election. Galveston County Election Officer shall designate the election judges for the election. The election, including providing notice of the election, shall be conducted in accordance with the Texas Election Code and other applicable law, and all resident qualified and registered voters of the City shall be eligible to vote at the election.

PASSED, APPROVED AND ADOPTED by City Council of the City of La Marque on this the _____ day of _____ 2026.

CITY OF LA MARQUE, TEXAS

Keith Bell, Mayor

ATTEST:

Kierra K. Nance, TRMC
City Clerk



CITY COUNCIL AGENDA FORM

Meeting Date: May 11, 2026

Prepared by: Shannon Breaux

Department: Public Works

Agenda Item: 8.IV.

Reviewed by: _____

AGENDA ITEM DESCRIPTION:

Approving Change Order No. 1 for the 12" Water Distribution Line from Newman Road to Stonewall Street Project in the amount of \$25,457.00, increasing the total contract amount from \$1,398,471.00 to \$1,423,928.00 - *Public Works*

STAFF BRIEFING:

During construction of the 12" Water Distribution Line from Newman Road to Stonewall Street Project, several unforeseen field conditions required additional work not included in the original contract. These included the transfer of existing large fire, domestic, and irrigation services; exploratory work to locate existing valves necessary for system isolation and tie-ins; and installation of additional piping and fittings to avoid conflicts with existing underground utilities discovered during construction. Additional casing extensions and utility adjustments were also required to prevent encroachment into street paving and conflicts with sewer lines and other utilities. Adico, LLC reviewed the contractor's submitted costs and determined them to be justified and recommends approval of Change Order No. 1.

HISTORY:

This project is funded through Water Impact Fees collected for system improvements and capacity expansion within the utility system. The 12" Water Distribution Line from Newman Road to Stonewall Street Project was approved as part of the City's infrastructure improvement plan to support system reliability, fire protection, and future development demands

FISCAL IMPACT:

Approval of Change Order No. 1 in the amount of \$25,457.00 will increase the total contract amount from \$1,398,471.00 to \$1,423,928.00. Funding for this change order is available within the existing Water Impact Fee project budget.

April 21, 2026

Mr. Shannon Breaux
Public Works Director
City of La Marque
4916 Texas Ave, Suite C
La Marque, TX 77568

RE: 12" Water Distribution Line from Newman Road to Stonewall Street
Change Order No. 1
Adico Job No. 22034-01

Mr. Breaux:

Adico, LLC submits Change Order No. 1 in the amount of \$25,457.00 for the subject project for your review and approval.

This Change Order includes the following items:

- a. the additional cost of transferring existing large services for fire, domestic and irrigation
- b. the cost of exploratory work that was required to determine the correct location of existing valves required to isolate the existing system to facilitate the construction of proposed connections
- c. the cost of the installation of additional piping and fittings required to avoid conflicts with other utilities that were discovered during the course of work

We have reviewed the Contractor's Change Order and find the costs to be justified. Therefore, we recommend approval.

Should you have any questions or require any additional information, please contact me at 713-398-7799.

Sincerely,
Adico, LLC



Brent Berthier, P.E.
TBPE Firm No. 16423

CHANGE ORDER 1

DATE OF ISSUANCE:14-Apr-26

PROJECT:12" WATER DISTRIBUTION LINE FROM NEWMAN ROAD TO STONEWALL STREET

OWNER:CITY OF LA MARQUE

CONTRACTOR:FAITH UTILITIES, LLC

ADICO JOB NO.:22034-01

DESCRIPTION OF CHANGES:

Item No.	Description	Unit	Qty.	Unit Price	Total
Added Items:					
	Items Added/Increased				
CO1-1	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for 6-Inch Wet Connection as indicated on plans and according to specifications, complete in place. (STA 1+12 of Sheet 8, CVS Connection)	EA	1.00	\$ 1,200.00	\$ 1,200.00
CO1-2	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for 8-Inch Wet Connection as indicated on plans and according to specifications, complete in place. (STA 8+00 of Sheet 9, Highland Manor Fire Loop)	EA	1.00	\$ 1,300.00	\$ 1,300.00
CO1-3	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 8-Inch Gate Valve and Box, as indicated on plans and according to specifications, complete in place. (STA 8+00 of Sheet 9, Highland Manor Fire Loop)	EA	1.00	\$ 2,500.00	\$ 2,500.00
CO1-4	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 12-Inch PVC, C-900 Waterline, including fittings and appurtenances, with standard bedding and backfill, as indicated on plans and according to specifications, complete in place. (STA 8+00 of Sheet 9)	LF	6.00	\$ 65.00	\$ 390.00
CO1-5	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for 4-Inch Wet Connection as indicated on plans and according to specifications, complete in place. (STA 9+40 of Sheet 9, Highland Manor Connection)	EA	1.00	\$ 1,200.00	\$ 1,200.00
CO1-6	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for 8-Inch Wet Connection as indicated on plans and according to specifications, complete in place. (STA 12+20 of Sheet 10, Ignite Elementary School Fire Line)	EA	1.00	\$ 1,300.00	\$ 1,300.00
CO1-7	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 8-Inch Gate Valve and Box, as indicated on plans and according to specifications, complete in place. (STA 12+20 of Sheet 10, Ignite Elementary School Fire Line)	EA	1.00	\$ 2,500.00	\$ 2,500.00
CO1-8	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 12-Inch PVC, C-900 Waterline with Restrained Joints, including fittings and appurtenances, with standard bedding and backfill, as indicated on plans and according to specifications, complete in place. (STA 12+20 of Sheet 10, in place of deleted casing because WL was actually located above SS line)	LF	18.00	\$ 250.00	\$ 4,500.00
CO1-9	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 12-Inch PVC, C-900 Waterline with Restrained Joints, including fittings and appurtenances, with standard bedding and backfill, as indicated on plans and according to specifications, complete in place. (STA 13+95 of Sheet 10, in place of deleted casing deleted because WL was actually located above SS line)	LF	18.00	\$ 250.00	\$ 4,500.00
CO1-10	Cut and Plug Existing 6" line at STA 13+20 (Sheet 10, Ignite Elementary School)	EA	1.00	\$ 1,500.00	\$ 1,500.00
CO1-11	Provide all supervision, labor, materials, tools, equipment, incidentals and related items for 6-Inch Wet Connection as indicated on plans and according to specifications, complete in place. (STA 13+20 of Sheet 10, Ignite Elementary School)	EA	1.00	\$ 1,200.00	\$ 1,200.00
CO1-12	Exploration for utilities at STA 18+31 not shown on contract documents or on record drawings provided to Contractor (Sheet 11, Intersection of Newman Road and Mc Kinney Extension at Gulf Freeway, TXDOT WL Installation)	DAY	1.00	\$ 3,000.00	\$ 3,000.00

CHANGE ORDER 1

DATE OF ISSUANCE:14-Apr-26

PROJECT:12" WATER DISTRIBUTION LINE FROM NEWMAN ROAD TO STONEWALL STREET

OWNER:CITY OF LA MARQUE

CONTRACTOR:FAITH UTILITIES, LLC

ADICO JOB NO.:22034-01

CO1-13	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to Bore and Install 12-Inch PVC, C-900 Waterline with Restrained Joints Inside 20" Steel Casing with Spacers as indicated on plans and according to specifications, complete in place. (STA 9+80 of Sheet 13)	LF	29.00	\$223.00	\$6,467.00
CO1-14	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 12-Inch PVC, C-900 Waterline Inside 20" Steel Casing, including fittings and appurtenances, with standard bedding and backfill, as indicated on plans and according to specifications, complete in place. (STA 13+20 of Sheet 14, Extension of Steel Casing to avoid encroaching onto street paving)	LF	2.00	\$223.00	\$446.00
CO1-15	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to Bore and Install 12-Inch PVC, C-900 Waterline with Restrained Joints Inside 20" Steel Casing with Spacers as indicated on plans and according to specifications, complete in place. (STA 42+70 of Sheet 19, Extend Steel casing to avoid underground utilities encountered during construction)	LF	6.00	\$223.00	\$1,338.00
CO1-16	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 12-Inch PVC, C-900 Waterline Inside 20" Steel Casing, including fittings and appurtenances, with standard bedding and backfill, as indicated on plans and according to specifications, complete in place. (STA 3+64 of Sheet 20, Extension of Steel Casing to avoid encroaching onto street paving)	LF	3.00	\$223.00	\$669.00
CO1-17	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 12-Inch PVC, C-900 Waterline Inside 20" Steel Casing, including fittings and appurtenances, with standard bedding and backfill, as indicated on plans and according to specifications, complete in place. (STA 7+20 of Sheet 21, Extension of Steel Casing to avoid encroaching onto street paving)	LF	10.00	\$223.00	\$2,230.00
	SUBTOTAL (INCREASED)				\$36,240.00
Deleted Items:					
CO1-18	Items Removed/Decreased				
	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 12-Inch PVC, C-900 Waterline with Restrained Joints Inside 20" Steel Casing, including fittings and appurtenances, with standard bedding and backfill, as indicated on plans and according to specifications, complete in place. (STA 12+20 of Sheet 10, Casing deleted because WL was actually located above SS line)	LF	18.00	\$223.00	\$4,014.00
CO1-19	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to install 12-Inch PVC, C-900 Waterline with Restrained Joints Inside 20" Steel Casing, including fittings and appurtenances, with standard bedding and backfill, as indicated on plans and according to specifications, complete in place. (STA 13+95 of Sheet 10, Casing deleted because WL was actually located above SS line)	LF	18.00	\$223.00	\$4,014.00
CO1-20	Provide all supervision, labor, materials, tools, equipment, incidentals and related items to Bore and Install 12-Inch PVC, C-900 Waterline as indicated on plans and according to specifications, complete in place. (STA 9+80 of Sheet 13)	LF	29.00	\$95.00	\$2,755.00
	SUBTOTAL (DECREASED)				\$10,783.00

CHANGE ORDER 1

DATE OF ISSUANCE:14-Apr-26

PROJECT:12" WATER DISTRIBUTION LINE FROM NEWMAN ROAD TO STONEWALL STREET

OWNER:CITY OF LA MARQUE

CONTRACTOR:FAITH UTILITIES, LLC

ADICO JOB NO.:22034-01

SUBTOTAL ADDED ITEMS\$36,240.00

SUBTOTAL DELETED ITEMS\$10,783.00

CHANGE IN CONTRACT PRICE SUMMARY:

Original Contract Amount:\$1,398,471.00

Net Increase (decrease) from previous change order(s):\$-

Net Increase (decrease) from this change order:\$25,457.00

Revised Contract Amount:\$1,423,928.00

RECOMMENDED BY:

Adico, LLC

By:

Name: Brent Berthier, P.E.

Date: April 21, 2026

APPROVED BY:

City of La Marque

By:_____

Name:_____

Date:_____

ACCEPTED BY:

FAITH UTILITIES, LLC

By:Tania Alcantara

Name: Tania Alcantara

Date: 04/21/2026



CITY COUNCIL AGENDA FORM

Meeting Date: May 11, 2026

Agenda Item: 8.V.

Prepared by: _____

Reviewed by: _____

Department: City Clerk

AGENDA ITEM DESCRIPTION:

Approving the final audit for Fiscal Year 2024 - 2025 - *Finance / Administration*

STAFF BRIEFING:

HISTORY:

FISCAL IMPACT:



March 28, 2026

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, 2025, and have issued our report thereon dated March 28, 2026. 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 March 15, 2026, 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 and material weaknesses, if applicable, and material noncompliance, and other matters noted during our audit in a separate letter to you dated March 28, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

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 the provision of Governmental Accounting Standard Board Statement No. 101, entitled *Compensated Absences*, which is effective for reporting periods beginning after December 15, 2023. 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.

- Estimates inherent within the projection of the future pension obligation used to calculate the net pension liability.
- Estimated useful lives for capital assets

Management's estimates inherent within the projection of future pension obligation are based on experience studies and observations by the actuaries hired by TMRS and the City for the firefighter pension. We evaluated the key factors and assumptions used to develop these estimates and determined they appeared reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimates for the useful lives of capital assets are based on experience and industry standards. We evaluated the key factors and assumptions used to develop these estimates and determined they appeared reasonable in relation to the basic 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 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, corrected misstatements 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 March 28, 2026.

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.

Modifications to the Audit Report

Matter Giving Rise to Qualified Opinions on Governmental Activities and Major Fund

Management was unable to provide sufficient appropriate documentation to substantiate grant revenue and grant reimbursement receivables recorded in the GLO Ike Recovery 2 fund, including support for the accrual and collectability of those receivables, reported at \$4,672,338. Accounting principles generally accepted in the United States of America require that grant revenue and receivables be recognized only when supported by adequate underlying documentation and when collectability is reasonably assured. Had adequate documentation been available, adjustments might have been necessary to decrease or increase the receivables, revenues, and fund balance of the GLO Ike Recovery 2 fund, and the assets and net position of governmental activities. The amount of such adjustments, if any, has not been determined. The amount by which this departure would affect the assets, deferred inflows of resources, fund balances, and revenues of the governmental activities and GLO Ike Recovery 2 fund has not been determined.

Emphasis of Matter

As discussed in Note V.F. to the financial statements, due to a correction of a prior year accounting error and the implementation of GASB 101 *Compensated Absences*, the City restated its beginning net position within the governmental activities, utility fund, business-type activities, and the discretely presented component unit. Our opinion is not modified with respect to this matter.

Significant Risks Identified

Significant risks are inherent within all financial statement audits. We are required to share significant risks identified during our audit. After significant risks are identified during the planning phase, or later phases of the audit, where applicable, we design audit procedures specifically to address and mitigate the associated audit risk to an appropriate level for forming our audit opinion.

We identified the following significant risks during this process:

- Improper revenue recognition is considered an inherent risk according to GAAS.
- Management override of controls is considered an inherent risk according to GAAS.

These risks were addressed and sufficiently mitigated through our audit procedures, which included gaining an understanding over client processes and controls, and substantive testing over samples of transactions. No findings were noted as a result of these audit procedures.

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, significant events or transactions that occurred during the year, 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, whether financial or nonfinancial, included in the City of La Marque, Texas's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to obtain assurance about 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,

Brooks Watson & Co.

Brooks Watson & Co., PLLC

Houston, Texas

Exhibit 1

Adjusting Journal Entries

Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To post TMRS OPEB SDBF adjustments			
102-22820-000-000-000000	DO SUBSEQUENT CONTRIBU-GASB 75	2,831.05	
102-28230-000-000-000000	BONDS PAYABLE-2011 REF DUE 1YR	10,517.58	
102-17025-000-000-000000	D.O. CHANGE IN ASSU GASB75		207.59
102-51120-500-000-000000	RETIREMENT (TMRS)		1,871.61
102-51120-500-000-000000	RETIREMENT (TMRS)		5,397.48
102-51120-520-000-000000	RETIREMENT (TMRS)		5,871.95
Total		13,348.63	13,348.63

Adjusting Journal Entries JE # 2			
To post GASB 68 adjustments			
102-18635-000-000-000000	DEF OUTFLOWS-DIFF IN EARNINGS	11,241.00	
102-21845-000-000-000000	NET PENSION LIABILITY	133,226.00	
102-21899-000-000-000000	Chnages in Assump.	1,636.00	
800-18635-000-000-000000	DEF OUTFLOWS-DIFF IN EARNINGS	1,644.00	
800-18640-000-000-000000	Def Outflows-Changes in Assumptions	4,140.00	
800-21845-000-000-000000	NET PENSION LIABILITY	19,477.00	
102-14015-000-000-000000	PRE PAID LEGAL SRVC		4,262.20
102-18630-000-000-000000	DEF OUTFLOWS-SUBSEQ CONTRIBUTI		35,624.00
102-51120-500-000-000000	RETIREMENT (TMRS)		15,127.88
102-51120-510-000-000000	RETIREMENT (TMRS)		43,626.89
102-51120-520-000-000000	RETIREMENT (TMRS)		47,462.03
800-18630-000-000-000000	DEF OUTFLOWS-SUBSEQ CONTRIBUTI		5,208.00
800-21840-000-000-000000	DEF.OUT. - DIFF. IN EXPERIENCE		4,524.00
800-51120-110-000-000000	RETIREMENT (TMRS)		15,529.00
Total		171,364.00	171,364.00

Adjusting Journal Entries JE # 3			
To book Texpool transfer from EDC to GF			
101-10020-000-000-000000	INVESTMENTS	110,637.99	
800-54685-000-000-000000	DEVELOPMENT SERVICES	110,637.99	
101-49290-000-000-000000	EDC ADMINISTRATIVE FEE		110,637.99
800-10020-000-000-000000	INVESTMENTS		110,637.99
Total		221,275.98	221,275.98

Adjusting Journal Entries JE # 4

To record AP as of 9/30/25

216-58050-520-000-MITHAR	CAPITAL PROJ	806,534.66	
216-58060-510-000-WTLRPL	GLO CDBG HUD HGAC PROJ	586,763.70	
303-57980-410-000-000000	ARPA-CITYWIDE SOLAR LIGHTING	158,324.02	
303-58500-000-000-000000	ARPA-FINANCE/CITYWIDE SOFTWARE	324,675.60	
216-20145-000-000-000000	ACCOUNTS PAYABLE		586,763.70
216-20145-000-000-000000	ACCOUNTS PAYABLE		806,534.66
303-20145-000-000-000000	ACCOUNTS PAYABLE		158,324.02
303-20145-000-000-000000	ACCOUNTS PAYABLE		324,675.60
Total		<u>1,876,297.98</u>	<u>1,876,297.98</u>

Adjusting Journal Entries JE # 5

To correctly reflect sales tax revenue and receivable at year end 9/30/2025

105-49120-000-000-000000			
BWC	TRANSFERS IN	9,360.08	
800-41010-000-000-000000	1/2 CENT SALES TAX	9,360.08	
105-41000-000-000	SALES AND USE TAX		9,360.08
800-49210-000-000-000000			
BWC	TRANSFERS OUT		9,360.08
Total		<u>18,720.16</u>	<u>18,720.16</u>

Adjusting Journal Entries JE # 6

To reverse PY accrual

209-20145-000-000-000000	ACCOUNTS PAYABLE	95,767.37	
209-54350-000-000-000000	PROFESSIONAL SERVICES		95,767.37
Total		<u>95,767.37</u>	<u>95,767.37</u>

Adjusting Journal Entries JE # 7

To true up EDC escrow account baalnce

800-12715-000-000-000000	NOTE RECEIVABLE - PANJOS CO.	29,081.02	
800-43515-000-000-000000	INTEREST EARNINGS		29,081.02
Total		<u>29,081.02</u>	<u>29,081.02</u>

Adjusting Journal Entries JE # 8

To adjusted voided checks # 153046,153047 and 153536

101-10005-000-000-000000	EQUITY IN CONSOLIDATED CASH	9,030.00	
102-10005-000-000-000000	EQUITY IN CONSOLIDATED CASH	840.00	
102-10005-000-000-000000	EQUITY IN CONSOLIDATED CASH	7,410.50	
234-10005-000-000-000000	EQUITY IN CONSOLIDATED CASH	3,500.00	
908-10250-000-000	CONSOLIDATED CASH IN BANK	20,780.50	
101-53755-410-000-000000	REPAIR & MAINT-BLDG FURN & FIX		3,360.00

101-53810-420-000-PARKSM	REPAIRS AND MAINT-PARKS		5,670.00
102-53755-520-000-000000	REPAIR & MAINT-BLDG FURN & FIX		840.00
102-54405-200-000-000000	LEGAL SERVICES		7,410.50
234-56905-000-000-000000	CEMETERY BOARD EXPENDITURES		3,500.00
908-39101-000-000	EQUITY - GENERAL FUND		9,030.00
908-39102-000-000	EQUITY - UTILITY FUND		8,250.50
908-39234-000-000	EQUITY - CEMETERY FUND		3,500.00
Total		41,561.00	41,561.00

Adjusting Journal Entries JE # 9

To record the financing purchase of Axon Camera Bundle

101-57370-300-000-000000	5 YEAR LIFE ASSET - EQUIPMENT	146,073.60	
101-45679-000-000000 BWC	Other financing source -Axon Camera		146,073.60
Total		146,073.60	146,073.60

Adjusting Journal Entries JE # 10

To book CY retainage payable

216-58050-520-000-MITHAR	CAPITAL PROJ	68,750.00	
216-58060-510-000-WTLRPL	GLO CDBG HUD HGAC PROJ	30,882.30	
303-57980-410-000-000000	ARPA-CITYWIDE SOLAR LIGHTING	20,865.80	
800-18020-000-000-000000	CONSTRUCTION IN PROGRESS	76,993.53	
216-20199-000-000-000000	Retainage Payable		99,632.30
303-20199-000-000-000000	Retainage Payable		20,865.80
800-20199-000-000-000000	Retainage		76,993.53
Total		197,491.63	197,491.63

Adjusting Journal Entries JE # 11

To record CY capital addition for Enterprise fund

102-18020-000-000-000000	CONSTRUCTION IN PROGRESS	5,707,147.34	
102-18150-000-000-000000	OTHER IMPROVEMENTS	2,433,184.07	
102-18200-000-000-000000	MACHINERY AND EQUIPMENT	1.75	
102-18230-000-000-000000	MOTOR VEHICLES (10 YR.)	0.34	
102-49999-000-000-000000	Capital Contribution	6,005,455.92	
216-58002-000-000-000000 BWC	Transfer out to Utility Fund	7,498,386.58	
303-49102-000-000-000000	Transfer from Fund 102	541,003.71	
102-18020-000-000-000000	CONSTRUCTION IN PROGRESS		4,307,828.95
102-18150-000-000-000000	OTHER IMPROVEMENTS		1,697,626.97
102-48001-000-000-000000 BWC	Transfer In		8,039,390.29
102-57300-510-000-WRMNLK	FACILITIES		100,943.21
216-58050-410-000-DRAINA	CAPITAL PROJ		46,235.60
216-58050-520-000-MITHAR	CAPITAL PROJ		5,163,302.53

216-58060-510-000-WTLRPL	GLO CDBG HUD HGAC PROJ		705,359.37
216-58230-520-000-MIT208	GLO 2015 MIT FLOOD HUD D208		1,583,489.08
303-58580-510-000-000000	WATERLINE PROJECT 2020CO		541,003.71
		22,185,179.7	22,185,179.7
Total		1	1

Adjusting Journal Entries JE # 12

To record amortization of intangible asset at YE

102-57000-200-000-000000			
BWC	Amortization Expense	147,293.83	
102-56000-200-000-000000	DEPRECIATION EXPENSE		147,293.83
Total		147,293.83	147,293.83

Adjusting Journal Entries JE # 13

To adjust CY UB receivable and book bad debt expense

102-10035-000-000-000000	CHECKS HELD FOR COLLECTION	30,901.09	
102-12080-000-000-000000	WATER - RECEIVABLE	8,163.22	
102-12600-000-000-000000	SEWER - RECEIVABLE	8,163.22	
105-12215-000-000	SANITATION RECEIVABLE	8,864.82	
BWC 02-9102-99-00	BAD DEBT EXPENSE	77,236.71	
BWC 63-6032-14-00	BAD DEBT EXPENSE	47,869.65	
102-12610-000-000-000000	ALLOWANCE FOR UNCOLLECTIBLES		77,236.71
102-40100-000-000-000000	WATER - RESIDENTIAL		23,613.76
102-40130-000-000-000000	SEWER - RESIDENTIAL		23,613.77
105-12220-000-000	UNCOLLECT A/R SANITION ALLOW		47,869.65
105-40170-000-000	SANITATION- RESIDENTIAL		8,864.82
Total		181,198.71	181,198.71

Adjusting Journal Entries JE # 14

To book GASB 87 enterprise fleet lease addition and payment

101-50565-200-000-000000	2017 EQUIP LEASE-PRIN	40,298.39	
101-50570-200-000-000000	2017 EQUIP LEASE-INT	7,027.87	
101-58000-200-000-000000	CAPITAL OUTLAY	154,988.01	
102-18999-000-000-000000	Right To Use Capital Assets	22,834.31	
102-28180-000-000-000000	NOTE PAYABLE-CAP.LEASE-DUE 1YR	1,197.48	
101-17016-000-000-000000	PROCEEDS FROM GASB 87 LEASES		154,988.01
101-53835-200-000-000000	EQUIPMENT REPLACEMENT		47,326.26
102-28180-000-000-000000	NOTE PAYABLE-CAP.LEASE-DUE 1YR		22,834.31
102-50460-600-000-000000	Interest Expense		1,197.48
Total		226,346.06	226,346.06

Adjusting Journal Entries JE # 15

To record transfer out from DSF to Utility fund for debt payments			
102-10005-000-000-000000	EQUITY IN CONSOLIDATED CASH	965,633.52	
400-59440-000-000000 BWC	TRANSFER OUT	965,633.52	
102-49440-000-000-000000 BWC	Transfer in		965,633.52
400-10005-000-000	EQUITY IN CONSOLIDATED CASH		965,633.52
Total		1,931,267.04	1,931,267.04

Adjusting Journal Entries JE # 16			
To adjust depreciation expense			
102-18500-000-000-000000	ACCUM DEPR M & E	2.27	
102-57000-200-000-000000 BWC	Amortization Expense	43,722.55	
102-18260-000-000-000000	DEPR RIGHT TO USE CAPITAL ASSE		21,340.96
102-18410-000-000-000000	AD BUILDINGS & STRUCTURES		21,856.30
102-21795-000-000-000000	ACCUMULATED DEPRECIATION - MV		527.56
Total		43,724.82	43,724.82

Adjusting Journal Entries JE # 17			
To move completed CIP project to Improvement			
102-18150-000-000-000000	OTHER IMPROVEMENTS	468,168.80	
102-18020-000-000-000000	CONSTRUCTION IN PROGRESS		468,168.80
Total		468,168.80	468,168.80

Adjusting Journal Entries JE # 18			
To record sanitation franchise receivable			
105-12230-000-000	A/R SYSTEM MISC RECEIVABLE	19,833.37	
105-41430-000-000	FRANCHISE FEE		19,833.37
Total		19,833.37	19,833.37

Adjusting Journal Entries JE # 19			
To post OPEB Healthcare adjustment			
102-21840-000-000-000000	DEF.OUT. - DIFF. IN EXPERIENCE	6,262.33	
102-21860-000-000-000000	NET OPEB OBLIGATION	23,936.39	
102-17020-000-000-000000	D.O. SUB CONTRIBUTIONSGASB75		2,316.73
102-51120-500-000-000000	RETIREMENT (TMRS)		3,971.08
102-51120-510-000-000000	RETIREMENT (TMRS)		11,452.09
102-51120-520-000-000000	RETIREMENT (TMRS)		12,458.82
Total		30,198.72	30,198.72

Adjusting Journal Entries JE # 20			
To post OPEB SAP adjustment			
102-22305-000-000-000000	SAP DEF. INFLOWS	76,886.46	

102-22810-000-000-000000	DEFERRED PAYABLES	19,774.94	
102-22850-000-000-000000	SAP PENSION LIABILITY	205,585.76	
102-51290-300-000-000000			
BWC	SAP Pension Expense		302,247.16
Total		302,247.16	302,247.16

Adjusting Journal Entries JE # 21

To adjust prepaid expense

101-54350-120-000-000000	PROFESSIONAL SERVICES	23,735.25	
101-54350-120-000-000000	PROFESSIONAL SERVICES	4,760.00	
101-54540-120-000-000000	DUES, SUBSCRIPTIONS & BOOKS	7,390.00	
101-14005-000-000-000000	PREPAID EXPENSES		35,885.25
Total		35,885.25	35,885.25

Adjusting Journal Entries JE # 22

To correct EBT cash account error due to PY

	GROUP HEALTH INSURANCE		
101-51140-300-000-000000	RETIREE	82,788.87	
	GROUP HEALTH INSURANCE		
102-51140-500-000-000000	RETIREE	17,390.27	
800-51150-110-000-000000	GROUP HEALTH INSURANCE	1,663.08	
101-10045-000-000-000000	RESTRICTED CASH-EMP BEN TRUST		82,788.87
102-10045-000-000-000000	RESTRICTED CASH-EMP BEN TRUST		17,390.27
800-10045-000-000-000000	RESTRICTED CASH-EMP BEN TRUST		1,663.08
Total		101,842.22	101,842.22

Adjusting Journal Entries JE # 23

To fix pool cash reconciliation varaince due to EBT cash transfer (GL booked on 10/6/25, need to reverse in FY26)

101-10045-000-000-000000	RESTRICTED CASH-EMP BEN TRUST	122,465.98	
908-39101-000-000	EQUITY - GENERAL FUND	122,465.98	
101-10005-000-000-000000	EQUITY IN CONSOLIDATED CASH		122,465.98
908-10250-000-000	CONSOLIDATED CASH IN BANK		122,465.98
Total		244,931.96	244,931.96

Adjusting Journal Entries JE # 24

To true up EBT cash balance

	GROUP HEALTH INSURANCE		
101-51140-300-000-000000	RETIREE	20,623.76	
101-10045-000-000-000000	RESTRICTED CASH-EMP BEN TRUST		20,623.76
Total		20,623.76	20,623.76

Adjusting Journal Entries JE # 25

To reverse client's accrual of grant revenue and receivable for 60 days collection after year end (not actually collected)

216-47005-000-000-000000	GRANT PROCEEDS	928,817.10	
216-12165-000-000-000000	GRANT RECEIVABLE		928,817.10
Total		928,817.10	928,817.10

Adjusting Journal Entries JE # 26

To reverse BWC PY Accrual revenue and deferred revenue

216-20500-000-000-000000	DEFERRED REVENUE	1,067,644.26	
216-20500-000-000-000000	DEFERRED REVENUE	15,850.84	
216-47005-000-000-000000	GRANT PROCEEDS	956,389.90	
216-12165-000-000-000000	GRANT RECEIVABLE		956,389.90
216-12165-000-000-000000	GRANT RECEIVABLE		1,067,644.26
216-47005-000-000-000000	GRANT PROCEEDS		15,850.84
Total		2,039,885.00	2,039,885.00

Adjusting Journal Entries JE # 27

To Accrual CY grant revenue collected within 60 days after year-end

216-12165-000-000-000000	GRANT RECEIVABLE	1,217,252.74	
216-47005-000-000-000000	GRANT PROCEEDS		1,217,252.74
Total		1,217,252.74	1,217,252.74

Adjusting Journal Entries JE # 28

To record CY Accrual and deferred rev for grants received 60+days after YE

216-12165-000-000-000000	GRANT RECEIVABLE	3,455,086.48	
216-20500-000-000-000000	DEFERRED REVENUE		3,455,086.48
Total		3,455,086.48	3,455,086.48

Adjusting Journal Entries JE # 29

To allocate TIRZ collections

101-40600-000-000-000000	CURRENT YEAR PROPERTY TAXES	152,029.41	
702-49210-000-000-000000	TRANSFER IN FROM GENERAL FUND	152,029.41	
101-59190-200-000-000000	TRANSFER OUT-TIRZ OMEGA BAY		152,029.41
702-43550-000-000-000000	BWC		152,029.41
	CURRENT YEAR PROPERTY TAXES		152,029.41
Total		304,058.82	304,058.82

Adjusting Journal Entries JE # 30

To accrued expense for Fund 209 PID

209-54350-000-000-000000	PROFESSIONAL SERVICES	60,401.78	
209-20145-000-000-000000	ACCOUNTS PAYABLE		60,401.78
Total		60,401.78	60,401.78

Adjusting Journal Entries JE # 31

To reclass EDC 1.5 million Loan proceeds to Due to CU

101-49999-000-000-000000	Loan Proceeds - Advance from EDC	1,500,000.00	
101-28599-000-000-000000	BWC		1,500,000.00
	DUE TO COMPONENT UNIT		
Total		<u>1,500,000.00</u>	<u>1,500,000.00</u>

Adjusting Journal Entries JE # 32

To reclass refund from GCWA out of residential water revenue

102-40100-000-000-000000	WATER - RESIDENTIAL	207,484.34	
102-56650-520-000-000000	PURCHASED WATER (GCWA)		207,484.34
Total		<u>207,484.34</u>	<u>207,484.34</u>

*ANNUAL
FINANCIAL REPORT*

of the

City of La Marque, Texas

**For the Year Ended
September 30, 2025**

Prepared by:
Finance Department

Worth Ferguson
Finance Director

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City of La Marque, Texas

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September 30, 2025

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FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Qualified and Unmodified 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, 2025, 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.

Unmodified Opinions

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, general, debt service, public improvement district no. 1, capital improvements, utility, sanitation funds, the discretely presented component unit, and the aggregate remaining fund information of the City of La Marque, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinions on Governmental Activities and GLO Ike Recovery 2

In our opinion, except for the effects, of the matter described in the Basis for Qualified and Unmodified Opinions section, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Governmental Activities and GLO Ike Recovery 2 of City of La Marque, Texas, as of September 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified 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.

Matter Giving Rise to Qualified Opinions on Governmental Activities and Major Fund

Management was unable to provide sufficient appropriate documentation to substantiate grant revenue and grant reimbursement receivables recorded in the GLO Ike Recovery 2 fund, including support for the accrual and collectibility of those receivables, reported at \$4,672,338. Accounting principles generally accepted in the United States of America require that grant revenue and receivables be recognized only when supported by adequate underlying documentation and when collectibility is reasonably assured. Had adequate documentation been available, adjustments might have been necessary to decrease or increase the receivables, revenues, and fund balance of the GLO Ike Recovery 2 fund, and the assets and net position of governmental activities. The amount of such adjustments, if any, has not been determined. The amount by which this departure would affect the assets, deferred inflows of resources, fund balances, and revenues of the governmental activities and GLO Ike Recovery 2 fund has not been determined.

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 and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, 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 a correction of a prior year accounting error and the implementation of GASB 101 *Compensated Absences*, the City restated its beginning net position within the governmental activities, utility fund, business-type activities, and the 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 of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 March 28, 2026, 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
March 28, 2026

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City of La Marque, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

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, 2025.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (net position) at September 30, 2025 by \$34,993,545.
- The City's total net position increased by \$3,448,800. The majority of the City's net position is invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported a combined ending fund balance deficit of \$2,440,248 at September 30, 2025, a decrease of \$8,705,141 from the prior fiscal year; this includes a decrease of \$2,959,554 in the general fund, an increase of \$55,169 in the debt service fund, a decrease of \$2,861,104 in the GLO-Ike recovery 2 fund, a decrease of \$424 in the public improvement district fund, a decrease of \$2,908,331 in the capital improvements fund, and a decrease of \$30,897 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was a deficit of \$2,943,762.
- The City's outstanding bonds, contractual obligations, certificates of obligation, and other liabilities increased by \$7,964,287 from the prior year. The total bonds, certificates of obligation, leases and contractual obligations at the close of the fiscal year were \$46,418,153, including premiums.
- The City's net pension liability balances totaled \$5,727,883 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, 2025

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, 2025

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 eighteen 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, debt service, GLO-Ike Recovery 2, public improvement district no. 1, 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 types 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, 2025

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 45-102 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 \$34,993,545 as of September 30, 2025, in the primary government.

The largest portion of the City's net position, \$35,293,209, 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, 2025

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:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 17,385,625	\$ 19,206,715	\$ 36,592,340	\$ 20,400,595	\$ 11,619,541	\$ 32,020,136
Capital assets, net	22,231,388	44,351,059	66,582,447	18,948,826	37,962,110	56,910,936
Total Assets	39,617,013	63,557,774	103,174,787	39,349,421	49,581,651	88,931,072
Deferred Outflows	1,428,461	138,042	1,566,503	2,016,876	286,820	2,303,696
Other liabilities	12,170,018	4,316,169	16,486,187	9,217,787	5,287,884	14,505,671
Long-term liabilities	25,244,841	26,922,718	52,167,559	25,698,357	18,604,983	44,303,340
Total Liabilities	37,414,859	31,238,887	68,653,746	34,916,144	23,892,867	58,809,011
Deferred Inflows	1,008,171	85,828	1,093,999	590,667	168,165	758,832
Net Position:						
Net investment in capital assets	9,956,757	25,336,452	35,293,209	7,201,306	20,970,830	28,172,136
Restricted	3,075,721	2,458,852	5,534,573	4,742,588	2,196,029	6,938,617
Unrestricted	(10,410,034)	4,575,797	(5,834,237)	(6,084,408)	2,640,580	(3,443,828)
Total Net Position	\$ 2,622,444	\$ 32,371,101	\$ 34,993,545	\$ 5,859,486	\$ 25,807,439	\$ 31,666,925

Current assets of governmental activities were \$17,385,625 and \$20,400,595 as of September 30, 2025 and September 30, 2024, respectively. The decrease of \$3,014,970 primarily due to less cash and investments on hand resulting from operating deficits during the year. Capital assets for business-type activities increased by \$6,388,949 primarily due to nonrecurring WWTP expansion projects, citywide wastewater system updates, new lift station, and Main Street waterline projects in the current year. Other liabilities of the primary government increased by \$3,923,946 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 increased by \$8,771,251 primarily due to the issuance of \$9.9 million in new certificates of obligation during the current year.

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

Statement of Activities:

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

	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 4,499,570	\$ 10,925,845	\$ 15,425,415	\$ 4,255,587	\$ 11,736,774	\$ 15,992,361
Grants and contributions	10,521,775	517,177	11,038,952	5,532,852	-	5,532,852
General revenues:						
Property tax	7,295,293	-	7,295,293	7,279,991	-	7,279,991
Sales tax	6,396,693	-	6,396,693	5,578,092	-	5,578,092
Franchise and other taxes	1,452,723	-	1,452,723	1,438,037	-	1,438,037
Investment income	501,192	218,101	719,293	584,774	565,746	1,150,520
Other revenues	460,870	207,089	667,959	436,011	411,816	847,827
Total Revenues	31,128,116	11,868,212	42,996,328	25,105,344	12,714,336	37,819,680
Expenses						
General government	5,720,556	-	5,720,556	5,022,654	-	5,022,654
Public safety	16,501,758	-	16,501,758	13,769,211	-	13,769,211
Public works	3,863,944	-	3,863,944	2,732,536	-	2,732,536
Interest and fiscal charges	665,657	611,165	1,276,822	740,774	634,900	1,375,674
Utility	-	9,796,323	9,796,323	-	9,165,417	9,165,417
Sanitation	-	2,388,125	2,388,125	-	3,560,660	3,560,660
Total Expenses	26,751,915	12,795,613	39,547,528	22,265,175	13,360,977	35,626,152
Change in Net Position						
Before Transfers	4,376,201	(927,401)	3,448,800	2,840,169	(646,641)	2,193,528
Transfers	(7,537,847)	7,537,847	-	(6,031,710)	6,031,710	-
Total	(7,537,847)	7,537,847	-	(6,031,710)	6,031,710	-
Change in Net Position	(3,161,646)	6,610,446	3,448,800	(3,191,541)	5,385,069	2,193,528
Beginning Net Position	5,784,090	25,760,655	31,544,745	9,051,027	20,422,370	29,473,397
Ending Net Position	\$ 2,622,444	\$ 32,371,101	\$ 34,993,545	\$ 5,859,486	\$ 25,807,439	\$ 31,666,925

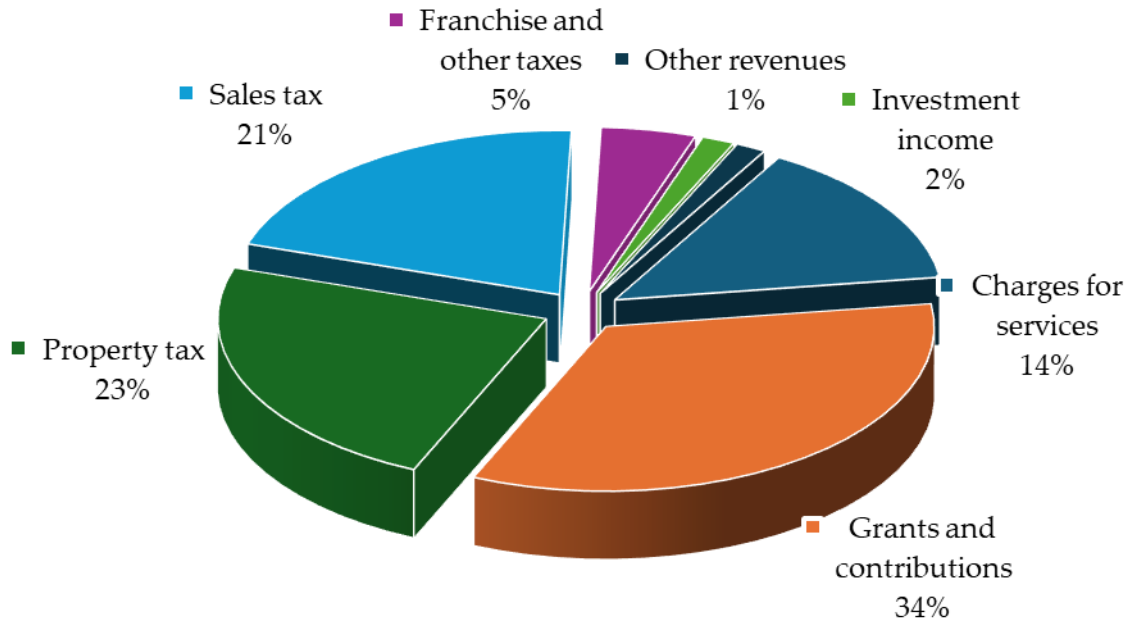
City of La Marque, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2025

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

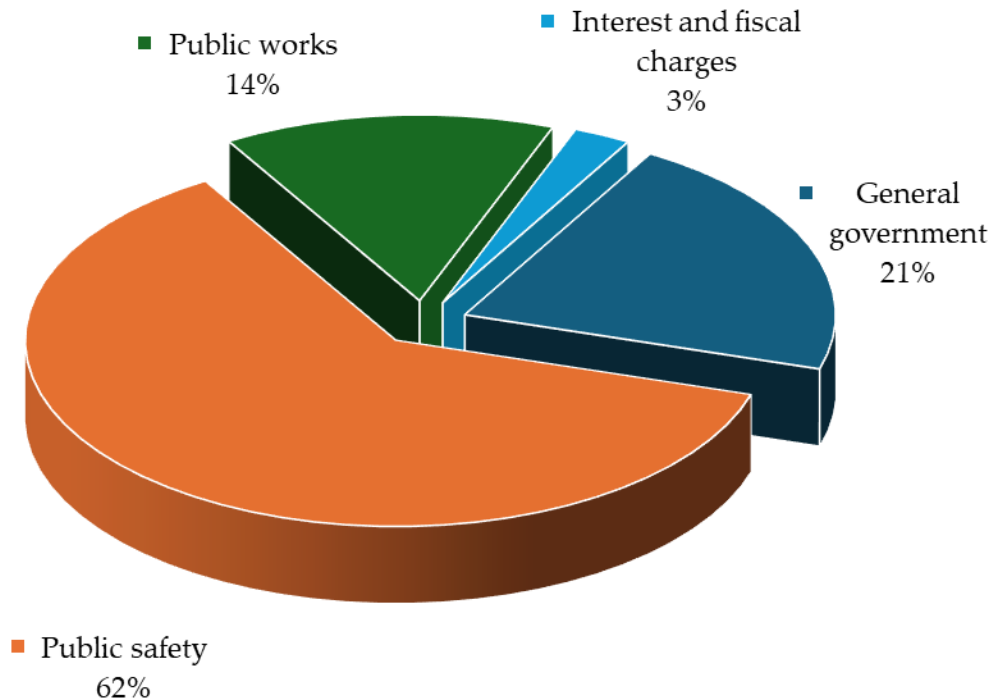


For the year ended September 30, 2025, revenues from governmental activities totaled \$31,128,116. Property tax and sales tax are the City's largest general revenue sources. Overall revenue increased \$6,022,772 or 24% from the prior year. Charges for services increased by \$243,983 or 6% primarily due to greater plan review fees, ambulance fees, and fire code plan review fees in the current year. Grants and contributions increased \$4,988,923 or 90% primarily as a result of GLO drainage infrastructure grant for flood mitigation in the current year. Franchise and other taxes (special assessments) increased by \$14,686 or 1% in the current year. Other revenue increased by \$24,859 or 6% 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, 2025

This graph shows the governmental function expenses of the City:

Governmental Activities Expenses

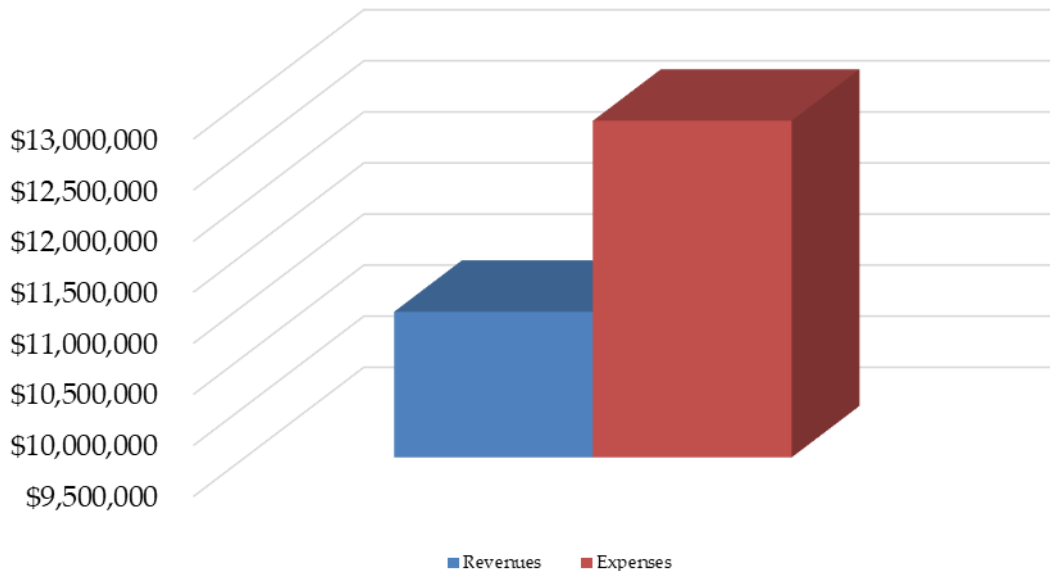


For the year ended September 30, 2025, expenses for governmental activities totaled \$26,751,915. This represents an increase of \$4,486,740 or 20% from the prior year. The City's largest functional expense is public safety totaling \$16,501,758. General government expenses increased by \$697,902 or 14% primarily due to nonrecurring professional fees, a new accounting software purchase and salaries and wage expenses. Public safety expenses increased by \$2,732,547 or 20% primarily due to greater personnel/employee benefit costs due to new hires and general increase in wages as well as increases to the City's pension and OPEB liabilities during the current year. Public works expenses increased \$1,131,408 or 41% due to maintenance, streets and sidewalk improvements, and nonrecurring ARPA grant expenditures. 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, 2025

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

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2025, charges for services by business-type activities totaled \$10,925,845. This is a decrease of \$810,929 or 7%, from the previous year, which is considered consistent with the prior year.

Total expenses decreased \$565,364 or 4% to a total of \$12,795,613. Sanitation service expenses decreased by \$1,172,535 or 33%, primarily due to lower contracted sanitation service costs and customer demand from the prior fiscal year. Interest and fiscal charges decreased by \$23,735 or 4% primarily which was consistent with the contracted debt obligations for 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, 2025, the City's governmental funds reported combined fund balance deficits of \$2,440,248, a decrease of \$8,705,141 in comparison with the prior year. Of this amount, \$7,293,106, constitutes *unassigned deficit fund balance*. Nonspendable fund balance totaled \$45,590 for inventories

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

and prepaids and assigned fund balance totaled \$407,021. The remainder of the fund balance is restricted for particular purposes totaling \$4,400,247.

As of the end of the year the general fund reflected a total fund balance deficit of \$1,514,497. General fund balance decreased by \$2,959,554. This decrease is primarily due to higher than anticipated public safety, transfers out 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 \$2,943,762.

As of the end of the year the capital improvements fund reflected a fund balance of \$1,045,179, a decrease of \$2,908,331. The increase is primarily due to greater expenditures when compared to funding throughout the year.

As of the end of the year the debt service fund reflected a fund balance of \$101,916, an increase of \$55,169. Debt service payments totaling \$1,053,448 were incurred in the current year.

As of the end of the year the GLO – Ike recovery 2 fund reflected a fund deficit of \$4,349,344, a decrease of \$2,861,104. 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 \$33,118,167. Unrestricted net position at the close of the fiscal year amounted to \$5,322,863, and overall net position increased \$6,651,929 from the previous year. Total investment in capital assets, net of related debt was \$25,336,452, and capital assets, net of depreciation totaled \$44,351,059.

GENERAL FUND BUDGETARY HIGHLIGHTS

Supplemental budget amendments were approved during the fiscal year increasing total budgeted expenditures by \$102,062, while budgeted revenues remain unchanged, resulting in a final budgeted decrease in fund balance of \$73,487. The amendments were made to account for actual results during the year. Total budgeted revenues of \$19,605,384 were less than actual revenues of \$21,406,514, resulting in a positive revenue variance of \$1,801,130. Total budgeted expenditures of \$21,034,853 were less than actual expenditures of \$23,353,588, resulting in a total negative expenditure variance of \$2,318,735. The public safety, capital outlay, transfers out and debt service departments exceeded appropriations at the legal level of control.

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$22,231,388 in a variety of capital assets and infrastructure. The City's business-type activities funds had invested \$44,351,059 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:

• Lift Station Upgrade Pkg 1 Project	\$2,981,768
• WWTP & Lift Station Resiliency Plan	\$2,181,535
• Citywide Sanitary Sewer Rehabilitation Project	\$1,583,489
• Westwood Subdivision Pavement & Drainage Improvement	\$338,323
• DuraPatcher P2 pothole patch trailer	\$144,499
• Mahan Park Public Boat Ramp Improvement	\$525,159
• Citywide Asphalt Milling Overlay Roadway Improvement	\$426,059
• ARPA Road Improvement Project	\$961,869
• 27 Axon Fleet 3 in-car camera and 34 body worn cameras	\$615,791
• Axon Air Drones First Responder Single Dock	\$213,002
• Caterpillar 303.5 Mini Excavator (Serial # RE905477)	\$56,936
• 16' Water Distribution Line on Main Street	\$641,947
• Permit Office Remodel and 418 Laurel Façade Project	\$417,538
• Water Rehabilitation Within Area 6&7	\$705,359
• Wisteria Drainage Improvement	\$389,419
• Citywide Solar Light Improvement Project	\$208,658

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, certificates of obligation, and other liabilities increased by \$7,964,287 from the prior year. The total bonds, certificates of obligation, leases and contractual obligations at the close of the fiscal year were \$46,418,153, including premiums. The City issued 2025 Certificates of obligation in the amount of \$9,985,000. The City made \$2,443,659 in principal payments on all outstanding debt obligations. The City entered into multiple lease agreements totaling \$492,020 in the current year. More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

City of La Marque, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2025

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

City of La Marque, Texas
STATEMENT OF NET POSITION (page 1 of 2)
September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 5,785,933	\$ 17,745,670	\$ 23,531,603
Receivables, net	1,701,439	1,175,038	2,876,477
Grants receivables	4,672,338	-	4,672,338
Assessment receivable, current	537,468	-	537,468
Prepaid items	5,338	10,827	16,165
Internal balances	(229,335)	229,335	-
Inventories	40,252	45,845	86,097
Current Assets	12,513,433	19,206,715	31,720,148
Assessment receivable, noncurrent	4,872,192	-	4,872,192
Due from primary government	-	-	-
Capital assets:			
Non-depreciable	2,525,315	17,732,100	20,257,415
Net depreciable capital assets	19,706,073	26,618,959	46,325,032
Noncurrent Assets	27,103,580	44,351,059	71,454,639
Total Assets	39,617,013	63,557,774	103,174,787
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	10,824	-	10,824
Pension outflows - TMRS	1,400,598	136,413	1,537,011
OPEB outflows - Health	5,753	550	6,303
OPEB outflows - TMRS	11,286	1,079	12,365
Total Deferred Outflows of Resources	1,428,461	138,042	1,566,503

Component Unit	
La Marque	
EDC	
\$	10,145,310
	325,141
	-
	-
	20,568
	-
	-
	10,491,019
	-
	1,500,000
	4,458,492
	2,814,599
	8,773,091
	19,264,110
	-
	26,386
	-
	-
	26,386

City of La Marque, Texas
STATEMENT OF NET POSITION (page 2 of 2)
September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 8,331,736	\$ 629,465	\$ 8,961,201
Customer deposits	108,773	631,198	739,971
Accrued interest payable	126,214	126,949	253,163
Unearned grant revenue	-	1,628,525	1,628,525
Compensated absences, current	1,767,621	207,749	1,975,370
Long-term debt due within one year	1,835,674	1,092,283	2,927,957
Current Liabilities	12,170,018	4,316,169	16,486,187
Noncurrent liabilities due in more than one year:			
Net pension liability - TMRS	4,678,271	455,647	5,133,918
Net pension liability - SAP	563,526	30,439	593,965
OPEB liability - Health	746,405	71,353	817,758
OPEB liability - TMRS	376,268	35,969	412,237
Due to component unit	1,500,000	-	1,500,000
Compensated absences, noncurrent	196,402	23,083	219,485
Debt due in more than one year	17,183,969	26,306,227	43,490,196
Noncurrent Liabilities	25,244,841	26,922,718	52,167,559
Total Liabilities	37,414,859	31,238,887	68,653,746
<u>Deferred Inflows of Resources</u>			
Pension inflows - TMRS	452,163	44,039	496,202
Pension inflows - SAP	273,262	14,760	288,022
OPEB inflows - TMRS	101,290	9,683	110,973
OPEB inflows - Health	181,456	17,346	198,802
Total Deferred Inflows of Resources	1,008,171	85,828	1,093,999
<u>Net Position</u>			
Net investment in capital assets	9,956,757	25,336,452	35,293,209
Restricted for:			
Capital improvements	548,011	2,458,852	3,006,863
Tourism	284,872	-	284,872
Police department	59,198	-	59,198
Municipal court	159,663	-	159,663
Public improvement	626,936	-	626,936
Culture and recreation	37,540	-	37,540
Enabling legislation	265,744	-	265,744
Special projects	14,287	-	14,287
Parks	911,000	-	911,000
Grants	66,554	-	66,554
Debt service	101,916	-	101,916
Unrestricted	(10,410,034)	4,575,797	(5,834,237)
Total Net Position	\$ 2,622,444	\$ 32,371,101	\$ 34,993,545

Component Unit
La Marque
EDC

\$	218,108
	4,128
	-
	-
	101,553
	-
	323,789
	88,135
	-
	-
	-
	-
	11,284
	-
	99,419
	423,208
	8,518
	-
	-
	-
	8,518
	7,178,704
	-
	-
	-
	-
	-
	-
	-
	-
	-
	11,680,066
\$	18,858,770

City of La Marque, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 5,720,556	\$ -	\$ 2,523,657	\$ -
Public safety	16,501,758	842,540	3,360,836	-
Public works	3,863,944	3,657,030	-	4,637,282
Interest and fiscal charges	665,657	-	-	-
Total Governmental Activities	<u>26,751,915</u>	<u>4,499,570</u>	<u>5,884,493</u>	<u>4,637,282</u>
Business-Type Activities				
Utility	10,407,488	8,622,605	-	517,177
Sanitation	2,388,125	2,303,240	-	-
Total Business-Type Activities	<u>12,795,613</u>	<u>10,925,845</u>	<u>-</u>	<u>517,177</u>
Total Primary Government	<u>\$ 39,547,528</u>	<u>\$ 15,425,415</u>	<u>\$ 5,884,493</u>	<u>\$ 5,154,459</u>
Component Unit				
La Marque EDC	\$ 1,222,972	\$ -	\$ -	\$ -
Total Component Unit	<u>\$ 1,222,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes
 Property tax
 Sales tax
 Assessments
 Franchise and other taxes
 Hotel occupancy taxes
 Investment income
 Gain on sales of assets
 Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Beg. Net Position, as previously reported

New Accounting Standard - GASB 101

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
\$ (3,196,899)	\$ -	\$ (3,196,899)	\$ -
(12,298,382)	-	(12,298,382)	-
4,430,368	-	4,430,368	-
(665,657)	-	(665,657)	-
(11,730,570)	-	(11,730,570)	-
-	(1,267,706)	(1,267,706)	-
-	(84,885)	(84,885)	-
-	(1,352,591)	(1,352,591)	-
(11,730,570)	(1,352,591)	(13,083,161)	-
			(1,222,972)
			(1,222,972)
7,295,293	-	7,295,293	-
6,396,693	-	6,396,693	2,134,404
206,373	-	206,373	-
1,164,411	-	1,164,411	-
81,939	-	81,939	-
501,192	218,101	719,293	515,281
-	-	-	912,022
460,870	207,089	667,959	344,858
(7,537,847)	7,537,847	-	-
8,568,924	7,963,037	16,531,961	3,906,565
(3,161,646)	6,610,446	3,448,800	2,683,593
5,834,593	25,807,439	31,642,032	16,177,064
(75,396)	(46,784)	(122,180)	(1,887)
24,893	-	24,893	-
5,784,090	25,760,655	31,544,745	16,175,177
\$ 2,622,444	\$ 32,371,101	\$ 34,993,545	\$ 18,858,770

City of La Marque, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2025

	General	Debt Service	GLO - Ike Recovery 2	Public Improvement District No. 1
<u>Assets</u>				
Cash and cash equivalents	\$ 108,702	\$ 729,123	\$ -	\$ 63,989
Receivables, net	1,638,345	45,736	4,672,338	-
Assessments receivable	-	-	-	5,409,660
Inventory	40,252	-	-	-
Prepays	4,438	-	-	-
Due from other funds	162,540	-	-	-
Total Assets	\$ 1,954,277	\$ 774,859	\$ 4,672,338	\$ 5,473,649
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 1,405,191	\$ 457	\$ 5,273,782	\$ 63,989
Customer deposits	108,773	-	-	-
Due to component unit	1,500,000			
Due to other funds	102,197	626,750	292,814	-
Total Liabilities	3,116,161	627,207	5,566,596	63,989
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grants	147,084	-	3,455,086	-
Unavailable revenue - EMS	205,529	-	-	-
Unavailable revenue - assessments	-	-	-	5,409,660
Unavailable revenue - property taxes	-	45,736	-	-
Total Deferred Inflows of Resources	352,613	45,736	3,455,086	5,409,660
<u>Fund Balances</u>				
Nonspendable:				
Inventories	40,252	-	-	-
Prepays	4,438	-	-	-
Assigned:	407,021	-	-	-
Restricted for:				
Capital improvements	-	-	-	-
Special revenue	-	-	-	-
Parks	911,000	-	-	-
Public safety	66,554	-	-	-
Debt service	-	101,916	-	-
Unassigned	(2,943,762)	-	(4,349,344)	-
Total Fund Balances	(1,514,497)	101,916	(4,349,344)	-
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,954,277	\$ 774,859	\$ 4,672,338	\$ 5,473,649

See Notes to Financial Statements.

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,626,096	\$ 1,638,890	\$ 5,166,800
-	17,358	6,373,777
-	-	5,409,660
-	-	40,252
-	900	5,338
-	626,750	789,290
<u>\$ 2,626,096</u>	<u>\$ 2,283,898</u>	<u>\$ 17,785,117</u>
\$ 1,580,917	\$ 7,400	\$ 8,331,736
-	-	108,773
-	-	1,500,000
-	-	1,021,761
<u>1,580,917</u>	<u>7,400</u>	<u>10,962,270</u>
-	-	3,602,170
-	-	205,529
-	-	5,409,660
-	-	45,736
<u>-</u>	<u>-</u>	<u>9,263,095</u>
-	-	40,252
-	900	5,338
-	-	407,021
1,045,179	827,358	1,872,537
-	1,448,240	1,448,240
-	-	911,000
-	-	66,554
-	-	101,916
-	-	(7,293,106)
<u>1,045,179</u>	<u>2,276,498</u>	<u>(2,440,248)</u>
<u>\$ 2,626,096</u>	<u>\$ 2,283,898</u>	<u>\$ 17,785,117</u>

City of La Marque, Texas

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

September 30, 2025

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

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.

\$ (2,440,248)

2,525,315
19,706,073

45,736
5,409,660
3,602,170
205,529

10,824
1,400,598
11,286
5,753

622,269

(452,163)
(273,262)
(101,290)
(181,456)

(4,678,271)
(563,526)
(746,405)
(376,268)
(1,964,023)
(126,214)
(351,935)
(1,835,674)
(16,832,034)

\$ 2,622,444

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, 2025

	General	Debt Service	GLO - Ike Recovery 2	Public Improvement District No. 1
<u>Revenues</u>				
Property tax	\$ 5,344,420	\$ 2,023,194	\$ -	\$ -
Sales tax	6,396,693	-	-	-
Special assessments	-	-	-	743,841
Franchise and other taxes	1,138,942	-	-	-
Hotel occupancy taxes	-	-	-	-
License and permits	2,175,278	-	-	-
Charges for services	1,528,321	-	-	-
Fines and forfeitures	808,152	-	-	-
Intergovernmental	3,360,836	-	-	-
Contributions and donations	4,982	-	4,637,282	-
Investment income	236,642	51,057	-	-
Other revenues	412,248	-	-	-
Total Revenues	21,406,514	2,074,251	4,637,282	743,841
<u>Expenditures</u>				
Current:				
General government	5,210,228	-	-	-
Public safety	15,481,926	-	-	-
Public works	1,684,757	-	-	-
Debt service:				
Principal	523,889	674,400	-	537,468
Interest and fiscal charges	118,218	379,048	-	206,797
Capital outlay	334,570	-	-	-
Total Expenditures	23,353,588	1,053,448	-	744,265
Excess of Revenues Over (Under) Expenditures	(1,947,074)	1,020,803	4,637,282	(424)

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 171,050	\$ 7,538,664
-	-	6,396,693
-	-	743,841
-	25,469	1,164,411
-	81,939	81,939
-	-	2,175,278
-	-	1,528,321
-	34,388	842,540
-	-	3,360,836
-	-	4,642,264
121,279	69,070	478,048
-	48,622	460,870
<u>121,279</u>	<u>430,538</u>	<u>29,413,705</u>
-	131,563	5,341,791
-	102,293	15,584,219
-	-	1,684,757
-	-	1,735,757
-	-	704,063
<u>5,316,662</u>	<u>348,366</u>	<u>5,999,598</u>
<u>5,316,662</u>	<u>582,222</u>	<u>31,050,185</u>
(5,195,383)	(151,684)	(1,636,480)

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, 2025

	General	Debt Service	GLO - Ike Recovery 2	Public Improvement District No. 1
<u>Other Financing Sources (Uses)</u>				
Transfers in	\$ 952,550	\$ -	\$ -	\$ -
Transfers (out)	(2,434,216)	(965,634)	(7,498,386)	-
Lease issuance	469,186	-	-	-
Total Other Financing Sources (Uses)	(1,012,480)	(965,634)	(7,498,386)	-
Net Change in Fund Balances	(2,959,554)	55,169	(2,861,104)	(424)
Beginning fund balances	1,445,057	46,747	(1,488,240)	424
Ending Fund Balances	\$ (1,514,497)	\$ 101,916	\$ (4,349,344)	\$ -

See Notes to Financial Statements.

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,310,879	\$ 123,337	\$ 3,386,766
(23,827)	(2,550)	(10,924,613)
-	-	469,186
2,287,052	120,787	(7,068,661)
(2,908,331)	(30,897)	(8,705,141)
3,953,510	2,307,395	6,264,893
1,045,179	\$ 2,276,498	\$ (2,440,248)

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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, 2025

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

Net changes in fund balances - total governmental funds	\$ (8,705,141)
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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	4,775,005
Depreciation expense	(1,492,443)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,691,267
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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	(97,637)
Pension expense - SAP	(252,025)
Compensated absences	(303,972)
Other post employment benefits - TMRS	(14,174)
Other post employment benefits - Health	(90,647)
Accrued interest	4,771
Amortization of deferred charges on refunding	(2,707)
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	1,198,289
Developer payable	537,468
Note issuance	(146,074)
Lease issuance	(323,112)

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.

23,144

Change in Net Position of Governmental Activities	\$ (3,161,646)
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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, 2025

	Business-Type Activities Enterprise Funds			Governmental Activities
	Utility	Sanitation	Total	Internal Service
Assets				
<u>Current Assets</u>				
Cash and cash equivalents	\$ 17,745,670	\$ -	\$ 17,745,670	\$ 619,133
Receivables, net	892,879	282,159	1,175,038	-
Prepaid items	10,827	-	10,827	-
Due from other funds	1,049,672	-	1,049,672	3,136
Inventories	45,845	-	45,845	-
Total Current Assets	19,744,893	282,159	20,027,052	622,269
<u>Noncurrent Assets</u>				
Capital assets:				
Non-depreciable	17,732,100	-	17,732,100	-
Net depreciable capital assets	26,618,959	-	26,618,959	-
Total Noncurrent Assets	44,351,059	-	44,351,059	-
Total Assets	64,095,952	282,159	64,378,111	622,269
<u>Deferred Outflows of Resources</u>				
Pension outflows - TMRS	136,413	-	136,413	-
OPEB outflows - Health	550	-	550	-
OPEB outflows - TMRS	1,079	-	1,079	-
Total Deferred Outflows of Resources	138,042	-	138,042	-

City of La Marque, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
PROPRIETARY FUNDS
September 30, 2025

	Business-Type Activities Enterprise Funds			Governmental Activities
	Utility	Sanitation	Total	Internal Service
Liabilities				
<u>Current Liabilities</u>				
Accounts payable and accrued expenses	\$ 420,577	\$ 208,888	\$ 629,465	\$ -
Customer deposits	631,198	-	631,198	-
Compensated absences, current	207,749	-	207,749	-
Current maturities of long-term liabilities	1,092,283	-	1,092,283	-
Due to other funds	-	820,337	820,337	-
Unearned grant revenue	1,628,525	-	1,628,525	-
Accrued interest	126,949	-	126,949	-
Total Current Liabilities	4,107,281	1,029,225	5,136,506	-
<u>Noncurrent Liabilities</u>				
Net pension liability - TMRS	455,647	-	455,647	-
Net pension liability - SAP	30,439	-	30,439	-
OPEB liability - TMRS	35,969	-	35,969	-
OPEB liability - Health	71,353	-	71,353	-
Compensated absences, noncurrent	23,083	-	23,083	-
Long-term liabilities	26,306,227	-	26,306,227	-
Total Liabilities	31,029,999	1,029,225	32,059,224	-
<u>Deferred Inflows of Resources</u>				
Pension inflows - TMRS	44,039	-	44,039	-
Pension inflows - SAP	14,760	-	14,760	-
OPEB inflows - TMRS	9,683	-	9,683	-
OPEB inflows - Health	17,346	-	17,346	-
Total Deferred Inflows of Resources	85,828	-	85,828	-
<u>Net Position</u>				
Net investment in capital assets	25,336,452	-	25,336,452	-
Restricted for:				
Capital projects	2,458,852	-	2,458,852	-
Unrestricted	5,322,863	(747,066)	4,575,797	622,269
Total Net Position	\$ 33,118,167	\$ (747,066)	\$ 32,371,101	\$ 622,269

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, 2025

	Business-Type Activities Enterprise Funds			Governmental Activities
	Utility	Sanitation	Total	Internal Service
<u>Operating Revenues</u>				
Charges for services	\$ 8,622,605	\$ 2,303,240	\$ 10,925,845	\$ -
Other income	163,687	43,402	207,089	-
Total Operating Revenues	8,786,292	2,346,642	11,132,934	-
<u>Operating Expenses</u>				
Personnel services	1,710,862	-	1,710,862	-
Contractual services	952,818	2,388,125	3,340,943	-
Materials and supplies	561,065	-	561,065	-
Utilities	247,650	-	247,650	-
Purchased water	2,222,565	-	2,222,565	-
Repairs and maintenance	1,469,944	-	1,469,944	-
Depreciation	1,869,809	-	1,869,809	-
Capital outlay	355,514	-	355,514	-
Total Operating Expenses	9,390,227	2,388,125	11,778,352	-
Operating Income (Loss)	(603,935)	(41,483)	(645,418)	-
<u>Nonoperating Revenues (Expenses)</u>				
Investment income	218,101	-	218,101	23,144
Interest expense	(611,165)	-	(611,165)	-
Bond issuance costs	(406,096)	-	(406,096)	-
Nonoperating Revenues (Expenses)	(799,160)	-	(799,160)	23,144
Income (Loss) Before Transfers	(1,403,095)	(41,483)	(1,444,578)	23,144
<u>Capital Contributions and Transfer</u>				
Capital grants and contributions	517,177	-	517,177	-
Transfers in	8,487,847	-	8,487,847	-
Transfers (out)	(950,000)	-	(950,000)	-
Change in Net Position	6,651,929	(41,483)	6,610,446	23,144
Beg. net position, as previously reported	26,513,022	(705,583)	25,807,439	599,125
GASB 101 restatement	(46,784)	-	(46,784)	-
Beg. net position, as adjusted	26,466,238	(705,583)	25,760,655	599,125
Ending Net Position	\$ 33,118,167	\$ (747,066)	\$ 32,371,101	\$ 622,269

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, 2025

	Business-Type Activities Enterprise Funds			Governmental Activities
	Utility	Sanitation	Total	Internal Service
<u>Cash Flows from Operating Activities</u>				
Receipts from customers	\$ 8,897,378	\$ 2,417,745	\$ 11,315,123	\$ -
Payments to suppliers and contractors	(5,446,082)	(2,418,721)	(7,864,803)	-
Payments to employees	(2,181,274)	-	(2,181,274)	-
Net Cash Provided (Used) by Operating Activities	1,270,022	(976)	1,269,046	-
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers in	8,487,847	-	8,487,847	-
Transfers (out)	(950,000)	-	(950,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	7,537,847	-	7,537,847	-
<u>Cash Flows from Capital and Related Financing Activities</u>				
Purchases of capital assets	(8,235,924)	-	(8,235,924)	-
Principal paid on capital debt	(707,902)	-	(707,902)	-
Proceeds from capital debt	9,985,000	-	9,985,000	-
Bond issuance costs	(406,096)	-	(406,096)	-
Interest paid on capital debt	(634,645)	-	(634,645)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	433	-	433	-
<u>Cash Flows from Investing Activities</u>				
Interest on investments	218,101	-	218,101	23,144
Net Cash Provided (Used) by Investing Activities	218,101	-	218,101	23,144
Net Increase (Decrease) in Cash and Cash Equivalents	9,026,403	(976)	9,025,427	23,144
Beginning cash and cash equivalents	8,719,267	976	8,720,243	595,989
Ending Cash and Cash Equivalents	\$ 17,745,670	\$ -	\$ 17,745,670	\$ 619,133

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, 2025

	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)	\$ (603,935)	\$ (41,483)	\$ (645,418)	\$	-
Adjustments to reconcile operating income to net cash provided (used):					
Depreciation	1,869,809	-	1,869,809		-
Changes in Operating Assets and Liabilities:					
(Increase) Decrease in:					
Accounts receivable	97,343	71,103	168,446		-
Inventory	-	-	-		-
Prepaid items	(10,633)	-	(10,633)		-
Due from other funds	1,231,673	-	1,231,673		-
Deferred Outflows of Resources:					
Pension liab - TMRS	146,109	-	146,109		-
OPEB liab - Health	(3,946)	-	(3,946)		-
OPEB liab - TMRS	(4,029)	-	(4,029)		-
Increase (Decrease) in:					
Accounts payable and accrued expenses	(857,566)	(79,363)	(936,929)		-
Customer deposits	13,743	-	13,743		-
Compensated absences	34,943	-	34,943		-
Due to other funds	-	48,767	48,767		-
Net pension liability - TMRS	(327,786)	-	(327,786)		-
Net pension liability - SAP	(205,586)	-	(205,586)		-
OPEB liability - TMRS	(14,488)	-	(14,488)		-
OPEB liability - Health	(23,936)	-	(23,936)		-
Deferred Inflows of Resources:					
Pension inflows - TMRS	24,969	-	24,969		-
Pension inflows - SAP	(96,662)	-	(96,662)		-
Net Cash Provided (Used) by Operating Activities	\$ 1,270,022	\$ (976)	\$ 1,269,046	\$	-
<u>Schedule of Non-Cash Capital and Related Financing Activities</u>					
Lease issuance	\$ 22,834	\$ -	\$ 22,834	\$	-

See Notes to Financial Statements.

City of La Marque, Texas
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2025

		<u>Custodial Funds</u>
<u>Assets</u>		
Cash and cash equivalents		\$ 5,042
	Total Assets	<u>5,042</u>
<u>Net Position</u>		
Restricted		5,042
	Total Net Position	<u>\$ 5,042</u>

City of La Marque, Texas
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2025

	Custodial Funds
<u>Additions</u>	
Investment earnings	\$ 149
Other revenue	100
Total Additions	249
 Change in Net Position	 249
 Beginning net position	 4,793
Ending Net Position	\$ 5,042

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City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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

Under GASB Statement No. 101, the City recognizes a liability for compensated absences for vacation and sick leave that is attributable to services already rendered and for which the City has a present obligation to provide compensation through paid time off or cash settlement. The remaining leave is considered a non-separation benefit and is recognized as a liability only to the extent it is probable that the leave will be used for qualifying absences, and the amount can be reasonably estimated.

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.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

Supplemental budget appropriations were made for the year ended September 30, 2025. 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, 2025, expenditures exceeded appropriations at the legal level of control as follows:

General Fund:	
Public safety	\$2,793,252
Capital outlay	194,570
Debt service	488,268
Transfers (out)	2,324,216
Capital Projects Fund:	
Capital outlay	\$121,585

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Debt Service Fund:	
Transfers (out)	\$ 965,634
Capital Improvements Fund:	
Capital outlay	\$ 3,688,147
Court Security Fund:	
Transfers (out)	\$ 2,550
LEOSE Training Fund:	
Capital outlay	\$ 8,490
Clean City Fund:	
General government	\$ 4,007

B. Deficit Fund Balance

At September 30, 2025, the general, GLO – Ike Recovery 2, and sanitation funds had deficit fund balances of \$1,514,498, \$4,349,344 and \$747,066. The deficits will be eliminated in the future through reduction of expenditures, increase in revenues, or reimbursements from other funds.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

C. Restricted Fund Equity

The City records restricted net position to indicate that a portion of the net position is legally restricted for a specific future use or to indicate that a portion is not available for expense.

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

	<u>Restricted</u>
Capital improvements	\$ 3,006,863
Tourism	284,872
Police department	59,198
Municipal court	159,663
Public improvement	626,936
Culture and recreation	37,540
Enabling legislation	265,744
Special projects	911,000
Parks	66,554
Grants	14,287
Debt service (governmental)	101,916
	<u><u>\$ 5,534,573</u></u>

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2025, the primary government had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Money market funds	\$ 889,435	0.003
External investment pools	8,937,972	0.13
Total value	<u><u>\$ 9,827,407</u></u>	
Portfolio weighted average maturity		0.12

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

As of September 30, 2025, the discretely presented component unit had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	\$ 10,322,302	0.13
Total value	<u>\$ 10,322,302</u>	
Portfolio weighted average maturity		0.13

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, 2025, the City's investment in investment pools were rated AAAM by Standard & Poor's.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2025, 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.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

TexPool

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

LOGIC

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

LOGIC operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. LOGIC uses the amortized cost valuation technique, which generally approximates the fair value of the assets, has been deemed to be a proxy for fair value. Accordingly, the fair value of the position in LOGIC are the same as the value of LOGIC shares. There were no limitations or restrictions on withdrawals.

Texas CLASS

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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

B. Fair Value Measurement

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

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

C. Receivables

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

Governmental Activities

	General	GLO - Ike Recovery 2	Debt Service	PID No. 1	Nonmajor Governmental	Total
Property taxes	\$ 490,279	\$ -	\$ 152,453	\$ -	\$ -	\$ 642,732
Sales tax	974,935	-	-	-	-	974,935
Franchise tax	351,871	-				351,871
Hotel/motel taxes	-	-	-	-	9,198	9,198
Court	-	-	-	-	-	-
Ambulance billing	504,232	-	-	-	-	504,232
Special assessments	-	-	-	5,409,660	-	5,409,660
Grants	-	4,672,338	-	-	-	4,672,338
Other	85,166	-	-	-	8,160	93,326
Allowance	(768,138)	-	(106,717)	-	-	(874,855)
	<u>\$ 1,638,345</u>	<u>\$ 4,672,338</u>	<u>\$ 45,736</u>	<u>\$ 5,409,660</u>	<u>\$ 17,358</u>	<u>\$ 11,783,437</u>

Business-Type Activities

	Utility	Sanitation	Total
Accounts	\$ 2,691,633	\$ 1,059,658	\$ 3,751,291
Other	35,917	-	35,917
Allowance	(1,834,671)	(777,499)	(2,612,170)
	<u>\$ 892,879</u>	<u>\$ 282,159</u>	<u>\$ 1,175,038</u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

The discretely presented component unit had receivables of \$325,141 as of year end which consisted entirely of sales tax.

D. Capital Assets

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

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 210,370	\$ -	\$ -	\$ 210,370
Construction in progress	372,594	2,565,163	(622,812)	2,314,945
Total capital assets not being depreciated	<u>582,964</u>	<u>2,565,163</u>	<u>(622,812)</u>	<u>2,525,315</u>
Capital assets, being depreciated:				
Buildings and improvements	11,826,207	-	622,812	12,449,019
Improvements other than buildings	29,024,810	338,323	-	29,363,133
Vehicles	4,234,351	-	-	4,234,351
Right-of-use assets	2,003,434	323,112	-	2,326,546
Machinery and equipment	4,281,966	1,548,407	-	5,830,373
Furniture and office equipment	401,296	-	-	401,296
SBITAs	537,156	-	-	537,156
Total capital assets being depreciated	<u>52,309,220</u>	<u>2,209,842</u>	<u>622,812</u>	<u>55,141,874</u>
Less accumulated depreciation				
Buildings and improvements	(4,062,409)	(287,761)	-	(4,350,170)
Improvements other than buildings	(21,513,792)	(414,099)	-	(21,927,891)
Vehicles	(2,966,812)	(194,478)	-	(3,161,290)
Right-of-use assets	(1,175,363)	(381,267)	-	(1,556,630)
Machinery and equipment	(3,766,244)	(157,705)	-	(3,923,949)
Furniture and office equipment	(351,306)	(3,417)	-	(354,723)
SBITAs	(107,432)	(53,716)	-	(161,148)
Total accumulated depreciation	<u>(33,943,358)</u>	<u>(1,492,443)</u>	<u>-</u>	<u>(35,435,801)</u>
Net capital assets being depreciated	<u>18,365,862</u>	<u>717,399</u>	<u>622,812</u>	<u>19,706,073</u>
Total Capital Assets	<u><u>\$ 18,948,826</u></u>	<u><u>\$ 3,282,562</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,231,388</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 278,062
Public safety	675,145
Public works	539,236
Total Governmental Activities Depreciation Expense	<u><u>\$ 1,492,443</u></u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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	12,283,347	8,140,334	(2,901,355)	17,522,326
Total capital assets not being depreciated	<u>12,493,121</u>	<u>8,140,334</u>	<u>(2,901,355)</u>	<u>17,732,100</u>
Capital assets, being depreciated:				
Buildings and improvements	116,805	-	-	116,805
Improvements other than buildings	58,167,391	-	2,901,355	61,068,746
Vehicles	1,611,783	-	-	1,611,783
Right-of-use assets	752,931	22,834	-	775,765
Intangible assets	4,334,371	-	-	4,334,371
Machinery and equipment	1,937,340	95,590	-	2,032,930
Total capital assets being depreciated	<u>66,920,621</u>	<u>118,424</u>	<u>2,901,355</u>	<u>69,940,400</u>
Less accumulated depreciation				
Buildings and improvements	(116,805)	-	-	(116,805)
Improvements other than buildings	(37,476,070)	(1,531,814)	-	(39,007,884)
Vehicles	(1,371,540)	(32,168)	-	(1,403,708)
Right-of-use assets	(668,937)	(77,626)	-	(746,563)
Intangible assets	(294,588)	(147,294)	-	(441,882)
Machinery and equipment	(1,523,692)	(80,907)	-	(1,604,599)
Total accumulated depreciation	<u>(41,451,632)</u>	<u>(1,869,809)</u>	<u>-</u>	<u>(43,321,441)</u>
Net capital assets being depreciated	<u>25,468,989</u>	<u>(1,751,385)</u>	<u>2,901,355</u>	<u>26,618,959</u>
Total Capital Assets	<u><u>\$ 37,962,110</u></u>	<u><u>\$ 6,388,949</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 44,351,059</u></u>

Depreciation was charged to business-type activities as follows:

Utility	\$ 1,869,809
Total Business-Type Activities Depreciation Expense	<u><u>\$ 1,869,809</u></u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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	\$ -	\$ (543,164)	\$ 3,120,660
Construction in progress	920,294	417,538	-	1,337,832
Total capital assets not being depreciated	<u>4,584,118</u>	<u>417,538</u>	<u>(543,164)</u>	<u>4,458,492</u>
Capital assets, being depreciated:				
Buildings and structures	3,435,752	5,388	-	3,441,140
Equipment	21,424	-	-	21,424
Total capital assets being depreciated	<u>3,457,176</u>	<u>5,388</u>	<u>-</u>	<u>3,462,564</u>
Less accumulated depreciation				
Buildings and structures	(486,037)	(154,430)	-	(640,467)
Equipment	(3,214)	(4,284)	-	(7,498)
Total accumulated depreciation	<u>(489,251)</u>	<u>(158,714)</u>	<u>-</u>	<u>(647,965)</u>
Net capital assets being depreciated	<u>2,967,925</u>	<u>(153,326)</u>	<u>-</u>	<u>2,814,599</u>
Total Capital Assets	<u><u>\$ 7,552,043</u></u>	<u><u>\$ 264,212</u></u>	<u><u>\$ (543,164)</u></u>	<u><u>\$ 7,273,091</u></u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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, 2025. 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	\$ 537,881	\$ -	\$ (62,624)	\$ 475,257	\$ 63,889
General Obligation Bonds	2,150,000	-	(405,000)	1,745,000	415,000
Certificates of Obligation	9,282,400	-	(269,400)	9,013,000	281,800
Direct borrowing/placement:					
Note payable	728,693	146,074	(56,370)	818,397	94,681
Lease liabilities	969,091	323,112	(376,544)	915,659	390,970
Subscription liabilities	319,085	-	(28,351)	290,734	32,098
Developer payable	5,947,129	-	(537,468)	5,409,661	557,236
Less deferred amounts:					
For premiums	388,277	-	(36,342)	351,935	-
Total Governmental Activities	\$ 20,322,556	\$ 469,186	\$ (1,772,099)	\$ 19,019,643	\$ 1,835,674
Long-term liabilities due in more than one year				\$ 17,183,969	
Business-Type Activities:					
Bonds, notes and other payables:					
Certificates of Obligation	\$ 10,597,600	\$ 9,985,000	\$ (285,600)	\$ 20,297,000	\$ 673,200
Direct borrowing/placement:					
Contractual obligation	6,233,145	-	(306,276)	5,926,869	313,931
Note payable	270,423	-	(20,917)	249,506	21,585
Lease liabilities	195,250	22,834	(95,109)	122,975	83,567
Less deferred amounts:					
For premiums	834,892	-	(32,732)	802,160	-
Total Business-Type Activities	\$ 18,131,310	\$ 10,007,834	\$ (740,634)	\$ 27,398,510	\$ 1,092,283
Long-term liabilities due in more than one year				\$ 26,306,227	

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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, 2025

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%	\$ 3,828,000	\$ -	\$ 3,828,000
\$6,000,000 Certificate of Obligation, Series 2018, due in annual installments through 2048, interest at 3.5-5%	5,185,000	-	5,185,000
\$5,075,200 Certificate of Obligation, Series 2016, due in annual installments through 2045, interest at 2-3.125%	-	4,147,000	4,147,000
\$7,605,000 Certificate of Obligation, Series 2020, due in annual installments through 2050, interest at 4%	-	6,165,000	6,165,000
\$9,985,000 Certificate of Obligation, Series 2025, due in annual installments through 2045, interest at 1.53%-2.82%	-	9,985,000	9,985,000
Total Certificates of Obligation	\$ 9,013,000	\$ 20,297,000	\$ 29,310,000
General Obligation Bonds:			
\$2,520,000 General Obligation, Series 2014, due in annual installments through 2029, interest at 2.5-4.0%	\$ 810,000	\$ -	\$ 810,000
\$2,470,000 General Obligation, Series 2017, due in annual installments through 2029, interest at 3%	935,000	-	935,000
Total General Obligation Bonds	\$ 1,745,000	\$ -	\$ 1,745,000
\$652,826 Contractual Obligation, Series 2022 due in annual installments through 2035, interest at 1.81%	\$ 475,257	\$ -	\$ 475,257
\$4,334,372 Contractual Obligation, Series 2023, due in annual installments through 2052, interest at 5.00%	-	4,161,869	4,161,869
\$3,305,000 Contractual Obligation, Series 2018, due in annual installments through 2032, interest at 2.51%	-	1,765,000	1,765,000
Total Contractual Obligation	\$ 475,257	\$ 5,926,869	\$ 6,402,126
\$936,831 Note Payable, due in annual installments through 2035, interest at 3.18%	\$ 672,323	\$ -	\$ 672,323
\$146,074 Note Payable, due in annual installments through 2029, interest at 0%	146,074	-	146,074
\$347,669 Note Payable, Series 2020 due in annual installments through 2035, interest at 3.18%	-	249,506	249,506
Total Note Payable	\$ 818,397	\$ 249,506	\$ 1,067,903
Less deferred amounts:			
Issuance premium	351,935	802,160	1,154,095
Total deferred amounts	\$ 351,935	\$ 802,160	\$ 1,154,095
Developer payable	\$ 5,409,661	\$ -	\$ 5,409,661
Lease/subscription liabilities	\$ 1,206,393	\$ 122,975	\$ 1,329,368
Total Long-Term Debt	\$ 19,019,643	\$ 27,398,510	\$ 46,418,153

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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>
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>\$ 1,745,000</u>	<u>\$ 132,900</u>	<u>\$ 1,877,900</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>
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	321,200	263,282	584,482
2031	328,600	252,672	581,272
2032	343,400	241,574	584,974
2033	353,200	229,752	582,952
2034	368,000	217,388	585,388
2035	377,800	204,276	582,076
2036	392,600	190,820	583,420
2037	399,800	176,784	576,584
2038	414,600	163,643	578,243
2039	429,400	150,008	579,408
2040	441,600	135,843	577,443
2041	456,400	121,323	577,723
2042	473,600	106,273	579,873
2043	490,800	90,519	581,319
2044	513,000	74,056	587,056
2045	530,200	56,487	586,687
2046	545,000	40,244	585,244
2047	320,000	23,563	343,563
2048	330,000	11,963	341,963
	<u>\$ 9,013,000</u>	<u>\$ 3,900,432</u>	<u>\$ 12,913,432</u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Contractual Obligation

<u>Year ending</u> <u>September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 475,257</u>	<u>\$ 30,795</u>	<u>\$ 506,052</u>

Note Payable

<u>Year ending</u> <u>September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 94,681	\$ 21,380	\$ 116,061
2027	96,531	19,530	116,061
2028	98,439	17,622	116,061
2029	100,408	15,653	116,061
2030	65,921	13,621	79,543
2031	68,018	11,525	79,543
2032	70,181	9,362	79,543
2033	72,412	7,130	79,543
2034	74,715	4,827	79,543
2035	77,091	2,452	79,543
	<u>\$ 818,397</u>	<u>\$ 123,102</u>	<u>\$ 941,499</u>

Developer Payable

<u>Year ending</u> <u>September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 5,409,661</u>	<u>\$ 1,586,984</u>	<u>\$ 6,996,645</u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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

Certificates of Obligation

Year ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2026	\$ 673,200	\$ 564,698	\$ 1,237,898
2027	723,400	560,387	1,283,787
2028	741,000	544,525	1,285,525
2029	753,600	528,097	1,281,697
2030	773,800	510,756	1,284,556
2031	796,400	492,373	1,288,773
2032	811,600	472,872	1,284,472
2033	836,800	452,269	1,289,069
2034	857,000	430,464	1,287,464
2035	882,200	407,340	1,289,540
2036	907,400	382,825	1,290,225
2037	935,200	356,800	1,292,000
2038	960,400	329,385	1,289,785
2039	990,600	300,592	1,291,192
2040	1,018,400	270,466	1,288,866
2041	1,048,600	239,041	1,287,641
2042	1,086,400	206,132	1,292,532
2043	1,119,200	171,591	1,290,791
2044	1,157,000	135,512	1,292,512
2045	1,194,800	98,019	1,292,819
2046	585,000	70,394	655,394
2047	340,000	51,000	391,000
2048	355,000	37,100	392,100
2049	370,000	22,600	392,600
2050	380,000	7,600	387,600
	<u>\$ 20,297,000</u>	<u>\$ 7,642,837</u>	<u>\$ 27,939,837</u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Contractual Obligation

<u>Year ending September 30,</u>	<u>Business-Type Activites</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 313,931	\$ 238,860	\$ 552,791
2027	323,268	228,979	552,247
2028	331,876	218,753	550,629
2029	341,213	208,219	549,432
2030	355,550	197,341	552,891
2031	365,789	185,995	551,784
2032	375,126	174,259	549,385
2033	111,440	162,178	273,618
2034	116,679	156,554	273,233
2035	121,918	150,666	272,584
Thereafter	3,170,079	1,470,339	4,640,418
	<u>\$ 5,926,869</u>	<u>\$ 3,392,143</u>	<u>\$ 9,319,012</u>

Note Payable

<u>Year ending September 30,</u>	<u>Business-Type Activites</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 21,585	\$ 7,934	\$ 29,519
2027	22,271	7,248	29,519
2028	22,979	6,540	29,519
2029	23,710	5,809	29,519
2030	24,464	5,055	29,519
2031	25,242	4,277	29,519
2032	26,045	3,474	29,519
2033	26,873	2,646	29,519
2034	27,728	1,792	29,519
2035	28,609	910	29,519
	<u>\$ 249,506</u>	<u>\$ 45,685</u>	<u>\$ 295,191</u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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

Year ending September 30,	Governmental Activities		Total
	Principal	Interest	
2026	\$ 390,970	\$ 55,190	\$ 446,161
2027	321,317	28,647	349,964
2028	136,384	10,406	146,790
2029	45,165	3,307	48,472
2030	21,822	828	22,650
Total	\$ 915,659	\$ 98,378	\$ 1,014,036

Year ending September 30,	Business-Type Activities		Total
	Principal	Interest	
2026	\$ 83,567	\$ 4,347	\$ 87,914
2027	39,408	942	40,350
Total	\$ 122,975	\$ 5,289	\$ 128,264

Governmental right-to-use and SBITA assets consist of vehicles/equipment and software subscription, respectively, that have a current net book value of \$1,145,924 as of year end.

Business-type right-to-use assets consist of water meters and infrastructure that have a current net book value of \$29,202 as of year end.

F. Other Long-term Liabilities

The following is a summary of changes in the City's total other long-term liabilities for the year ended September 30, 2025. In general, the City uses the general fund to liquidate governmental compensated absences.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 1,660,051	\$ 1,730,163	\$ (1,426,191)	\$ 1,964,023	\$ 1,767,621
Total Governmental Activities	<u>\$ 1,660,051</u>	<u>\$ 1,730,163</u>	<u>\$ (1,426,191)</u>	<u>\$ 1,964,023</u>	<u>\$ 1,767,621</u>
Long-term liabilities due in more than one year				<u>\$ 196,402</u>	
Business-Type Activities:					
Compensated Absences	\$ 195,889	\$ 169,138	\$ (134,195)	\$ 230,832	\$ 207,749
Total Business-Type Activities	<u>\$ 195,889</u>	<u>\$ 169,138</u>	<u>\$ (134,195)</u>	<u>\$ 230,832</u>	<u>\$ 207,749</u>
Long-term liabilities due in more than one year				<u>\$ 23,083</u>	
Component Unit Activities:					
Compensated Absences	\$ 107,569	\$ 100,382	\$ (95,114)	\$ 112,837	\$ 101,553
Total Component Unit Activities	<u>\$ 107,569</u>	<u>\$ 100,382</u>	<u>\$ (95,114)</u>	<u>\$ 112,837</u>	<u>\$ 101,553</u>
Long-term liabilities due in more than one year				<u>\$ 11,284</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 \$10,824. Current year amortization expense totaled \$2,706.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

H. Interfund Transactions

Transfers between the primary government funds during the 2025 year were as follows:

Transfers out:	Transfers In:				
	General	Capital Improvements	Nonmajor Governmental	Utility	Total
General	\$ -	\$ 2,310,879	\$ 123,337	\$ -	\$ 2,434,216
GLO - Ike Recovery 2	-	-	-	7,498,386	7,498,386
Utility	950,000	-	-	-	950,000
Debt service	-	-	-	965,634	965,634
Capital improvements	-	-	-	23,827	23,827
Nonmajor governmental	2,550	-	-	-	2,550
Total	\$ 952,550	\$ 2,310,879	\$ 123,337	\$ 8,487,847	\$ 11,874,613

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, 2025 were as follows:

Due to (payable fund):	Due from (receivable fund):				
	General	Capital Improvements	Internal Service	Utility	Total
General	\$ -	\$ -	\$ 3,136	\$ 99,061	\$ 102,197
Debt service	-	626,750	-	-	626,750
GLO - Ike	-	-	-	292,814	292,814
Sanitation	162,540	-	-	657,797	820,337
Total	\$ 162,540	\$ 626,750	\$ 3,136	\$ 1,049,672	\$ 1,842,098

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.

EDC Loan

During fiscal year 2025, the City executed an interfund loan agreement with the La Marque Economic Development Corporation Revitalization Fund to address a temporary cash flow deficiency in the General Fund. The agreement, dated September 22, 2025, provides for a \$1,500,000 loan bearing interest at 1% annually. The loan is repayable either in one lump sum by September 30, 2030, or in two installments consisting of \$500,000 due April 1, 2026, and \$1,000,000 plus accrued interest due September 30, 2030. The agreement also permits early repayment without penalty.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

V. OTHER INFORMATION

A. Risk Management

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

B. Commitments and Contingent Liabilities

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

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

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

The City is 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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2025

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 2025, the City paid GCWA \$2,495,946, net of refunds of \$207,484, related to water consumption, water rights, debt service, and other contract costs.

Developer Reimbursements

On August 11, 2003, the City created the Public Improvement District Number One (the "District") to account for special assessment property taxes assessed and collected for the reimbursement of prefunded developer public improvement project (the "Project") costs within the District. A Public Improvement District Development and Financing Agreement (the "Agreement") became effective as of November 3, 2003. The Projects are broken down into four phases covering five different sections. In accordance with Chapter 372, Texas Local Government Code, the public improvements to be constructed will be paid by special

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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 2025, the City recognized special assessment property tax revenues of \$743,841 and recognized developer reimbursement expenditures of \$744,265. Total assessments receivable at year end were \$5,409,660.

Utility Service Contract

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

D. Defined Benefit Pension Plans

1. Plan Description

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

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

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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 2024</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

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	120
Inactive employees entitled to but not yet receiving benefits	187
Active employees	<u>169</u>
Total	<u>476</u>

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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 14.42% and 14.48% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$1,919,142 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, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability (Asset) in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of 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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate 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 the most recent Scale

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

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

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 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

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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, \$5,133,918 is related to the primary government and \$88,135 is attributable to the discretely presented component unit.

Changes in the Net Pension Liability (Asset)

	Total Pension	Plan Fiduciary	Total Net Pension	Primary Government	Component Unit
Balance at 12/31/23	\$ 42,132,231	\$ 35,734,832	\$ 6,397,399	\$ 6,254,998	\$ 142,401
Changes for the year:					
Service cost	2,164,096	-	2,164,096	2,115,925	48,171
Interest	2,851,095	-	2,851,095	2,787,632	63,463
Change in benefit terms	-	-	-	-	-
Difference between expected and actual experience	199,532	-	199,532	195,091	4,441
Changes of assumptions	-	-	-	-	-
Contributions – employer	-	1,818,547	(1,818,547)	(1,778,067)	(40,480)
Contributions – employee	-	882,790	(882,790)	(863,140)	(19,650)
Net investment income	-	3,713,102	(3,713,102)	(3,630,451)	(82,651)
Benefit payments, including refunds of emp. contributions	(1,951,661)	(1,951,661)	-	-	-
Administrative expense	-	(23,813)	23,813	23,283	530
Other changes	-	(557)	557	28,649	(28,092)
Net changes	3,263,062	4,438,408	(1,175,346)	(1,121,079)	(54,267)
Balance at 12/31/24	<u>\$ 45,395,293</u>	<u>\$ 40,173,240</u>	<u>\$ 5,222,053</u>	<u>\$ 5,133,918</u>	<u>\$ 88,135</u>

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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%
\$ 12,520,360	\$ 5,133,918	\$ (776,128)

Component Unit

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 214,939	\$ 88,135	\$ (13,324)

Total

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 12,735,299	\$ 5,222,053	\$ (789,452)

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, 2025, the City recognized pension expense of \$1,835,720. Of this amount, \$1,804,738 is related to the primary government and \$30,982 is attributable to the discretely presented component unit.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

At September 30, 2025, 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	\$ -	\$ (433,164)
Differences between expected and actual economic experience	164,232	-
Difference in assumption changes	-	(63,038)
Contributions subsequent to the measurement date	1,372,779	-
Component Unit:		
Difference between projected and actual investment earnings	-	(7,436)
Differences between expected and actual economic experience	2,819	-
Difference in assumption changes	-	(1,082)
Contributions subsequent to the measurement date	23,567	-
Total	\$ 1,563,397	\$ (504,720)

The primary government and component unit reported \$1,372,779 and \$23,567, 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, 2026.

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	\$ 56,845	\$ 55,886	\$ 959
2026	431,204	423,926	7,278
2027	(565,522)	(555,977)	(9,545)
2028	(260,196)	(255,805)	(4,391)
2029	-	-	-
Thereafter	-	-	-
	\$ (337,669)	\$ (331,970)	\$ (5,699)

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

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 valuation 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, 2025. 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, 2025

Actuarial assumptions:

The Total pension Liability in the September 30, 2024 actuarial valuation, as measured at September 30, 2025, was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	4.90% as of September 30, 2025
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, 2025 Total Pension Liability was 4.90%. 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 3.81% as of September 30, 2024, to 4.90% as of September 30, 2025.

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 4.90%, 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 (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

1% Decrease 3.90%	Current Single Rate Assumption 4.9%	1% Increase 5.90%
\$ 652,234	\$ 593,965	\$ 540,783

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Changes in the Total Pension Liability:

	Total Pension Liability
Balance at 9/30/2024	\$ 633,262
Changes for the year:	
Service Cost	10,125
Interest	24,134
Difference between expected and actual experience	-
Changes of assumptions	(63,771)
Benefit payments	(9,785)
Other changes	-
Net changes	(39,297)
Balance at 9/30/2025	\$ 593,965

Changes of assumptions reflect a change in the discount rate from 3.81% as of September 30, 2024, to 4.90% as of September 30, 2025.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to pension

For the year ended September 30, 2025, the City recognized pension income of \$40,442.

At September 30, 2025, 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	\$ (180,593)
Differences in assumptions	(107,429)
Total	\$ (288,022)

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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
2026	\$ (71,782)
2027	(73,349)
2028	(74,215)
2029	(37,769)
2030	(25,300)
Thereafter	(5,607)
	<u>\$ (288,022)</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 2024	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, 2025

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	78
Inactive employees entitled to but not yet receiving benefits	26
Active employees	169
Total	173

The City's contributions to the TMRS SDBF for the years ended 2025, 2024, and 2023 were \$17,079, \$15,819, and \$13,617, 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
2023	0.14%	0.14%	100.0%
2024	0.13%	0.13%	100.0%
2025	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, 2024, 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, 2024 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	4.08%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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

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 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

1% Decrease 2.77%	Current Single Rate Assumption 3.77%	1% Increase 4.77%
\$ 490,455	\$ 412,237	\$ 351,484

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2023	\$ 412,025
Changes for the year:	
Service Cost	34,050
Interest	15,866
Difference between expected and actual experience	(11,240)
Changes of assumptions	(22,069)
Benefit payments	(16,395)
Net changes	212
Balance at 12/31/2024	<u><u>\$ 412,237</u></u>

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

For the year ended September 30, 2025, the City recognized OPEB expense of \$12,735.

At September 30, 2025, 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	\$ -	\$ (35,456)
Differences in assumptions	-	(75,517)
Contributions subsequent to measurement date	12,365	-
Total	<u><u>\$ 12,365</u></u>	<u><u>\$ (110,973)</u></u>

The City reported \$12,365 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, 2026.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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

Year ended December 31:		Total
2025	\$	(52,573)
2026		(46,611)
2027		(5,620)
2028		(6,169)
2029		-
Thereafter		-
	\$	(110,973)

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, 2025

Employees covered by benefit terms

At the December 31, 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	122
Total	124

Total OPEB Liability

The City's healthcare OPEB liability was measured as of December 31, 2024.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2023 actuarial valuation as measured at December 31, 2024, was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	4.08% as of December 31, 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 December 31, 2023 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, 2025

Discount Rate:

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 4.08% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 3.77% as of the prior measurement date.

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 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

1% Decrease 3.08%	Current Single Rate Assumption 4.08%	1% Increase 5.08%
\$ 927,520	\$ 817,758	\$ 721,510

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
\$ 689,835	\$ 817,758	\$ 974,120

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2023	\$ 778,118
Changes for the year:	
Service Cost	73,259
Interest	30,030
Difference between expected and actual experience	5,254
Changes of assumptions	(32,534)
Benefit payments	(36,369)
Net changes	39,640
Balance at 12/31/2024	\$ 817,758

Changes of assumptions reflect a change in the discount rate from 3.77% as of December 31, 2023 to 4.08% as of December 31, 2024.

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

For the year ended September 30, 2025, the City recognized OPEB expense of \$82,025.

At September 30, 2025, 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	\$ -	\$ (117,835)
Differences in assumptions	-	(80,967)
Contributions subsequent to measurement date	6,303	-
Total	\$ 6,303	\$ (198,802)

The City reported \$6,303 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, 2026.

City of La Marque, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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

Year ended December 31:		Total
2026	\$	(22,677)
2027		(25,041)
2028		(23,947)
2029		(30,924)
2030		(39,466)
Thereafter		(56,747)
	\$	(198,802)

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 a correction of a prior year accounting error and the implementation of GASB 101 over compensated absences, 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, 2025

The tables below summarize the changes to net position/fund balance as a result of the restatements.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Utility</u>
Prior year ending net position, as reported	\$ 5,834,593	\$ 25,807,439	\$ 26,513,022
Correction to long-term debt	24,893	-	-
Implementation of GASB 101	(75,396)	(46,784)	(46,784)
Restated beginning net position	<u>\$ 5,784,090</u>	<u>\$ 25,760,655</u>	<u>\$ 26,466,238</u>

	<u>Discretely Presented Component Unit</u>
Prior year ending net position, as reported	\$ 16,177,064
Implementation of GASB 101	(1,887)
Restated beginning net position	<u>\$ 16,175,177</u>

G. New Accounting Pronouncements

The City adopted GASB 101, *Compensated Absences* during the year. 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.

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).

This standard was applied retroactively and resulted in a sick leave liability of \$122,180 for the primary government and \$1,887 for the component unit as of September 30, 2024.

City of La Marque, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2025

H. Subsequent Events

There were no material subsequent events warranting disclosure through March 28, 2026, the date the financial statements were available to be issued.

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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property tax	\$ 6,292,322	\$ 6,292,322	\$ 5,344,420	\$ (947,902)
Sales tax	5,967,355	5,967,355	6,396,693	429,338
Franchise and other taxes	1,134,504	1,134,504	1,138,942	4,438
License and permits	2,325,355	2,325,355	2,175,278	(150,077)
Charges for services	2,076,469	2,076,469	1,528,321	(548,148)
Fines and forfeitures	613,908	613,908	808,152	194,244
Intergovernmental	437,078	437,078	3,360,836	2,923,758
Contributions and donations	-	-	4,982	4,982
Investment income	373,082	373,082	236,642	(136,440)
Other revenues	385,311	385,311	412,248	26,937
Total Revenues	19,605,384	19,605,384	21,406,514	1,801,130
<u>Expenditures</u>				
Current:				
General government				
City manager	714,208	714,208	853,520	(139,312)
City council	78,250	78,250	38,770	39,480
Human resources	184,869	184,869	100,879	83,990
Finance	850,407	855,829	794,207	61,622
City clerk	359,040	374,040	368,559	5,481
Youth program	27,087	27,087	-	27,087
Non-departmental	165,000	165,000	105,627	59,373
Parks and recreation	329,741	329,741	291,892	37,849
Information technology	732,790	710,120	590,553	119,567
Library	352,654	352,654	376,551	(23,897)
Cemetary	-	-	21,963	(21,963)
Contingency	2,254,587	2,254,587	1,667,707	586,880
Total general government	6,048,633	6,046,385	5,210,228	836,157
Public safety				
Police	6,500,128	6,494,706	8,951,177	(2,456,471)
Judicial	426,201	513,263	459,067	54,196
Fire	4,842,369	4,842,369	5,031,307	(188,938)
Volunteer fire	25,000	25,000	-	25,000
Inspection	660,550	660,550	912,563	(252,013)
Emergency management	19,286	19,286	16,559	2,727
Animal control	133,500	133,500	111,253	22,247
Total public safety	12,607,034	12,688,674	15,481,926	(2,793,252) *

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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public works				
Streets and highway	\$ 1,099,394	\$ 1,075,664	\$ 1,048,918	\$ 26,746
Fleet services	206,075	252,475	172,875	79,600
Code compliance	677,816	677,816	462,964	214,852
Total public works	1,983,285	2,005,955	1,684,757	321,198
Capital outlay	140,000	140,000	334,570	(194,570) *
Debt service:				
Principal	117,805	117,805	523,889	(406,084)
Interest and fiscal charges	36,034	36,034	118,218	(82,184)
Total debt service	153,839	153,839	642,107	(488,268) *
Total Expenditures	20,932,791	21,034,853	23,353,588	(2,318,735)
Revenues Over (Under) Expenditures	(1,327,407)	(1,429,469)	(1,947,074)	(517,605)
Other Financing Sources (Uses)				
Transfers in	1,465,982	1,465,982	952,550	(513,432)
Transfers (out)	(110,000)	(110,000)	(2,434,216)	(2,324,216) *
Lease issuance	-	-	469,186	469,186
Total Other Financing Sources (Uses)	1,355,982	1,355,982	(1,012,480)	(2,368,462)
Net Change in Fund Balance	<u>\$ 28,575</u>	<u>\$ (73,487)</u>	<u>(2,959,554)</u>	<u>\$ (2,886,067)</u>
Beginning fund balance			1,445,057	
Ending Fund Balance			<u>\$ (1,514,497)</u>	

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, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Special assessments	\$ 1,031,500	\$ 1,031,500	\$ 743,841	\$ (287,659)
Total Revenues	<u>1,031,500</u>	<u>1,031,500</u>	<u>743,841</u>	<u>(287,659)</u>
<u>Expenditures</u>				
Debt service:				
Principal	537,468	537,468	537,468	-
Interest	482,982	482,982	206,797	276,185
Total Expenditures	<u>1,020,450</u>	<u>1,020,450</u>	<u>744,265</u>	<u>276,185</u>
Net Change in Fund Balance	<u>\$ 11,050</u>	<u>\$ 11,050</u>	(424)	<u>\$ (11,474)</u>
Beginning fund balance			<u>424</u>	
Ending Fund Balance			<u>\$ -</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 CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

Years Ended:

	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Total pension liability				
Service cost	\$ 560,669	\$ 904,693	\$ 996,694	\$ 1,081,046
Interest	1,640,785	1,668,294	1,707,837	1,828,750
Changes in benefit terms	2,496,190	-	-	-
Differences between expected and actual experience	(99,892)	(894,653)	164,035	(425,683)
Changes of assumptions	99,562	-	-	-
Benefit payments, including refunds of participant contributions	(1,091,492)	(1,103,437)	(1,173,585)	(1,065,292)
Net change in total pension liability	3,605,822	574,897	1,694,981	1,418,821
Total pension liability - beginning	21,209,012	24,814,834	25,389,731	27,084,712
Total pension liability - ending (a)	24,814,834	25,389,731	27,084,712	28,503,533
Plan fiduciary net position				
Contributions - employer	\$ 472,193	\$ 794,038	\$ 943,583	\$ 936,909
Contributions - members	252,815	382,881	419,030	446,450
Net investment income	28,606	1,285,338	2,822,534	(699,670)
Benefit payments, including refunds of participant contributions	(1,091,492)	(1,103,437)	(1,173,585)	(1,065,292)
Administrative expenses	(17,429)	(14,529)	(14,638)	(13,533)
Other	(861)	(783)	(742)	(707)
Net change in plan fiduciary net position	(356,168)	1,343,508	2,996,182	(395,843)
Plan fiduciary net position - beginning	19,392,025	19,035,857	20,379,365	23,375,547
Plan fiduciary net position - ending (b)	\$ 19,035,857	\$ 20,379,365	\$ 23,375,547	\$ 22,979,704
Fund's net pension liability(asset) - ending (a) - (b)	\$ 5,778,977	\$ 5,010,366	\$ 3,709,165	\$ 5,523,829
 Plan fiduciary net position as a percentage of the total pension liability (asset)	 76.71%	 80.27%	 86.31%	 80.62%
Covered payroll	\$ 5,055,622	\$ 5,469,725	\$ 5,986,148	\$ 6,377,850
Fund's net pension liability as a percentage of covered payroll	114.31%	91.60%	61.96%	86.61%

<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>	<u>12/31/2024</u>
\$ 1,146,190	\$ 1,428,163	\$ 1,546,207	\$ 1,532,461	\$ 1,664,679	\$ 2,164,096
1,924,637	2,111,086	2,281,322	2,478,379	2,669,449	2,851,095
-	-	-	-	-	-
570,250	391,414	675,419	302,109	156,638	199,532
156,708	-	-	-	(247,322)	
(1,126,972)	(1,226,170)	(1,709,148)	(1,444,281)	(1,652,520)	(1,951,661)
2,670,813	2,704,493	2,793,800	2,868,668	2,590,924	3,263,062
28,503,533	31,174,346	33,878,839	36,672,639	39,541,307	42,132,231
31,174,346	33,878,839	36,672,639	39,541,307	42,132,231	45,395,293
\$ 1,023,680	\$ 1,184,746	\$ 1,339,124	\$ 1,317,265	\$ 1,397,249	\$ 1,818,547
484,501	595,777	644,253	652,111	701,128	882,790
3,550,863	2,040,514	3,842,313	(2,450,836)	3,662,957	3,713,102
(1,126,972)	(1,226,170)	(1,709,148)	(1,444,281)	(1,652,520)	(1,951,661)
(20,074)	(13,208)	(17,777)	(21,206)	(23,304)	(23,813)
(605)	(515)	121	25,304	(162)	(557)
3,911,393	2,581,144	4,098,886	(1,921,643)	4,085,348	4,438,408
22,979,704	26,891,097	29,472,241	33,571,127	31,649,484	35,734,832
\$ 26,891,097	\$ 29,472,241	\$ 33,571,127	\$ 31,649,484	\$ 35,734,832	\$ 40,173,240
\$ 4,283,249	\$ 4,406,598	\$ 3,101,512	\$ 7,891,823	\$ 6,397,399	\$ 5,222,053
86.26%	86.99%	91.54%	80.04%	84.82%	88.50%
\$ 6,921,436	\$ 8,511,105	\$ 9,203,615	\$ 9,315,874	\$ 10,016,120	\$ 12,611,280
61.88%	51.77%	33.70%	84.71%	63.87%	41.41%

City of La Marque, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN - TMRS

Years Ended:

	9/30/2016	9/30/2017	9/30/2018	9/30/2019
Actuarially determined employer contributions	\$ 733,250	\$ 910,064	\$ 946,892	\$ 978,226
Contributions in relation to the actuarially determined contribution	\$ 733,250	\$ 910,064	\$ 946,892	\$ 978,226
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 5,569,750	\$ 5,881,289	\$ 6,339,339	\$ 6,624,251
Employer contributions as a percentage of covered payroll	13.16%	15.47%	14.94%	14.77%

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	21 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>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2022</u>	<u>9/30/2023</u>	<u>9/30/2024</u>	<u>9/30/2025</u>
\$ 1,117,702	\$ 1,307,322	\$ 1,305,762	\$ 1,361,949	\$ 1,707,995	\$ 1,919,142
<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>\$ 1,919,142</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,915,175	\$ 9,088,669	\$ 9,161,793	\$ 9,726,764	\$ 11,940,947	\$ 13,137,385
14.12%	14.38%	14.25%	14.00%	14.30%	14.61%

City of La Marque, Texas

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS SUPPLEMENTAL ANNUITY PLAN (SAP)

Years Ended:

	9/30/2017	9/30/2018	9/30/2019	9/30/2020
Total pension liability				
Service cost	\$ 31,748	\$ 25,214	\$ 20,278	\$ 33,993
Interest	28,932	32,517	30,420	25,474
Changes in assumptions	(39,183)	(28,026)	94,771	(50,554)
Differences between expected and actual experience	-	(141,024)	-	45,602
Changes in benefit terms	-	-	-	-
Benefit payments, including refunds of participant contributions	(23,134)	(21,823)	(20,179)	(20,347)
Net change in total pension liability	(1,637)	(133,142)	125,290	34,168
Total pension liability - beginning	928,992	927,355	794,213	919,503
Total pension liability - ending	\$ 927,355	\$ 794,213	\$ 919,503	\$ 953,671
 Covered payroll	 \$ 1,508,521	 \$ 1,263,944	 \$ 1,120,933	 \$ 1,186,282
City's total pension liability as a percentage of covered payroll	 61.47%	 62.84%	 82.03%	 80.39%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 73 to pay related benefits.

<u>9/30/2021</u>	<u>9/30/2022</u>	<u>9/30/2023</u>	<u>9/30/2024</u>	<u>9/30/2025</u> ¹
\$ 34,929	\$ 30,647	\$ 16,936	\$ 11,873	\$ 10,125
23,164	22,197	31,369	33,622	24,134
18,130	(164,410)	(15,307)	42,787	(63,771)
-	(161,846)	-	(166,759)	-
-	-	-	-	-
(19,935)	(23,396)	(17,394)	(17,016)	(9,785)
<u>56,288</u>	<u>(296,808)</u>	<u>15,604</u>	<u>(95,493)</u>	<u>(39,297)</u>
<u>953,671</u>	<u>1,009,959</u>	<u>713,151</u>	<u>728,755</u>	<u>633,262</u>
<u>\$ 1,009,959</u>	<u>\$ 713,151</u>	<u>\$ 728,755</u>	<u>\$ 633,262</u>	<u>\$ 593,965</u> ²
\$ 1,101,664	\$ 1,030,197	\$ 929,055	\$ 844,670	\$ 844,670
91.68%	69.22%	78.44%	74.97%	70.32%

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>	<u>12/31/2024</u> ¹
\$ 27,611	\$ 34,469	\$ 25,040	\$ 34,050
11,149	10,815	15,578	15,866
18,602	(193,710)	22,238	(22,069)
(17,534)	(36,440)	(15,937)	(11,240)
(12,885)	(13,042)	(14,023)	(16,395)
<u>26,943</u>	<u>(197,908)</u>	<u>32,896</u>	<u>212</u>
<u>550,094</u>	<u>577,037</u>	<u>379,129</u>	<u>412,025</u>
<u>\$ 577,037</u>	<u>\$ 379,129</u>	<u>\$ 412,025</u>	<u>\$ 412,237</u> ²
\$ 9,203,615	\$ 9,315,874	\$ 10,016,120	\$ 12,611,280
6.27%	4.07%	4.11%	3.27%

City of La Marque, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS PENSIONS (OPEB) LIABILITY AND RELATED RATIOS POSTEMPLOYMENT HEALTHCARE BENEFITS

Years Ended:

	12/31/2017	12/31/2018	12/31/2019	12/31/2020
Total OPEB liability				
Service cost	\$ 41,247	\$ 47,164	\$ 60,155	\$ 57,680
Interest	24,861	23,583	27,247	23,476
Changes in assumptions	37,440	(32,227)	56,989	71,980
Differences between expected and actual experience	-	18,061	9,058	1,938
Benefit payments, including refunds of participant contributions	(42,507)	(50,607)	(31,619)	(34,305)
Net change in total OPEB liability	61,041	5,974	121,830	120,769
Total OPEB liability - beginning	653,143	714,184	720,158	841,988
Total OPEB liability - ending	\$ 714,184	\$ 720,158	\$ 841,988	\$ 962,757
 Covered-employee payroll	 \$ 4,362,624	 \$ 5,428,522	 \$ 7,076,602	 \$ 8,520,634
City's total OPEB liability as a percentage of covered-employee payroll	16.37%	13.27%	11.90%	11.30%

Notes to schedule:

- ¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.
- ² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u> ¹
\$ 66,791	\$ 68,775	\$ 60,720	\$ 73,259
19,623	16,469	30,337	30,030
14,917	(195,343)	33,934	(32,534)
(156,054)	974	(50,119)	5,254
(29,963)	(34,811)	(30,889)	(36,369)
<u>(84,686)</u>	<u>(143,936)</u>	<u>43,983</u>	<u>39,640</u>
<u>962,757</u>	<u>878,071</u>	<u>734,135</u>	<u>778,118</u>
<u>\$ 878,071</u>	<u>\$ 734,135</u>	<u>\$ 778,118</u>	<u>\$ 817,758</u> ²
\$ 8,225,038	\$ 9,178,826	\$ 10,018,738	\$ 11,791,249
10.68%	8.00%	7.77%	6.94%

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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.

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, 2025

	Library Grants	PD Child Outreach	Hotel/ Motel	Drug Seizure
<u>Assets</u>				
Cash and cash equivalents	\$ 2,201	\$ 6,228	\$ 275,674	\$ 57,077
Accounts receivable, net	2,053	-	9,198	-
Due from other funds	-	-	-	-
Prepays	-	-	-	-
Total Assets	\$ 4,254	\$ 6,228	\$ 284,872	\$ 57,077
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 4,107
Total Liabilities	-	-	-	4,107
<u>Fund Balances</u>				
Nonspendable:				
Prepays	-	-	-	-
Restricted for:				
Tourism	-	-	284,872	-
Police department	-	6,228	-	52,970
Municipal court	-	-	-	-
Public improvement	-	-	-	-
Capital projects	-	-	-	-
Culture and recreation	4,254	-	-	-
Enabling legislation	-	-	-	-
Special projects	-	-	-	-
Total Fund Balances	4,254	6,228	284,872	52,970
Total Liabilities, Deferred Inflows and Fund Balances	\$ 4,254	\$ 6,228	\$ 284,872	\$ 57,077

TIRZ - Omega Bay	Parks	Court Technology
\$ 626,936	\$ 34,247	\$ 28,009
-	-	-
-	-	-
-	-	-
<u>\$ 626,936</u>	<u>\$ 34,247</u>	<u>\$ 28,009</u>

<u>\$ -</u>	<u>\$ 961</u>	<u>\$ -</u>
<u>-</u>	<u>961</u>	<u>-</u>

-	-	-
-	-	-
-	-	-
-	-	28,009
626,936	-	-
-	-	-
-	33,286	-
-	-	-
-	-	-
<u>626,936</u>	<u>33,286</u>	<u>28,009</u>
<u>\$ 626,936</u>	<u>\$ 34,247</u>	<u>\$ 28,009</u>

City of La Marque, Texas
COMBINING BALANCE SHEET (Page 2 of 2)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	<u>Court Security</u>	<u>Child Safety</u>	<u>Leose Training</u>	<u>Clean City</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 52,340	\$ 61,206	\$ 18,823	\$ 14,336
Accounts receivable, net	-	-	-	-
Due from other funds	-	-	-	-
Prepays	-	-	900	-
Total Assets	\$ 52,340	\$ 61,206	\$ 19,723	\$ 14,336
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ 715	\$ 49
Total Liabilities	-	-	715	49
<u>Fund Balances</u>				
Nonspendable:				
Prepays	-	-	900	-
Restricted for:				
Tourism	-	-	-	-
Police department	-	-	-	-
Municipal court	52,340	61,206	18,108	-
Public improvement	-	-	-	-
Capital projects	-	-	-	-
Culture and recreation	-	-	-	-
Enabling legislation	-	-	-	-
Special projects	-	-	-	14,287
Total Fund Balances	52,340	61,206	19,008	14,287
Total Liabilities, Deferred Inflows and Fund Balances	\$ 52,340	\$ 61,206	\$ 19,723	\$ 14,336

Comcast PEG Fees	Total Nonmajor Special Revenue	Capital Projects	Total Nonmajor Governmental
\$ 259,637	\$ 1,436,714	\$ 202,176	\$ 1,638,890
6,107	17,358	-	17,358
-	-	626,750	626,750
-	900	-	900
<u>\$ 265,744</u>	<u>\$ 1,454,972</u>	<u>\$ 828,926</u>	<u>\$ 2,283,898</u>

\$ -	\$ 5,832	\$ 1,568	\$ 7,400
<u>-</u>	<u>5,832</u>	<u>1,568</u>	<u>7,400</u>

-	900	-	900
-	284,872	-	284,872
-	59,198	-	59,198
-	159,663	-	159,663
-	626,936	-	626,936
-	-	827,358	827,358
-	37,540	-	37,540
265,744	265,744	-	265,744
-	14,287	-	14,287
<u>265,744</u>	<u>1,449,140</u>	<u>827,358</u>	<u>2,276,498</u>
<u>\$ 265,744</u>	<u>\$ 1,454,972</u>	<u>\$ 828,926</u>	<u>\$ 2,283,898</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, 2025

	Library Grants	PD Child Outreach	Hotel/ Motel	Drug Seizure
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	81,939	-
Franchise fees	-	-	-	-
Fines and fees	-	-	-	-
Investment income	-	-	33,241	3,235
Other revenue	-	-	-	22,767
Total Revenues	-	-	115,180	26,002
<u>Expenditures</u>				
General government	-	-	113,518	-
Public safety	-	-	-	93,803
Capital outlay	-	-	-	-
Total Expenditures	-	-	113,518	93,803
Revenues Over (Under) Expenditures	-	-	1,662	(67,801)
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	1,662	(67,801)
Beginning fund balances	4,254	6,228	283,210	120,771
Ending Fund Balances	\$ 4,254	\$ 6,228	\$ 284,872	\$ 52,970

TIRZ - Omega Bay	Parks	Court Technology
\$ 171,050	\$ -	\$ -
-	-	-
-	-	-
-	-	16,426
-	-	-
-	14,176	-
<u>171,050</u>	<u>14,176</u>	<u>16,426</u>
-	-	-
-	3,769	269
-	-	-
-	-	-
<u>-</u>	<u>3,769</u>	<u>269</u>
<u>171,050</u>	<u>10,407</u>	<u>16,157</u>
123,337	-	-
-	-	-
<u>123,337</u>	<u>-</u>	<u>-</u>
294,387	10,407	16,157
332,549	22,879	11,852
<u>\$ 626,936</u>	<u>\$ 33,286</u>	<u>\$ 28,009</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, 2025

	Court Security	Child Safety	Lease Training	Clean City
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	-	-
Franchise fees	-	-	-	-
Fines and fees	17,962	-	-	-
Investment income	-	1,866	1,000	-
Other revenue	1,886	825	7,539	1,429
Total Revenues	19,848	2,691	8,539	1,429
<u>Expenditures</u>				
General government	-	-	-	14,007
Public safety	-	-	8,490	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	8,490	14,007
Revenues Over (Under) Expenditures	19,848	2,691	49	(12,578)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	(2,550)	-	-	-
Total Other Financing Sources (Uses)	(2,550)	-	-	-
Net Change in Fund Balances	17,298	2,691	49	(12,578)
Beginning fund balances	35,042	58,515	18,959	26,865
Ending Fund Balances	\$ 52,340	\$ 61,206	\$ 19,008	\$ 14,287

Comcast PEG Fees	Total Nonmajor Special Revenue	Capital Projects	Total Nonmajor Governmental
\$ -	\$ 171,050	\$ -	\$ 171,050
-	81,939	-	81,939
25,469	25,469	-	25,469
-	34,388	-	34,388
4,912	44,254	24,816	69,070
-	48,622	-	48,622
<u>30,381</u>	<u>405,722</u>	<u>24,816</u>	<u>430,538</u>
-	131,563	-	131,563
-	102,293	-	102,293
10,043	10,043	338,323	348,366
<u>10,043</u>	<u>243,899</u>	<u>338,323</u>	<u>582,222</u>
<u>20,338</u>	<u>161,823</u>	<u>(313,507)</u>	<u>(151,684)</u>
-	123,337	-	123,337
-	(2,550)	-	(2,550)
<u>-</u>	<u>120,787</u>	<u>-</u>	<u>120,787</u>
20,338	282,610	(313,507)	(30,897)
245,406	1,166,530	1,140,865	2,307,395
<u>\$ 265,744</u>	<u>\$ 1,449,140</u>	<u>\$ 827,358</u>	<u>\$ 2,276,498</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	\$ 5,041	\$ 1	\$ 5,042
Total Assets	<u>5,041</u>	<u>1</u>	<u>5,042</u>
<u>Net Position</u>			
Restricted	5,041	1	5,042
Total Net Position	<u>\$ 5,041</u>	<u>\$ 1</u>	<u>\$ 5,042</u>

City of La Marque, Texas

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended September 30, 2025

	Library Memorial Fund	Seized Property	Total
<u>Additions</u>			
Investment earnings	\$ 149	\$ -	\$ 149
Other revenue	100	-	100
Total Additions	249	-	249
 Change in Net Position	 249	 -	 249
 Beginning net position	 4,792	 1	 4,793
 Ending Net Position	 \$ 5,041	 \$ 1	 \$ 5,042

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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Hotel occupancy tax	\$ 100,000	\$ 81,939	\$ (18,061)
Investment income	15,000	33,241	18,241
Total Revenues	115,000	115,180	180
<u>Expenditures</u>			
General government	247,685	113,518	134,167
Total Expenditures	247,685	113,518	134,167
 Net Change in Fund Balance	 \$ (132,685)	 1,662	 \$ 134,347
 Beginning fund balance		 283,210	
Ending Fund Balance		\$ 284,872	

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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Interest income	\$ 30,000	\$ 24,816	\$ (5,184)
Total Revenues	<u>30,000</u>	<u>24,816</u>	<u>(5,184)</u>
<u>Expenditures</u>			
Capital outlay	216,738	338,323	(121,585) *
Total Expenditures	<u>216,738</u>	<u>338,323</u>	<u>(121,585)</u>
Net Change in Fund Balance	<u>\$ (186,738)</u>	(313,507)	<u>\$ (126,769)</u>
Beginning fund balance		1,140,865	
Ending Fund Balance		<u>\$ 827,358</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
DEBT SERVICE
For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 2,212,788	\$ 2,023,194	\$ (189,594)
Interest income	26,000	51,057	25,057
Total Revenues	2,238,788	2,074,251	(164,537)
<u>Expenditures</u>			
Debt service:			
Principal	1,202,064	674,400	527,664
Interest	876,800	379,048	497,752
Total Expenditures	2,078,864	1,053,448	1,025,416
Excess of Revenues Over (Under) Expenditures	159,924	1,020,803	860,879
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	-	(965,634)	(965,634) *
Total Other Financing Sources (Uses)	-	(965,634)	(965,634)
Net Change in Fund Balance	\$ 159,924	55,169	\$ (104,755)
Beginning fund balance		46,747	
Ending Fund Balance		\$ 101,916	

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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 100,000	\$ 121,279	\$ 21,279
Total Revenues	<u>100,000</u>	<u>121,279</u>	<u>21,279</u>
<u>Expenditures</u>			
Capital outlay	1,628,515	5,316,662	(3,688,147) *
Total Expenditures	<u>1,628,515</u>	<u>5,316,662</u>	<u>(3,688,147)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,528,515)</u>	<u>(5,195,383)</u>	<u>(3,666,868)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	350,000	2,310,879	1,960,879
Transfers out	-	(23,827)	(23,827)
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>2,287,052</u>	<u>1,937,052</u>
Net Change in Fund Balance	<u><u>\$ (1,178,515)</u></u>	<u>(2,908,331)</u>	<u><u>\$ (1,729,816)</u></u>
Beginning fund balance		3,953,510	
Ending Fund Balance		<u><u>\$ 1,045,179</u></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

PARKS FUND

For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other revenue	\$ 8,300	\$ 14,176	\$ 5,876
Total Revenues	<u>8,300</u>	<u>14,176</u>	<u>5,876</u>
<u>Expenditures</u>			
General government	30,000	3,769	26,231
Total Expenditures	<u>30,000</u>	<u>3,769</u>	<u>26,231</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	21,700	-	(21,700)
Total Other Financing Sources (Uses)	<u>21,700</u>	<u>-</u>	<u>(21,700)</u>
Net Change in Fund Balance	<u>\$ -</u>	10,407	<u>\$ 10,407</u>
Beginning fund balance		22,879	
Ending Fund Balance		<u>\$ 33,286</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
COURT TECHNOLOGY FUND
For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 6,000	\$ 16,426	\$ 10,426
Total Revenues	<u>6,000</u>	<u>16,426</u>	<u>10,426</u>
<u>Expenditures</u>			
General government	7,000	269	6,731
Total Expenditures	<u>7,000</u>	<u>269</u>	<u>6,731</u>
Net Change in Fund Balance	<u>\$ (1,000)</u>	16,157	<u>\$ 17,157</u>
Beginning fund balance		11,852	
Ending Fund Balance		<u>\$ 28,009</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
COURT SECURITY FUND
For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 9,000	\$ 17,962	\$ 8,962
Interest income	1,000	1,886	886
Total Revenues	10,000	19,848	9,848
<u>Expenditures</u>			
General government	5,000	-	5,000
Total Expenditures	5,000	-	5,000
Excess of Revenues Over (Under) Expenditures	5,000	19,848	14,848
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	-	(2,550)	(2,550) *
Total Other Financing Sources (Uses)	-	(2,550)	(2,550)
Net Change in Fund Balance	\$ 5,000	17,298	\$ 12,298
Beginning fund balance		35,042	
Ending Fund Balance		\$ 52,340	

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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Interest income	\$ 1,000	\$ 1,866	\$ 866
Other revenue	700	825	125
Total Revenues	<u>1,700</u>	<u>2,691</u>	<u>991</u>
Excess of Revenues Over (Under) Expenditures	<u>1,700</u>	<u>2,691</u>	<u>991</u>
Net Change in Fund Balance	<u>\$ 1,700</u>	<u>2,691</u>	<u>\$ 991</u>
Beginning fund balance		58,515	
Ending Fund Balance		<u>\$ 61,206</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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Interest income	\$ 700	\$ 1,000	\$ 300
Other revenue	-	7,539	7,539
Total Revenues	700	8,539	7,839
<u>Expenditures</u>			
Public safety	-	8,490	(8,490) *
Total Expenditures	-	8,490	(8,490)
Excess of Revenues Over (Under) Expenditures	700	49	(651)
Net Change in Fund Balance	\$ 700	49	\$ (651)
Beginning fund balance		18,959	
Ending Fund Balance		\$ 19,008	

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, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Other revenue	\$ 1,000	\$ 1,429	\$ 429
Total Revenues	<u>1,000</u>	<u>1,429</u>	<u>429</u>
<u>Expenditures</u>			
General government	10,000	14,007	(4,007) *
Total Expenditures	<u>10,000</u>	<u>14,007</u>	<u>(4,007)</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,000)</u>	<u>(12,578)</u>	<u>(3,578)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	7,300	-	(7,300)
Total Other Financing Sources (Uses)	<u>7,300</u>	<u>-</u>	<u>(7,300)</u>
Net Change in Fund Balance	<u>\$ (1,700)</u>	<u>(12,578)</u>	<u>\$ (10,878)</u>
Beginning fund balance		26,865	
Ending Fund Balance		<u>\$ 14,287</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
COMCAST PEG FEES FUND
For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Franchise fees	\$ 38,500	\$ 25,469	\$ (13,031)
Interest income	3,000	4,912	1,912
Total Revenues	41,500	30,381	(11,119)
<u>Expenditures</u>			
Capital outlay	49,000	10,043	38,957
Total Expenditures	49,000	10,043	38,957
Excess of Revenues Over (Under) Expenditures	(7,500)	20,338	27,838
Net Change in Fund Balance	\$ (7,500)	20,338	\$ 27,838
Beginning fund balance		245,406	
Ending Fund Balance		\$ 265,744	

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

TIRZ - OMEGA BAY FUND

For the Year Ended September 30, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ -	\$ 171,050	\$ 171,050
Total Revenues	<u>-</u>	<u>171,050</u>	<u>171,050</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>171,050</u>	<u>171,050</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	100,000	123,337	23,337
Total Other Financing Sources	<u>100,000</u>	<u>123,337</u>	<u>23,337</u>
Net Change in Fund Balance	<u>\$ 100,000</u>	<u>294,387</u>	<u>\$ 194,387</u>
Beginning fund balance		332,549	
Ending Fund Balance		<u>\$ 626,936</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
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
September 30, 2025

**La Marque
Economic
Development
Corp.**

Assets

Cash and cash equivalents	\$ 10,145,310
Receivables, net	325,141
Due from primary government	1,500,000
Prepays	20,568
Total Assets	\$ 11,991,019

Liabilities

Accounts payable and accrued liabilities	\$ 218,108
Customer deposits	4,128
Total Liabilities	222,236

Fund Balances

Restricted for: Economic development	11,768,783
Total Fund Balance	11,768,783
Total Liabilities and Fund Balance	\$ 11,991,019

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, 2025

Fund Balance	\$ 11,768,783
---------------------	---------------

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	4,458,492
Capital assets - net depreciable	2,814,599

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	26,386
----------------------------------	--------

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	(8,518)
---------------------------------	---------

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

Compensated absences	(112,837)
Net pension liability	(88,135)

Net Position of the Discretely Presented Component Unit	\$ 18,858,770
--	----------------------

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, 2025

		La Marque Economic Development Corp.
<u>Revenues</u>		
Sales tax	\$	2,134,404
Other revenue		344,858
Investment income		515,281
	Total Revenues	<u>2,994,543</u>
<u>Expenditures</u>		
Current:		
Economic development		1,082,951
Capital outlay		422,926
	Total Expenditures	<u>1,505,877</u>
	Revenues Over (Under) Expenditures	1,488,666
<u>Other Financing Sources (Uses)</u>		
Gain on sale of asset		1,455,186
	Total Other Financing Sources (Uses)	<u>1,455,186</u>
	Net Change in Fund Balance	2,943,852
Beginning fund balance		8,824,931
	Ending Fund Balance	<u><u>\$ 11,768,783</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, 2025

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

Net changes in fund balance	\$ 2,943,852
-----------------------------	--------------

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.

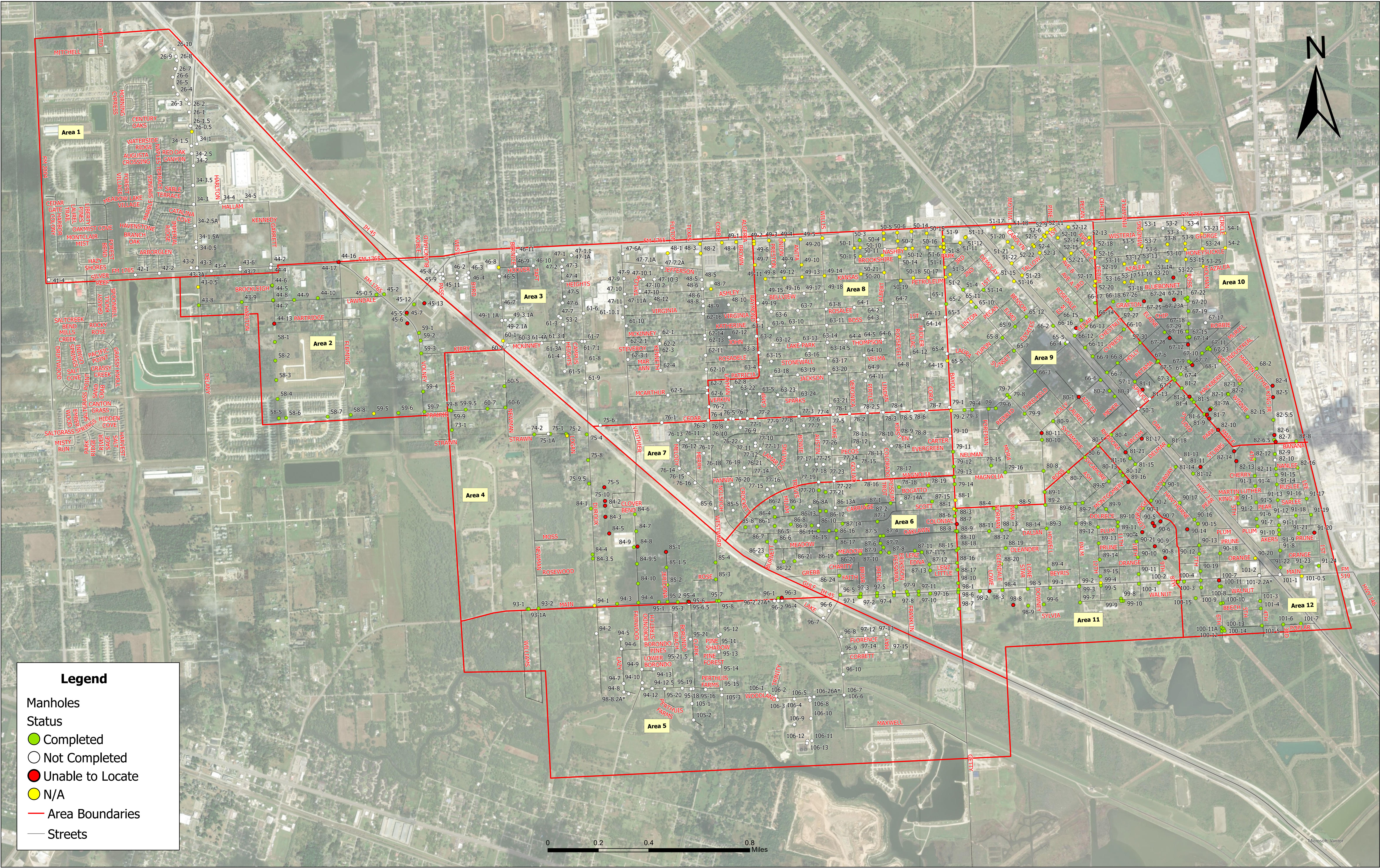
Capital outlay	422,926
Depreciation expense	(158,714)
Adjustment for disposal of assets	(543,164)

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	23,962
Compensated absences	(5,269)

Change in Net Position of the Discretely Presented Component Unit	\$ 2,683,593
--	---------------------

See Notes to Financial Statements.



Legend

Manholes

Status

Completed

Not Completed

Unable to Locate

N/A

Area Boundaries

Streets

Council Agenda Defense – Debris Pickup by District

Total Illegal Dumping / Debris Cleanup Locations Addressed: 213+

This total is conservative and does not capture every cleanup location. Additional dump sites, including major areas near Sam's Club, Coastal Credit Union, and other repeat illegal dumping locations, were not fully documented. Code Enforcement and Chief Merryman will both confirm actual activity was higher.

Staffing Reality

Public Works has picked up debris from over **213 locations** in just a three-month period, and that number is conservative. It does not include every illegal dumping site, repeat cleanup location, or unrecorded emergency response. Major dump sites near Sam's Club, Coastal Credit Union, and several other heavy dumping areas were not fully captured in reporting.

This averages approximately **71 debris pickups per month** and nearly **17 pickups per week**, many of which require equipment support for large brush piles, furniture, appliances, illegal dumping, and ditch obstructions.

For a city the size of La Marque, with only **2 employees actively handling debris pickup** and only **3 total equipment operators citywide**, this is not a sustainable workload. These same equipment operators are also responsible for supporting streets, drainage, utilities, and emergency response operations across the entire city.

When one of those equipment operators must leave an active job site to assist with debris cleanup, it directly impacts other critical operations, including:

- Ditch maintenance
- Stormwater drainage work
- Water line repairs
- Sewer line repairs
- Emergency utility response

This means every illegal dumping cleanup requiring equipment creates an operational delay somewhere else in the city.

Continuing to operate this way is not a long-term solution. Public Works does not currently have the manpower to properly manage debris pickup across the entire city while also maintaining essential infrastructure operations.

Our teams continue to respond and do the best they can with the resources available, but the current demand exceeds what can reasonably be sustained without impacting service levels in other critical areas. This creates a constant cycle of reactive work instead of allowing crews to stay ahead on maintenance and infrastructure priorities.

By District Breakdown

District A – 48 Locations

Common Issues Found

- Furniture dumping
- Large brush piles
- Tree limbs and branches
- Ditch obstruction debris
- Bulk illegal dumping near roadside ditches

Heavy Dumping Areas

- Lake and Cedar
- Lake Road
- Kansas Street
- Jackson Street
- Boss Street
- Stewart Road
- North Camp Circle
- Camp Circle

District B – 19 Locations

Common Issues Found

- Residential dumping
- Brush piles
- Illegal household waste disposal
- Commercial-area debris accumulation

Heavy Dumping Areas

- Fairwood
 - Woodland
 - Prairie
 - Stawn
 - Sam's Club area
 - Lawndale
 - Coastal Credit Union area
-

District C – 46 Locations

Common Issues Found

- Brush dumping
- Household waste
- Roadside debris
- Drainage ditch obstruction
- Repeated illegal dumping zones

Heavy Dumping Areas

- West Houston Drive
- Howell
- Lone Star
- Travis

- Bowie
 - Dalian
 - Walnut
 - 12th Avenue
-

District D – 100 Locations

Common Issues Found

- Heavy illegal dumping
- Brush dumped in ditches
- Large limbs and branches
- Major roadside dumping
- High-frequency repeat violations

Heavy Dumping Areas

- Azalea Street
- Holly Street
- Avenue C
- Avenue D
- Wisteria
- Petroleum
- Highway 3
- 10th Avenue

District D represents nearly half of all cleanup activity citywide and remains the highest-demand district for illegal dumping response.

We are operating with limited manpower.

With only two employees handling debris response and only three equipment operators citywide, every call requiring heavy equipment pulls critical resources away from another essential service.

January 2026-March 2026

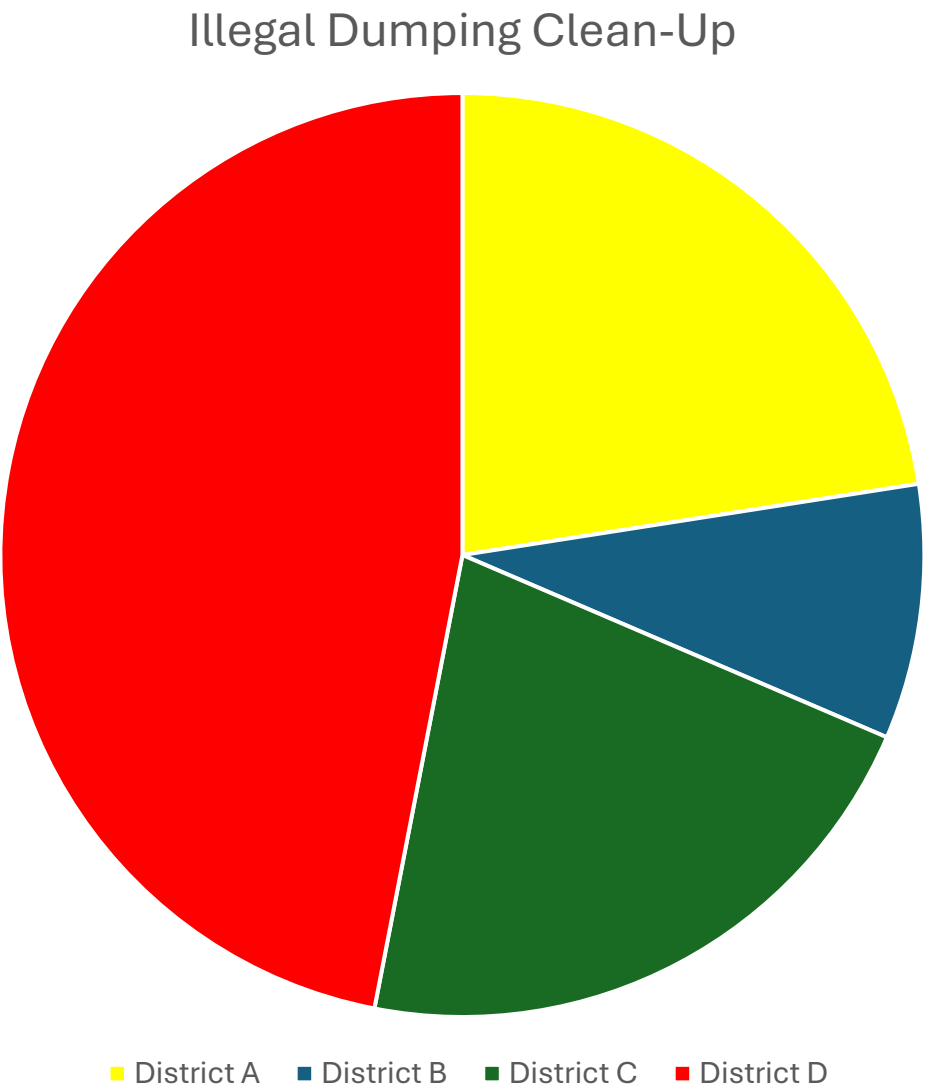
District A- 48 Locations

District B- 19 Locations

District C- 46 Locations

District D- 100 Locations

Total documented locations- 213



DM

DavidMerryman

To: Shannon Breau; Barbara Holly; Colleen Chilcoat

Cc: Amanda Hobby; Rita Bravo

Tue 4/14/2026 9:17 AM

Retention: Records Policy (10 years) Expires: Fri 4/11/2036 9:17 AM

I can 100% attest to this list does not capture everything. Its missing the dump site north of Sams and coastal credit union. As well as many others. Both Shannon and Jose's teams are doing an above average job with the resources they have. They have always stepped up to pick up a lot of things that waste management should be doing. I also didn't realize that every time I call Shannon about a pile of debris and his team drops what they are doing to assist it puts that kind of strain on he other areas. THANK YOU Shannon for that.

David Merryman CFE, FSCEO, FEMT, FIT, EMT-P
Fire Chief/ EMC
La Marque Fire Department
5715 Texas Ave
La Marque, Texas 77568
O:409-938-9261
F: 409-935-1113
C: 409-273-7447

"If you cannot do great things, do small things in a great way"
Napoleon Hill



...



City of La Marque
Public Works Department
Standard Operating Procedure (SOP) #2- Illegal Dumping and Public Works Cleanup

Purpose

The purpose of this Standard Operating Procedure (SOP) is to establish a clear process for addressing illegal dumping within the City of La Marque and to define when and how Public Works may respond for cleanup.

Public Works is responsible for maintaining critical city infrastructure, not serving as the primary enforcement department for illegal dumping violations. Cleanup must follow proper city procedures, code enforcement review, and operational prioritization before Public Works resources are assigned.

This SOP supports compliance with City of La Marque Code of Ordinances and Texas Health and Safety Code Chapter 365 regarding illegal dumping and unlawful disposal of solid waste.

POLICY STATEMENT

Illegal dumping is prohibited within the City of La Marque.

Public Works shall only perform cleanup after:

- Proper departmental review is completed
- Responsibility for cleanup is determined
- Required approvals are obtained
- The cleanup does not interfere with critical infrastructure operations unless an emergency exists

Public Works does not perform enforcement, investigations, or citation issuance.

SECTION 1 - CITY-WIDE PROCEDURES BEFORE PUBLIC WORKS RESPONSE

Public Works is not responsible for code enforcement, investigations, or determining legal responsibility for illegal dumping.

Before Public Works is assigned for cleanup, the appropriate department (Code Enforcement, Police Department, Administration, or other designated authority) must complete the necessary review and authorize removal.

This includes:

- Verifying the illegal dumping location
- Determining whether the dumping is on public property, private property, easement, right-of-way, drainage ditch, or utility access area
- Identifying whether the property owner, responsible party, or City is responsible for cleanup
- Issuing citations or enforcement actions when applicable
- Determining whether the dumped material creates an immediate public health or safety hazard

Public Works may only respond immediately if the dumping creates an emergency such as:

- Blocked roadway
- Flooding risk from blocked drainage
- Utility access obstruction
- Sewer overflow risk
- Immediate traffic hazard
- Immediate public safety hazard

All non-emergency illegal dumping cleanup must be approved by Public Works leadership prior to scheduling removal.

SECTION 2 - PUBLIC WORKS OPERATIONAL LIMITATIONS

The City currently has only three **(3) Equipment Operators** responsible for all heavy equipment operations citywide.

These operators support:

- Ditch excavation and maintenance
- Stormwater drainage repairs
- Water leak excavations
- Sewer line repairs
- Emergency utility response
- Emergency response operations

In addition, there are currently only **two (2) Public Works employees** assigned within the Street Department handling illegal dumping pickups that do not require heavy equipment.

These employees are also responsible for daily street operations including:

- Street maintenance
- Pothole repairs
- Work order response
- General street department operations

When these employees are pulled for illegal dumping cleanup, it directly impacts normal street operations and response times.

When heavy equipment is assigned to illegal dumping cleanup, that time is taken away from critical infrastructure work such as:

- Digging ditches for drainage improvements
- Water leak repairs
- Sewer line repairs
- Emergency excavations

Because of this, illegal dumping cleanup must be carefully evaluated and scheduled based on operational priority.

Illegal dumping removal shall not take priority over emergency utility repairs, drainage work, or critical infrastructure maintenance unless an immediate safety hazard exists.

SECTION 3 - PUBLIC WORKS RESPONSIBILITIES

Public Works may:

- Remove approved dumped debris from public property
- Remove debris from rights-of-way
- Remove debris obstructing drainage flow
- Remove debris blocking access to utilities
- Assist with emergency cleanup involving public safety hazards
- Support city-authorized abatement efforts

Public Works shall **NOT**:

- Investigate criminal violations
- Determine legal responsibility
- Issue citations
- Enter private property without authorization
- Handle hazardous waste disposal
- Provide free contractor cleanup services
- Use city resources for private property convenience cleanup

SECTION 4 - WHAT PUBLIC WORKS CAN PICK UP

Public Works may remove the following materials on a case-by-case basis with approval:

- Furniture
- Mattresses
- Tires
- Tree limbs
- Household debris
- Bagged trash

- Small-volume construction debris
- Bulk waste causing roadway or drainage obstruction
- Debris creating public hazards

Approval depends on:

- Location
- Quantity
- Safety concerns
- Equipment required
- Current operational demands

SECTION 5 - WHAT PUBLIC WORKS CANNOT PICK UP

Hazardous Waste

Public Works shall NOT remove:

- Paint
- Chemicals
- Oil
- Fuel
- Batteries
- Medical waste
- Asbestos
- Biohazard materials
- Industrial waste
- Unknown liquids
- Contaminated soil
- Dead animals requiring specialized disposal

These materials require specialized handling and must be referred to the proper department or environmental agency.

Contractor or Commercial Waste

Public Works shall **NOT** remove:

- Roofing tear-offs
- Large demolition debris
- Concrete haul-off
- Commercial contractor waste
- Renovation debris
- Construction site waste

Contractors are responsible for proper disposal of their own materials.

SECTION 6 - PRIORITY OF WORK

Priority 1 – Emergency Utility Response

- Water leaks
- Sewer backups
- Lift station failures
- Drainage flooding threats
- Emergency roadway hazards

Priority 2 – Critical Infrastructure Maintenance

- Ditch cleaning
- Sewer repairs
- Street safety repairs
- Stormwater operations
- Street department daily operations

Priority 3 – Approved Illegal Dumping Cleanup

Illegal dumping cleanup shall be scheduled only after higher-priority work is addressed unless emergency conditions exist.

Friday Illegal Dumping Cleanup Designation

Fridays are designated for additional illegal dumping cleanup and bulk debris removal that could not be addressed during the regular work week due to higher-priority operations.

Public Works will use Fridays to attempt to complete known illegal dumping locations, non-emergency bulk debris pickups, and other approved cleanup requests that were delayed by emergency utility response, drainage work, street operations, or other critical infrastructure needs.

This allows crews to better balance illegal dumping response while maintaining priority focus on water, sewer, drainage, and street operations throughout the week.

However, due to staffing limitations, equipment availability, emergency call-outs, and overall weekly workload, Friday cleanup does not guarantee that all known illegal dumping locations will be completed that same week.

Some locations may require additional scheduling and will be addressed as soon as operationally possible based on manpower, equipment availability, and citywide priority needs.

Illegal dumping cleanup shall continue to follow approval requirements and shall not take priority over emergency utility repairs, drainage failures, or immediate public safety hazards.

SECTION 7 – DOCUMENTATION REQUIREMENTS

For every illegal dumping cleanup performed by Public Works, staff shall document:

- Date
- Location
- Type of debris removed
- Estimated quantity

- Equipment used
- Labor hours
- Before and after photos
- Requesting department
- Approval received

Documentation protects the City from repeated abuse, supports enforcement efforts, and helps track use of taxpayer-funded resources.

SECTION 8 – REPEAT OFFENDER LOCATIONS

Locations with repeated illegal dumping shall be referred for:

- Increased enforcement
- Code Enforcement review
- Police monitoring
- Camera installation consideration
- Additional signage
- Council awareness when necessary

Repeated cleanup without enforcement is not a long-term solution.

FINAL STATEMENT

Illegal dumping cleanup must be managed responsibly to protect taxpayer resources, city equipment, and critical Public Works operations.

Public Works exists first to maintain streets, drainage, water, sewer, and essential infrastructure.

Illegal dumping removal shall only occur after proper review, authorization, and operational scheduling to ensure city services remain focused on critical public needs.

MEMORANDUM

Date: December 4, 2024
To: Cesar Garcia, City Manager
From: Dinh V. Ho, P.E.
RE: City of La Marque Pavement Assessment Preliminary Findings

The City of La Marque engaged Adico Consulting Engineers to conduct a Pavement Assessment throughout the City. The scope of work included the performance of a field assessment of the city's streets and an analysis of the collected data.

The street assessment was performed in the months of August and September 2024, on approximately 96 miles of the City of La Marque's streets, and analysis of the collected data followed, the findings of which is contained in this memorandum. The following tables provide the details collected on existing road conditions and additional information which would aid the City in prioritizing street reconstruction and repair.

Based on the Texas Department of Transportation's (TXDOT) Pavement Management Information System and Adico's field research, a set of 5 categories; numbered 1 through 5; was developed for the City's street conditions. Each category represents the existing street condition and correlates to a percentage replacement of the road surface area, among other factors. TABLE 1 illustrates how each category has been divided.

Pavement Rating Categories		
Category	Rating	% Replacement
Very Good	1	0 to 1
Good	2	1 to 39
Fair	3	40 to 59
Poor	4	60 to 79
Very Poor	5	80 to 100

Table 1

The following table shows the street counts based on the rating system described above, followed by the existing street condition in Figure 1.

City of La Marque Miles of Street Count		
Category	Rating	Miles of Street
Very Good	1	18
Good	2	30
Fair	3	34
Poor	4	11
Very Poor	5	2

Table 2

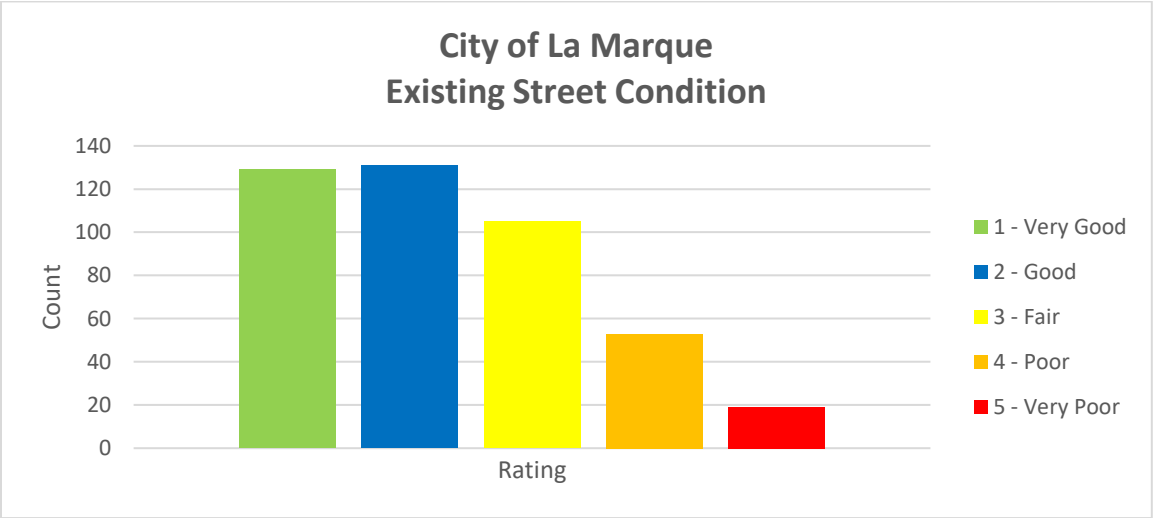


Figure 1

Per our research and findings, a unit cost per mile rehabilitation amount was determined and utilized to estimate a Total Rehabilitation Cost per street category. Each category was assigned to a rehabilitation group based on the amount of maintenance required. The groups ranged from “no maintenance needed” to “heavy rehabilitation”. (TABLE 3)

The cost provided is based on current 2024 dollars, no inflation increase, and does not include any jurisdictional permitting requirements.

Pavement Rehabilitation Costs			
Rehabilitation Category	Rating	Rehabilitation Unit Cost/Mile	Total Rehabilitation Cost
None	1	\$ -	\$ -
Preventive	2	\$ 67,549.00	\$ 2,044,291.17
Light	3	\$ 283,756.00	\$ 9,682,421.12
Medium	4	\$ 400,260.00	\$ 4,502,166.93
Heavy	5	\$ 579,727.00	\$ 1,420,880.13

Table 3

TABLE 5 and 6 illustrate streets within the “Heavy Rehabilitation Group”. These are streets that would require rehabilitation in the near future. Within these tables, an estimated percent replacement and cost of rehabilitation has been provided.

APPENDIX A and APPENDIX B contain a map of the City of La Marque and full record tables, respectively, showing the results of the assessment.

This analysis and the information provided are to be used as decision-making tools for the City in determining which street segments will be prioritized for reconstruction and/or rehabilitation. Further, the ranking of such streets does not guarantee the rehabilitation. Part of this decision making includes consideration of programs which would include rehabilitation projects. These projects would range from complete overhaul to efforts that would address the worst streets and bring them up to at least Fair condition, so they may warrant a lower priority.

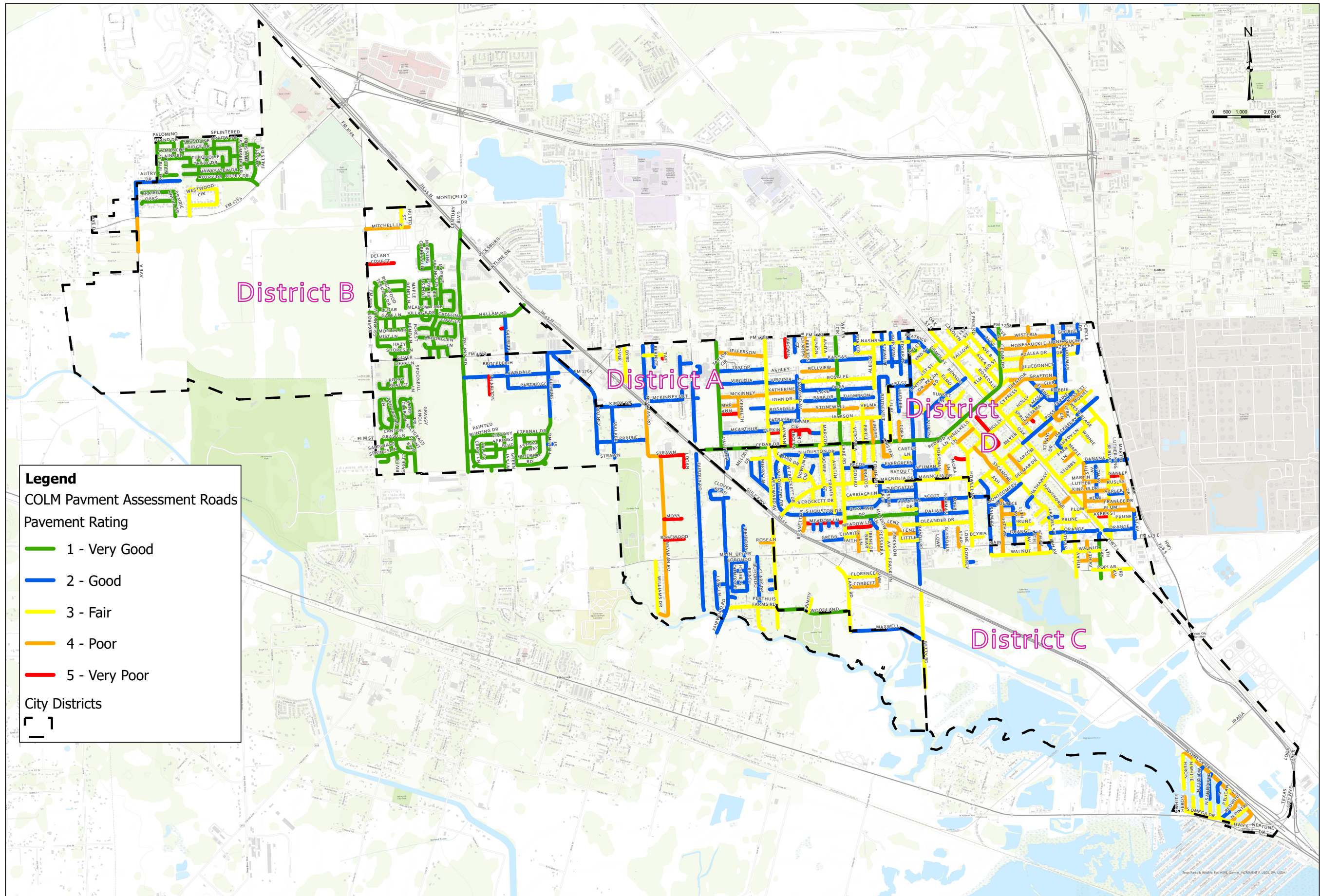
Top "Category 5" Streets					
Street Name	From	To	Roadway Type	Pavement Type	Road Length (ft)
Moss Street	Newman Road	End of Street	Local	Asphalt, Chip Seal	618
Rosewood Street	Newman Road	End of Street	Local	Asphalt, Chip Seal	534
Strawn Street	Newman Road	End of Street	Local	Gravel, Open Ditch	804
Meadow Lane	Beginning of Street	End of Street	Local	Asphalt, Curb & Gutter	3114
Norman Street	Dalian Street	Scott Street	Local	Asphalt, Open Ditch	500
Akers Street	Martin Luther King Jr. Boulevard	End of Street	Local	Gravel, Open Ditch	320
Azalea Courts	Laurel Street	End of Street	Local	Asphalt, Open Ditch	1415
Blackstone Street	Retama Street	End of Street	Local	Gravel, Open Ditch	150
Municipal	Howell Avenue	End of Street	Local	Asphalt, Open Ditch	225
Nanlee Street	Lee Drive	3rd Avenue	Local	Asphalt, Open Ditch	462

Table 4

Rehabilitation Costs			
Street Name	Length in miles	Rehabilitation Unit Cost/Mile	Estimated Rehabilitation Cost
Moss Street	0.12	\$ 579,727.00	\$ 78,032.57
Rosewood Street	0.10	\$ 579,727.00	\$ 67,426.20
Strawn Street	0.15	\$ 579,727.00	\$ 101,518.10
Meadow Lane	0.59	\$ 579,727.00	\$ 393,193.25
Norman Street	0.09	\$ 579,727.00	\$ 63,133.15
Akers Street	0.06	\$ 579,727.00	\$ 40,405.22
Azalea Courts	0.27	\$ 579,727.00	\$ 178,666.81
Blackstone Street	0.03	\$ 579,727.00	\$ 18,939.94
Municipal	0.04	\$ 579,727.00	\$ 28,409.92
Nanlee Street	0.09	\$ 579,727.00	\$ 58,335.03

Table 5

APPENDIX A



APPENDIX B

Street Name	District Area	From	To	Roadway Type	Ridability	Pavement Type	Road Length (ft)	Rating
10th Avenue	D	Main Street	End of Street	Local	Good	Asphalt, Open Ditch	1093	3
11th Avenue	D	Montgomery Street	Main Street	Local	Good	Concrete, Curb & Gutter	1707	2
12th Avenue	C	Walnut Street	Montgomery Street	Local	Fair	Asphalt, Open Ditch	1825	4
1st Avenue	D	Plum Street	Main Street	Local	Good	Asphalt, Open Ditch	985	2
1st Street	D	Highway 3	Texas Avenue	Collector	Fair	Asphalt, Curb & Gutter	1852	3
2nd Street	D	Highway 3	Laurel Street	Local	Fair	Asphalt, Open Ditch	1852	3
3rd Avenue	C	Poplar Street	End of Street	Local	Fair	Asphalt, Open Ditch	250	4
3rd Street	D	Bayou Road	Beatrice	Local	Fair	Asphalt, Open Ditch	846	3
4th Avenue	D	Main Street	Highway 3	Local	Fair	Asphalt, Open Ditch	2451	2
5th Avenue	C	Main Street	Beech Street	Local	Good	Asphalt, Open Ditch	650	4
5th Avenue	D	Maple Street	Oak Street	Local	Fair	Asphalt, Chip Seal	1536	4
6th Avenue	D	Main Street	Highway 3	Local	Poor	Asphalt, Open Ditch	2255	3
7th Avenue	D	Main Street	End of Street	Local	Good	Asphalt, Open Ditch	802	3
8th Avenue	C	Main Street	Walnut Street	Local	Good	Asphalt, Open Ditch	318	2
9th Avenue	D	Main Street	Orange Street	Local	Fair	Asphalt, Open Ditch	648	4
Akers Street	D	Martin Luther King Jr. Boulevard	End of Street	Local	Very Poor	Gravel, Open Ditch	320	5
Albert Street	A	Boss Street	End of Street	Local	Good	Asphalt, Chip Seal	1870	3
Amato Street	D	Elaine Street	Maple Street	Local	Fair	Asphalt, Chip Seal	511	2
American Monarch Drive	A	Totem Trail Drive	End of Street	Local	Good	Concrete, Curb & Gutter	595	1
Anita Street	A	Texas Avenue	End of Street	Local	Good	Asphalt, Chip Seal	604	3
Apache Field Lane	B	Golden Eagle Court Knuckle	Cheyenne River Drive Knuckle	Local	Good	Concrete, Curb & Gutter	785	1
Apricot Street	D	Martin Luther King Jr. Boulevard	Oak Street	Local	Fair	Asphalt, Open Ditch	990	4
Arborglen Lane	A	Dellwood Court	End of Street	Local	Good	Concrete, Curb & Gutter	726	1
Ash Street	D	Scott Street	Ross Street	Local	Fair	Asphalt, Open Ditch	675	3
Astral Way	B	Perennial Lane	Eternal Drive	Local	Excellent	Concrete, Curb & Gutter	1493	1
Augusta Crossing Lane	A	Marble Springs Lane	End of Street	Local	Good	Concrete, Curb & Gutter	440	1
Autry Road	B	FM 1764	Dead End	Collector	Good	Concrete, Curb & Gutter	1950	1
Autry Road	B	Dead end to Avenue A	End of Street	Local	Fair	Asphalt, Chip Seal	1521	2
Austin Street	C	Magnolia Drive	End of Street	Local	Fair	Asphalt, Chip Seal	2102	3
Avenue A	B	Autry Drive	End of Street	Collector	Good	Asphalt, Chip Seal	2306	4
Avenue A	D	Cedar Drive	1st Street	Local	Good	Asphalt, Open Ditch	1957	3
Avenue B	D	Cedar Drive	2nd Street	Local	Poor	Asphalt, Open Ditch	1578	3
Avenue C	D	Texas Avenue	3rd Street	Local	Good	Asphalt, Open Ditch	1200	2
Avenue D	D	Cedar Drive	4th Street	Local	Good	Asphalt, Open Ditch	510	2
Azalea Courts	D	Laurel Street	End of Street	Local	Poor	Asphalt, Open Ditch	1415	5
Azalea Drive	D	Ross Street	Circle Drive	Local	Good	Asphalt, Open Ditch	2676	3
Banana Street	D	Maple Street	Highway 146	Local	Good	Asphalt, Open Ditch	1512	2
Bay Crest Court	A	Ridgewood Terrace Drive	End of Street	Local	Good	Concrete, Curb & Gutter	76	1
Bayou Road	D	Cedar Drive	Magnolia Drive	Major Thoroughfare	Good	Concrete, Curb & Gutter	8459	2
Bearish Street	C	Howell Avenue	End of Street	Local	Poor	Asphalt, Open Ditch	390	3
Beatrice	D	Bayou Road	2nd Street	Local	Good	Asphalt, Open Ditch	803	2
Beech Street	C	4th Avenue	6th Avenue	Local	Fair	Asphalt, Open Ditch	825	4
Bellview Street	A	Lake Road	End of Street	Local	Fair	Asphalt, Chip Seal	1216	4
Benson Street	D	Laurel Street	Laurel Street	Local	Fair	Asphalt, Open Ditch	1078	3
Bernice Street	A	Texas Avenue	End of Street	Local	Good	Asphalt, Chip Seal	699	2
Blackstone Street	D	Retama Street	End of Street	Local	Poor	Gravel, Open Ditch	150	5
Blue Skies Court	B	Sunriver Drive	End of Street	Local	Good	Concrete, Curb & Gutter	125	1
Bluebonnet Street	D	Cedar Drive	Ross Street	Local	Fair	Concrete, Open Ditch	1874	3
Bogatto Street	C	Possum Trot Street	Bayou Road	Local	Fair	Asphalt, Open Ditch	1213	2
Bonham Street	C	North Houston Drive	End of Street	Local	Fair	Asphalt, Chip Seal	884	3
Borondo Gate	B	Fairwood Road	End of Street	Local	Good	Concrete, Curb & Gutter	150	2
Borondo Pines	B	Borondo Stretch	End of Street	Local	Good	Concrete, Curb & Gutter	480	2
Borondo Reach	B	Upper Borondo	End of Street	Local	Good	Concrete, Curb & Gutter	982	2
Borondo Stretch	B	Lower Borondo	End of Street	Local	Good	Concrete, Curb & Gutter	1010	2
Boss Street	A	Lake Road	End of Street	Local	Fair	Asphalt, Chip Seal	2733	2
Boulder Park Circle	A	Morning Cypress Lane	End of Street	Local	Good	Concrete, Curb & Gutter	416	1
Bowie Drive	C	Magnolia Drive	End of Street	Local	Fair	Asphalt, Open Ditch	1383	3
Branch Oak Court	A	Marble Springs Lane	End of Street	Local	Good	Concrete, Curb & Gutter	348	1
Brazos Avenue	C	Magnolia Drive	Pecos	Local	Poor	Asphalt, Curb & Gutter	520	4
Briar Lane	C	Main Street	End of Street	Local	Poor	Asphalt, Open Ditch	660	4
Broadmoor Circle	D	Laurel Street	End of Street	Local	Fair	Asphalt, Open Ditch	425	3
Brockleigh Street	B	Garrett Street	End of Street	Local	Good	Asphalt, Chip Seal	619	2
Brookshire Street	A	Porter	End of Street	Local	Poor	Asphalt, Chip Seal	605	3
Brown Street	A	Texas Avenue	End of Street	Local	Poor	Asphalt, Chip Seal	610	5
Brushfield Court	B	Grassy Knoll Lane	End of Street	Local	Good	Concrete, Curb & Gutter	74	1
Burnett Street	C	South Houston Drive	End of Street	Local	Poor	Asphalt, Open Ditch	550	4
Byrd Street	A	Texas Avenue	End of Street	Local	Poor	Asphalt, Chip Seal	1079	3
Camden Valley Lane	A	Summer Shore Lane	Harbor Colony Lane	Local	Good	Concrete, Curb & Gutter	370	1
Canton Grass Lane	B	Harvest Salt Lane	End of Street	Local	Good	Concrete, Curb & Gutter	988	1
Cardinal Trace Court	A	Reddingwood Lane	End of Street	Local	Good	Concrete, Curb & Gutter	96	1
Carolyn Street	D	Texas Avenue	1st Street	Local	Good	Asphalt, Open Ditch	595	3
Carriage Lane	C	Lake Road	Possum Trot Street	Local	Fair	Asphalt, Curb & Gutter	1254	3
Carter Lane	D	Bayou Road	End of Street	Local	Poor	Asphalt, Curb & Gutter	330	3
Catalina Cove Lane	A	Hollingsworth Lane	End of Street	Local	Good	Concrete, Curb & Gutter	470	1
Cedar Drive	D	Highway 3	End of Street	Major Thoroughfare	Good	Concrete, Curb & Gutter	12931	1
Cedar Gate Lane	A	Harbor Colony Lane	Hazy Shores Lane	Local	Good	Concrete, Curb & Gutter	2172	1
Celestial Court	B	Astral Way	Cul-de-sac	Local	Excellent	Concrete, Curb & Gutter	458	1
Century Oaks Lane	A	Morning Cypress Lane	End of Street	Local	Good	Concrete, Curb & Gutter	870	1
Charity Street	C	Lake Road	End of Street	Local	Good	Asphalt, Open Ditch	275	3
Charlie Roberts Drive	A	Westward	End of Street	Local	Fair	Asphalt, Chip Seal	550	3
Cherry Street	D	5th Avenue	3rd Avenue	Local	Poor	Asphalt, Open Ditch	816	4
Chestnut Street	D	Maple Street	Oak Street	Local	Fair	Asphalt, Chip Seal	951	4
Cheyenne River Drive	B	Shoshone Ridge Drive.	Turquoise Trade Drive.	Local	Good	Concrete, Curb & Gutter	760	1
Chimney Corners Drive	D	Cedar Drive	End of Street	Local	Poor	Asphalt, Curb & Gutter	510	3
Chip Street	D	Elaine	Ross	Local	Fair	Asphalt, Chip Seal	642	4
Circle Drive	D	Azalea Drive	Texas Avenue	Local	Fair	Concrete, Open Ditch	995	2
Clark Drive	B	Main Street	End of Street	Local	Fair	Asphalt, Open Ditch	1760	2
Clover Bend Street	B	Vauthier Street	End of Street	Local	Good	Concrete, Curb & Gutter	1098	2
Colonial Street	C	Bayou Road	End of Street	Local	Good	Asphalt, Open Ditch	350	3
Colorado Avenue	C	Pecos	Magnolia Drive	Local	Fair	Asphalt, Curb & Gutter	530	4
Comanche Plains Road	B	Mojave	End of Street	Local	Good	Concrete, Curb & Gutter	1068	1
Constants Court	B	Ethereal Road	Fleming Street	Local	Excellent	Concrete, Curb & Gutter	256	1
Copper Bend Lane	D	Hazy Shores Lane	Cul de sac	Local	Good	Concrete, Curb & Gutter	125	1
Cora Street	D	Cedar	End of Street	Local	Poor	Asphalt, Open Ditch	681	4
Corbett Street	C	Lake Road	May Street	Local	Poor	Asphalt, Open Ditch	995	4
Coronado Circle	D	Laurel Street	End of Street	Local	Fair	Asphalt, Open Ditch	265	2
Coyote Creek Drive	B	Mustang Stampede Drive	Sunset Falls Drive	Local	Good	Concrete, Curb & Gutter	523	1
Crooked Oak Drive	A	Cedar Gate Lane	Ridgewood Lake Drive	Local	Good	Concrete, Curb & Gutter	271	1
Cypress Street	D	Oak Street	Maple Street	Local	Fair	Asphalt, Chip Seal	950	3
Dalian Street	C	Bayou Road	Howell Avenue	Local	Excellent	Asphalt, Open Ditch	1851	2
Dellwood Court	A	Arborglen Lane	End of Street	Local	Good	Concrete, Curb & Gutter	203	1
Delmar Drive	D	Highway 3	Laurel Street	Local	Fair	Asphalt, Curb & Gutter	926	3
Demolay Street	D	1st Street	2nd Street	Local	Excellent	Asphalt, Curb & Gutter	506	1
Dolrece Street	D	12th Avenue	11th Avenue	Local	Good	Concrete, Curb & Gutter	330	2
Dovetail Shadow Lane	A	Harbor Colony Lane	FM 2004	Local	Good	Concrete, Curb & Gutter	235	1
Dowling Circle	C	Lamar Drive	End of Street	Local	Fair	Asphalt, Curb & Gutter	278	2
Downey Drive	C	Main Street	End of Street	Local	Fair	Asphalt, Open Ditch	650	3
Driftwood Lane	B	Indigo Springs Lane	End of Street	Local	Good	Concrete, Curb & Gutter	1092	1
Duroux Rd (1)	B	North FM519	End of Street	Collector	Fair	Asphalt, Chip Seal	7380	2
East Camp Circle	A	North Camp Circle	End of Street	Local	Fair	Concrete, Open Ditch	192	5
East Southlawn Avenue	D	Laurel Street	End of Street	Local	Fair	Asphalt, Open Ditch	300	3
East Wellglen Lane	A	Catalina Cove Lane	End of Street	Local	Good	Concrete, Curb & Gutter	390	1
Edgar Street	A	Texas Avenue	End of Street	Local	Good	Asphalt, Chip Seal	1460	2
Edgewood Rd	B		End of Street	Local	Good	Asphalt, Chip Seal	345	2
Edna Street	C	Eriksson Street	Lenz Street	Local	Poor	Asphalt, Open Ditch	481	4
Elaine Street	D	Robbie Street	Ross Street	Local	Fair	Concrete, Curb & Gutter	1975	2
Eleanor Street	D	Maple	Grafton	Local	Fair	Asphalt, Chip Seal	320	4
Elm Drive	D	Oak Street	Rosedale Street	Local	Fair	Asphalt, Open Ditch	295	3
Elmo Street	D	1st Street	Yupon Street	Local	Good	Asphalt, Open Ditch	980	3
Ember Wood Court	B	Canton Grass Road	End of Street	Local	Good	Concrete, Curb & Gutter	372	1
Erickson Street	C	Main Street	End of Street	Local	Fair	Asphalt, Open Ditch	656	3

Street Name	District Area	From	To	Roadway Type	Ridability	Pavement Type	Road Length (ft)	Rating
Estate Drive	D	Laurel Street	End of Street	Local	Fair	Asphalt, Curb & Gutter	570	3
Eternal Drive	B	Perennial Lane	Fleming Street	Local	Excellent	Concrete, Curb & Gutter	1056	1
Ethereal Road	B	Constants Court	Perennial Lane	Local	Good	Concrete, Curb & Gutter	931	1
Evergreen	D	Bayou	End of Street	Local	Good	Asphalt, Curb & Gutter	1067	2
Evergreen Drive	B	Seraphim Road	Eternal Drive	Local	Excellent	Concrete, Curb & Gutter	263	1
Fairwood Road	B	Main Street	End of Street	Collector	Good	Concrete, Open Ditch	2607	2
Fannin Street	C	Westward Avenue	End of Street	Local	Good	Asphalt, Chip Seal	1396	3
Fieldhaven Court	A	Shallow Park Lane	End of Street	Local	Good	Concrete, Curb & Gutter	220	1
Fleming Street	B	South of Texas Avenue	End of Street	Collector	Poor	Asphalt, Chip Seal	2189	2
Fleming Street	B	Start Of New Subdivision	Constants Court	Local	Excellent	Concrete, Curb & Gutter	1555	1
Fletcher Hills Court	B	Canton Grass Lane	End of Street	Local	Good	Concrete, Curb & Gutter	403	1
Florence Street	C	May Street	Lake Road	Local	Fair	Asphalt, Open Ditch	1034	3
Foreman Street	D	Magnolia Drive	Cedar Drive	Local	Fair	Asphalt, Open Ditch	1350	3
Forest Bend Lane	A	Cedar Gate Lane	Hazy Shores Lane	Local	Good	Concrete, Curb & Gutter	1215	1
Forest Village Circle	A	Meadow Lake Village Drive	End of Street	Local	Good	Concrete, Curb & Gutter	1550	1
Franklin Street	C	Main Street	Gulf Fwy	Local	Good	Asphalt, Open Ditch	660	3
Franlee Street	D	3rd Avenue	Lee Drive	Local	Poor	Asphalt, Open Ditch	540	4
Garrett Street	B	South of Texas Avenue	End of Street	Local	Fair	Asphalt, Chip Seal	1185	2
George Street	D	Circle Drive	Holman Street	Local	Good	Concrete, Open Ditch	490	2
Getty Road	C	Gulf Fwy	End of Street	Collector	Good	Asphalt, Open Ditch	3310	3
Glendale Street	C	Main Street	End of Street	Local	Good	Concrete, Curb & Gutter	619	2
Golden Eagle Court	B	Comanche Plains Drive	Knuckle	Local	Good	Concrete, Curb & Gutter	513	1
Golden Sunset Court	B	Coyote Creek Drive	End of Street	Local	Good	Concrete, Curb & Gutter	150	1
Goliad Avenue	C	Magnolia Drive	Pecos	Local	Excellent	Asphalt, Curb & Gutter	530	3
Grafton Street	D	Ross st	Maple Street	Local	Poor	Asphalt, Chip Seal	1538	4
Grassy Creek Lane	B	Sand Crab Lane	End of Street	Local	Good	Concrete, Curb & Gutter	255	1
Grassy Knoll Trail	B	Rocky Rose Court	End of Street	Local	Good	Concrete, Curb & Gutter	1805	1
Grebb Street	C	Lake Road	End of Street	Local	Good	Concrete, Open Ditch	840	2
Hackberry Street	D	Maple Street	Westerlage Street	Local	Good	Asphalt, Curb & Gutter	953	2
Harbor Colony Lane	A	Camden valley Lane	Ridgewood Lake Drive	Local	Good	Concrete, Curb & Gutter	1264	1
Harlton	B	FM 1765	End of Street	Local	Fair	Asphalt, Chip Seal	369	4
Harlton Street	B	Lawndale Street	End of Street	Local	Poor	Asphalt, Open Ditch	628	5
Harvest Salt Lane	B	Canton Grass Lane	End of Street	Local	Good	Concrete, Curb & Gutter	1020	1
Hathaway Street	D	Highway 3	Laurel Street	Local	Fair	Asphalt, Open Ditch	950	3
Havenstone Lane	A	Marble Springs Lane	End of Street	Local	Good	Concrete, Curb & Gutter	375	1
Hawks view Drive	B	Beginning to End	End of Street	Local	Good	Concrete, Curb & Gutter	1764	1
Hawthorne Street	D	Prune Street	Hathaway Street	Local	Good	Asphalt, Open Ditch	1525	3
Hazy Shores Lane	A	Forest Bend Liv @ Knuckle 32r	Summer shores Lane	Local	Good	Concrete, Curb & Gutter	551	1
Hidden Cove Court	B	Harvest Salt Lane	End of Street	Local	Good	Concrete, Curb & Gutter	204	1
Hollingsworth Lane	A	Laurelsmith Lane	End of Street	Local	Good	Concrete, Curb & Gutter	500	1
Holly Street	D	Howell Avenue	Ross Street	Local	Fair	Asphalt, Open Ditch	3131	3
Holman Street	D	Texas Avenue	End of Street	Local	Good	Asphalt, Open Ditch	1860	2
Honeysuckle Drive	D	Ross Street	Circle Drive	Local	Poor	Asphalt, Open Ditch	2715	4
Hoover Street	A	Newman Road.	End of Street	Local	Good	Asphalt, Chip Seal	744	3
Horseshoe Bend	D	Maple	End of Street	Local	Fair	Asphalt, Open Ditch	445	4
Houston Drive North.	C	Lake Drive	End of Street	Local	Good	Asphalt, Chip Seal	2254	2
Howell Avenue	D	Cedar Drive	Magnolia Drive	Collector	Fair	Asphalt, Open Ditch	4178	3
Hudler Street	D	1st Street	End of Street	Local	Good	Asphalt, Open Ditch	920	2
Hutto Street	A	Mitchell Lane	End of Street	Local	Fair	Asphalt, Chip Seal	683	3
Imperial Ridge Court	A	Laurelmist Lane	End of Street	Local	Good	Concrete, Curb & Gutter	148	1
Indigo Brush	B	Autry Road	End of Street	Local	Good	Concrete, Curb & Gutter	730	1
Indigo Springs Lane	B	Mills Creek Lane	End of Street	Local	Good	Concrete, Curb & Gutter	898	1
Industrial Street	D	Westerlage Street	End of Street	Local	Good	Asphalt, Open Ditch	903	2
Irene Street	C	Main Street	End of Street	Local	Fair	Asphalt, Open Ditch	650	3
Jackson Street	A	Lake Road	End of Street	Local	Good	Asphalt, Chip Seal	2620	3
Jefferson Drive	A	Westward	End of Street	Local	Poor	Asphalt, Open Ditch	1663	4
Jeridona Street	B	Main Street	End of Street	Local	Good	Asphalt, Open Ditch	1056	2
John Street	A	Westward Avenue	End of Street	Local	Fair	Asphalt, Chip Seal	1050	3
Johnson Street	A	Texas Avenue	End of Street	Local	Good	Asphalt, Chip Seal	1100	2
Kansas Street	A	Albert Street	End of Street	Local	Good	Asphalt, Open Ditch	2469	2
Katherine Street	A	Raymond Street	End of Street	Local	Poor	Asphalt, Chip Seal	1025	4
Kennedy Street	A	South Garrett	End of Street	Local	Poor	Asphalt, Chip Seal	135	5
Kenneth Street	A	McKinney Street	End of Street	Local	Fair	Asphalt, Chip Seal	704	4
Kirby Drive	B	Volney	End of Street	Local	Fair	Asphalt, Chip Seal	2984	2
Kirsten Street	D	Cedar Drive	End of Street	Local	Poor	Asphalt, Curb & Gutter	745	4
Lake Park Drive	A	Lake Road	End of Street	Local	Good	Asphalt, Curb & Gutter	1066	2
Lake Road	C	Main Street	Maxwell Street	Collector	Good	Asphalt, Open Ditch	9103	3
Lamar Road	C	Magnolia Drive	Cedar Drive	Collector	Fair	Asphalt, Open Ditch	2150	3
Larcom Street	D	Rhodora Street	Highway 3	Local	Poor	Asphalt, Open Ditch	580	3
Laura Avenue	D	Yukon Street	Bayou Road	Local	Fair	Asphalt, Open Ditch	556	3
Laurel Meadows	B	Sunriver Drive	End of Street	Local	Good	Concrete, Curb & Gutter	320	1
Laurel Street	D	Ross Street	8th Avenue	Local	Good	Asphalt, Open Ditch	8164	3
Laurel Trail Lane	A	Cedar Gate Lane	Oakmist Cove Lane	Local	Good	Concrete, Curb & Gutter	363	1
Laurelmist Lane	A	Eastwellglen Lane	End of Street	Local	Good	Concrete, Curb & Gutter	544	1
Lawndale Street	B	Garrett Street	End of Street	Local	Fair	Asphalt, Chip Seal	3276	2
Layman Street	A	Cedar Drive	End of Street	Local	Good	Asphalt, Chip Seal	793	3
Lazy Lane	B	Edgewood	End of Street	Local	Fair	Asphalt, Chip Seal	1330	2
Lee Drive	D	Plum Street	Naples Street	Local	Fair	Asphalt, Open Ditch	1193	4
Lenz Street	C	Bayou Road	End of Street	Local	Poor	Asphalt, Open Ditch	1300	4
Liberty Pines Lane	A	Oakmist Cove Lane	Cedar Gate Lane	Local	Good	Concrete, Curb & Gutter	403	1
Lilac Street	A	1st Street	End of Street	Local	Fair	Asphalt, Open Ditch	1860	3
Linden Street	A	Jackson	End of Street	Local	Fair	Asphalt, Open Ditch	802	4
Linton Drive	D	Laurel Street	End of Street	Local	Poor	Asphalt, Curb & Gutter	620	4
Little Street	C	Bayou Road	Lenz Street	Local	Fair	Asphalt, Open Ditch	820	3
Logan Street	B	Strawn Street	End of Street	Local	Poor	Gravel, Open Ditch	606	5
Lone Star Street	C	Main Street	End of Street	Local	Fair	Asphalt, Open Ditch	630	4
Longridge Drive	D	Laurel Street	End of Street	Local	Good	Asphalt, Open Ditch	440	2
Lower Borondo	B	Borondo Reach	End of Street	Local	Good	Concrete, Curb & Gutter	460	2
Lyric Lane	D	Ross Street	Ross Extension	Local	Poor	Asphalt, Open Ditch	744	4
Magnolia Drive	C	Howell Avenue to Gulf Freeway	End of Street	Collector	Fair	Asphalt, Curb & Gutter	6893	3
Maple Bend Lane	A	Willow harbor lane	Cul-de-sac	Local	Good	Concrete, Curb & Gutter	904	1
Maple Street	D	Ross Street	5th Avenue	Local	Fair	Asphalt, Open Ditch	4289	3
Mar Ann Drive	A	Kenneth Street	End of Street	Local	Fair	Concrete, Curb & Gutter	670	5
Marble Springs Lane	A	Arborglen Lane	End of Street	Collector	Good	Concrete, Curb & Gutter	2120	1
Margot Street	A	Cedar Drive	End of Street	Local	Good	Asphalt, Chip Seal	622	3
Martin Luther King Blvd	D	Ross Street	Oak Street	Collector	Fair	Asphalt, Open Ditch	5325	3
Maxwell Street	C	Lake Road	Getty Road	Collector	Good	Asphalt, Open Ditch	2660	2
May Street	C	Corbett Street	Gulf Fwy	Local	Poor	Asphalt, Open Ditch	398	4
Mc Kinney Drive	A	Westward	End of Street	Local	Good	Asphalt, Chip Seal	1636	4
Mc Kinney Extension	A	Duroux	End of Street	Local	Fair	Asphalt, Chip Seal	1663	2
McArthur Drive	A	Vauthier Street	End of Street	Local	Good	Asphalt, Chip Seal	1636	2
McKinney Drive	A	Vauthier Street	End of Street	Local	Poor	Asphalt, Chip Seal	1636	3
Meadow Lane	C	Beginning to End	End of Street	Local	Poor	Asphalt, Curb & Gutter	3534	5
Melanie Point Lane	A	Marble Springs Lane	End of Street	Local	Good	Concrete, Curb & Gutter	1017	1
Melody Street	C	North Melody Street	End of Street	Local	Good	Asphalt, Curb & Gutter	561	2
Merry Lane	C	South Melody	End of Street	Local	Good	Asphalt, Curb & Gutter	848	2
Meyer	D	Highway 3	End of Street	Local	Good	Asphalt, Open Ditch	512	3
Middle Borondo	B	Borondo Reach	End of Street	Local	Good	Concrete, Curb & Gutter	466	2
Milam Street	C	Magnolia Drive	End of Street	Local	Fair	Asphalt, Open Ditch	505	3
Mills Creek Lane	B	Driftwood Lane	End of Street	Local	Good	Concrete, Curb & Gutter	254	1
Misty Run Court	B	Saltgrass Springs Lane	End of Street	Local	Good	Concrete, Curb & Gutter	419	1
Mitchell Lane	A	FM 2004	End of Street	Local	Fair	Asphalt, Chip Seal	1443	4
Mojave Lane	B	Turquoise Trade Drive	Knuckle	Local	Good	Concrete, Curb & Gutter	255	1
Montclair Mist Lane	A	Harbor Colony Lane	Forest Bend Lane	Local	Good	Concrete, Curb & Gutter	1028	1
Montgomery	D	Palm Street	Laurel Street	Local	Good	Asphalt, Open Ditch	1360	2
Mora Lane	D	Magnolia Drive	End of Street	Local	Poor	Asphalt, Open Ditch	417	4
Morning Cypress Lane	A	Rosebank Trail Lane	End of Street	Local	Good	Concrete, Curb & Gutter	720	1
Moss Street	B	Newman Road	End of Street	Local	Poor	Asphalt, Chip Seal	618	5
Municipal Street	D	Howell Avenue	End of Street	Local	Poor	Asphalt, Open Ditch	225	5
Muriel Street	D	Westerlage	End of Street	Local	Good	Asphalt, Open Ditch	700	3
Mustang Stampede Drive	B	Hawks View Drive	Splintered Arrow Drive Knuckle	Local	Good	Concrete, Curb & Gutter	1059	1

Street Name	District Area	From	To	Roadway Type	Ridability	Pavement Type	Road Length (ft)	Rating
Nakota Drive	B	Mustang Stampede Drive	Sacajewa Drive	Local	Good	Concrete, Curb & Gutter	240	1
Nanlee Street	D	Lee Drive	3rd Avenue	Local	Poor	Asphalt, Open Ditch	462	5
Naples Terrace Lane	A	Sable terrace Lane	End of Street	Local	Good	Concrete, Curb & Gutter	1017	1
Nashby Street	A	Albert Street	End of Street	Local	Good	Asphalt, Chip Seal	1154	3
Neuman	D	Bayou Road	Foreman Street	Local	Fair	Asphalt, Open Ditch	750	2
Newman Road	B	South of Fm519	Main Street	Local	Fair	Asphalt, Chip Seal	2216	4
Newman Road	A	Texas Avenue	End of Street	Local	Good	Asphalt, Chip Seal	7009	2
Norman Street	C	Dalian Street	Scott Street	Local	Poor	Asphalt, Open Ditch	500	5
North Camp Circle	A	West Camp Circle Knuckle	End of Street	Local	Fair	Concrete, Open Ditch	864	5
North Campus Heights Drive	A	North Cul De Sac	End of Street	Local	Fair	Asphalt, Chip Seal	1019	2
North Curlew Street	C	North Omega Street	End of Street	Local	Good	Asphalt, Open Ditch	1259	2
North Flamingo Street	C	North Omega Street	End of Street	Local	Good	Asphalt, Open Ditch	1120	3
North Melody	C	Westward Street	End of Street	Local	Fair	Asphalt, Curb & Gutter	660	3
North Omega Street	C	South Omega Street	North White Heron Drive	Local	Poor	Asphalt, Open Ditch	3765	4
North Pelican Street	C	North Omega Street	End of Street	Local	Fair	Asphalt, Open Ditch	520	3
North Pintail Drive	C	North Omega Street	End of Street	Local	Fair	Asphalt, Open Ditch	373	3
North Redwing Drive	C	North Omega Street	End of Street	Local	Fair	Asphalt, Open Ditch	400	4
North Sandpiper Street	C	North Omega Street	End of Street	Local	Good	Asphalt, Open Ditch	870	2
North Skinner Drive	C	North Omega Street	End of Street	Local	Good	Asphalt, Open Ditch	700	2
North White Heron Drive	C	North Omega Street	End of Street	Local	Good,Poor	Asphalt, Open Ditch	1124	3
Oak Street	D	Ross Street	Main Street	Collector	Poor	Asphalt, Open Ditch	9618	3
Oaklawn Drive	C	Lake Road	Bayou Road	Local	Excellent	Asphalt, Open Ditch	2500	1
Oakmist Cove Lane	A	Laurel Trail Lane	Forest Bend Lane	Local	Good	Concrete, Curb & Gutter	684	1
Oleander	C	Bayou Road	End of Street	Local	Good	Asphalt, Open Ditch	2284	3
Orange Street	D	Laurel Street	Highway 3	Local	Good	Asphalt, Open Ditch	1638	2
Orange Street	D	9th Avenue	12th Avenue	Local	Poor	Asphalt, Open Ditch	3708	2
Over Street	A	Texas Avenue	End of Street	Local	Fair	Asphalt, Chip Seal	284	3
Pacific Point Court	B	Saltgrass Point Blvd	End of Street	Local	Good	Concrete, Curb & Gutter	467	1
Painted Bison Drive	B	American Monarch Drive	End of Street	Local	Good	Concrete, Curb & Gutter	530	1
Paleos Flint Drive	B	Autry Drive	End of Street	Local	Good	Concrete, Curb & Gutter	720	1
Palm Street	C	Main Street	Walnut Street	Local	Fair	Asphalt, Open Ditch	2023	2
Palm Street	D	Ross Street	Scott Street	Local	Good	Asphalt, Open Ditch	630	2
Palomino Stand Drive	B	Totem Trail Drive Knuckle	Red Dusk Drive Knuckle	Local	Good	Concrete, Curb & Gutter	528	1
Park Ridge Court	B	Saltgrass Springs Lane	End of Street	Local	Good	Concrete, Curb & Gutter	309	1
Park Street	D	3rd Street	Bayou Road	Local	Excellent	Asphalt, Open Ditch	213	1
Parkstone Drive	A	Arborglen Lane	End of Street	Local	Good	Concrete, Curb & Gutter	312	1
Parr Lane	D	Maple Street	End of Street	Local	Fair	Asphalt, Open Ditch	255	4
Partridge Street	B	East of Fleming Street	End of Street	Local	Good	Asphalt, Chip Seal	1757	2
Patricia Drive	A	Westward Avenue	End of Street	Local	Good	Asphalt, Chip Seal	1084	2
Pear Street	D	Hawthorne Street	Highway 3	Local	Fair	Asphalt, Open Ditch	1261	4
Pecan Landing Lane	A	Ridgewood Lake Drive	Knuckle	Local	Good	Concrete, Curb & Gutter	568	1
Pecos	C	Lake Road	Colorado Avenue	Local	Good	Asphalt, Curb & Gutter	1050	2
Perennial Lane	B	Ethereal Road	Eternal Drive	Local	Excellent	Concrete, Curb & Gutter	1018	1
Perthius Drive	B	Perthius Farm	End of Street	Local	Fair	Asphalt, Open Ditch	930	3
Perthius Farms Road	B	Westward Avenue	End of Street	Local	Fair	Asphalt, Chip Seal	1538	3
Pessara Street	C	Main Street	End of Street	Local	Poor	Asphalt, Open Ditch	650	4
Petroleum Street	A	Albert Street	End of Street	Local	Good	Asphalt, Chip Seal	1195	2
Pine Circle	B	Fairwood Road	End of Street	Local	Fair	Asphalt, Curb & Gutter	202	2
Pine Forest Street	B	Westward Avenue	End of Street	Local	Good	Concrete, Curb & Gutter	175	2
Pine Shadow Street	B	Westward Avenue	End of Street	Local	Good	Concrete, Curb & Gutter	175	2
Pirtle Street	D	Cedar Drive	End of Street	Local	Poor	Asphalt, Open Ditch	650	3
Pirtle Street	A	Cedar Drive	End of Street	Local	Poor	Asphalt, Open Ditch	1240	3
Pleasant Fields Lane	A	Hazy shores Lane	FM 1765	Local	Good	Concrete, Curb & Gutter	197	1
Plum Street	D	12th	End of Street	Local	Poor	Asphalt, Curb & Gutter	2308	4
Poplar Street	C	Highway 3	End of Street	Local	Fair	Asphalt, Open Ditch	1300	3
Porter Street	A	Texas Avenue	End of Street	Local	Fair	Asphalt, Chip Seal	617	2
Possum Trot Street	C	Magnolia Drive	Scott Street	Local	Good	Asphalt, Curb & Gutter	644	2
Prairie Knoll Drive	B	Fm 1764	End of Street	Local	Good	Concrete, Curb & Gutter	1894	1
Prairie Oaks	B	Prairie Knoll Drive	End of Street	Local	Good	Concrete, Curb & Gutter	1160	1
Prairie Street	B	Fleming Street	Dead End	Local	Excellent	Concrete, Curb & Gutter	1858	2
Preston Street	A	Texas Avenue	End of Street	Local	Fair	Asphalt, Chip Seal	610	4
Prune Street	D	1st Avenue	3rd Avenue	Local	Poor	Asphalt, Open Ditch	3231	3
Raymond Street	A	Patricia Drive	End of Street	Local	Good	Asphalt, Chip Seal	1538	2
Red Dusk Paint Drive	B	Knuckle	Comanche plains Drive	Local	Good	Concrete, Curb & Gutter	508	1
Red Oak Canyon Lane	A	Reddingwood Lane	End of Street	Local	Good	Concrete, Curb & Gutter	386	1
Redbud	D	Foreman Street	End of Street	Local	Fair	Asphalt, Open Ditch	528	3
Reddingwood Lane	A	Sable Terrace Lane	End of Street	Local	Good	Concrete, Curb & Gutter	600	1
Retama Street	D	Spruce Street	Maple Street	Local	Fair	Asphalt, Chip Seal	630	4
Rhodora Street	D	Ross Street	Delmar Drive	Local	Poor	Asphalt, Open Ditch	820	4
Richard's Court	A	Texas Avenue	End of Street	Local	Fair	Asphalt, Chip Seal	450	2
Ridgewood Lake Drive	A	Crooked Oak Drive	Harbor Colony Lane	Local	Good	Concrete, Curb & Gutter	377	1
Ridgewood Terrace Drive	A	Bay crest Court	Harbor Colony Lane	Local	Good	Concrete, Curb & Gutter	853	1
River Sage Court	B	Saltgrass Point Blvd	End of Street	Local	Good	Concrete, Curb & Gutter	413	1
Robbie Street	D	Ross Street	Ross Street	Local	Fair	Concrete, Curb & Gutter	1340	3
Rocky Rose Court	B	Spoonbill Lane	End of Street	Local	Good	Concrete, Curb & Gutter	415	1
Roosevelt	A	Cedar Drive	End of Street	Local	Good	Asphalt, Open Ditch	2762	2
Rosadale Street	A	Raymond Street	End of Street	Local	Good	Asphalt, Chip Seal	1025	2
Rosalee Street	A	Lake Road	End of Street	Local	Good	Asphalt, Chip Seal	2445	3
Rose Lane	B	Westward Street	End of Street	Local	Fair	Asphalt, Chip Seal	480	4
Rosebank Trail Lane	A	Marble Springs Lane	End of Street	Local	Good	Concrete, Curb & Gutter	396	1
Rosedale Street	D	Cedar Drive	End of Street	Local	Fair	Asphalt, Open Ditch	950	3
Rosewood Street	B	Newman Street	End of Street	Local	Poor	Asphalt, Chip Seal	534	5
Ross Avenue	D	Texas Avenue	Ross Street	Collector	Fair	Asphalt, Open Ditch	4593	2
Ross Extension	D	Ross Street	End of Street	Local	Fair	Asphalt, Chip Seal	1214	4
Ross Street	D	Howell	Highway 3	Collector	Good	Concrete, Open Ditch	2409	3
Ruslee Street	D	3rd Avenue	Lee Drive	Local	Good	Asphalt, Open Ditch	520	3
Ryan	C	Scott Street	End of Street	Local	Good	Asphalt, Open Ditch	328	2
Sable Terrace Lane	A	Naples Terrace Lane	End of Street	Local	Good	Concrete, Curb & Gutter	392	1
Sacajewa Drive	B	Shoshone Ridge Drive Knuckle	Turquoise Trade Drive Knuckle	Local	Good	Concrete, Curb & Gutter	518	1
Salt Cove Court	B	Saltgrass Point Blvd	End of Street	Local	Good	Concrete, Curb & Gutter	528	1
Salt Creek Bend Lane	B	Saltgrass Point Blvd	End of Street	Local	Good	Concrete, Curb & Gutter	442	1
Salt River Valley Lane	B	Saltgrass Point Blvd	End of Street	Local	Good	Concrete, Curb & Gutter	314	1
Saltgrass Point Boulevard	B	Fm 1765	End of Street	Collector	Good	Concrete, Curb & Gutter	3472	1
Saltgrass Springs Lane	B	Saltgrass Point Blvd	End of Street	Local	Good	Concrete, Curb & Gutter	746	1
Sand Crab Lane	B	Grassy Knoll Lane	End of Street	Local	Good	Concrete, Curb & Gutter	906	1
Sand Dollar Court	B	Salt creek Bend Lane	End of Street	Local	Good	Concrete, Curb & Gutter	150	1
Santa Fe Creek Drive	B	Sunset Falls Drive	End of Street	Local	Good	Concrete, Curb & Gutter	105	1
Sarlee Drive	D	Lee Street	3rd Avenue	Local	Good	Asphalt, Open Ditch	575	2
Scenic Lake Drive	A	Knuckle	Maple Bend Lane	Local	Good	Concrete, Curb & Gutter	682	1
Scott Street	D	Palm Street	Laurel Street	Local	Good	Asphalt, Open Ditch	6200	3
Seadrift Court	B	Salt creek Bend	End of Street	Local	Good	Concrete, Curb & Gutter	145	1
Seraphim Rd	B	Astral Way	Evergreen Drive	Local	Excellent	Concrete, Curb & Gutter	493	1
Shadow Park Lane	A	Forest Village Circle	End of Street	Local	Good	Concrete, Curb & Gutter	260	1
Shady Lane	D	Martin Luther King Jr. Boulevard	Oak Street	Local	Fair	Asphalt, Open Ditch	2391	3
Shirley Street	D	Maple Street	End of Street	Local	Fair	Asphalt, Open Ditch	300	4
Shoshone Ridge Drive	B	Golden Eagle Court	Knuckle	Local	Good	Concrete, Curb & Gutter	1549	1
Silver Lake Court	B	Coyote Creek	End of Street	Local	Good	Concrete, Curb & Gutter	280	1
Silver Reef Lane	B	Grassy Knoll Lane	End of Street	Local	Good	Concrete, Curb & Gutter	237	1
Silverglen Court	A	Arborglen Lane	End of Street	Local	Good	Concrete, Curb & Gutter	210	1
Sodgrass Court	B	Driftwood Lane	End of Street	Local	Good	Concrete, Curb & Gutter	72	1
South Campus Heights	A	Mc Kinney Ext	End of Street	Local	Fair	Asphalt, Chip Seal	304	2
South Crockett Drive	C	Austin Street	End of Street	Local	Good	Asphalt, Open Ditch	1456	3
South Curlew Drive	C	South Omega Street	End of Street	Local	Fair	Asphalt, Chip Seal	534	3
South Flamingo Southtreet	C	South Omega Street	End of Street	Local	Good	Asphalt, Chip Seal	509	3
South Garrett Street	A	Hallam	End of Street	Local	Good	Asphalt, Chip Seal	2542	2
South Houston Drive	C	Magnolia Drive	End of Street	Local	Good	Asphalt, Open Ditch	2100	2
South Melody Drive	C	Melody Drive	End of Street	Local	Good	Asphalt, Curb & Gutter	897	2
South Omega Street	C	North Omega Street	South White Heron Drive	Collector	Fair	Asphalt, Open Ditch	2502	3
South Pintail Drive	C	South Omega Street	End of Street	Local	Fair	Asphalt, Chip Seal	200	4
South Redwing Street	C	South Omega Street	End of Street	Local	Good	Asphalt, Chip Seal	373	2
South Sandpiper Drive	C	South Omega Street	End of Street	Local	Fair	Asphalt, Chip Seal	495	3

Street Name	District Area	From	To	Roadway Type	Ridability	Pavement Type	Road Length (ft)	Rating
South Skimmer Drive	C	South Omega Street	End of Street	Local	Good	Asphalt, Chip Seal	420	3
South White Heron Drive	C	South Omega Street	End of Street	Collector	Fair	Asphalt, Open Ditch	501	4
Sparks Street	A	North Camp Circle	End of Street	Local	Good	Asphalt, Chip Seal	306	2
Splintered Arrow Drive	B	Mustang Stampede Knuckle	Tonkawa Canyon Drive Knuckle	Local	Good	Concrete, Curb & Gutter	735	1
Spoonbill Lane	B	Silver reef Lane	End of Street	Local	Good	Concrete, Curb & Gutter	672	1
Spruce Street	D	Holly Street	Ross Street	Local	Fair	Asphalt, Chip Seal	988	3
Steve Roy	A	Vauthier Street	End of Street	Local	Poor	Concrete, Curb & Gutter	670	4
Stewart	A	Petroleum Street	End of Street	Local	Good	Asphalt, Chip Seal	987	2
Stonewall	A	Lake Road	End of Street	Local	Good	Asphalt, Chip Seal	1862	4
Strawn Street	B	Newman Street	End of Street	Local	Poor	Gravel, Open Ditch	804	5
Stubbs Street	D	Maple Street	Oak Street	Local	Good	Asphalt, Open Ditch	960	3
Studio Drive	D	Shady Lane	Maple Street	Local	Good	Asphalt, Open Ditch	516	2
Summer Horse Drive	B	Red Dusk Paint Drive	Totem Trail Drive	Local	Good	Concrete, Curb & Gutter	524	1
Summer Shores Lane	A	Hazy Shores Lane	Camden Valley Lane	Local	Good	Concrete, Curb & Gutter	246	1
Sunlit Mesa Court	B	Sunset Falls Drive	End of Street	Local	Good	Concrete, Curb & Gutter	105	1
Sunriver Drive	B	Mustang Stampede Drive	Sunset Falls Drive	Local	Good	Concrete, Curb & Gutter	525	1
Sunset Falls Drive	B	Silver Lakes Drive	Autry Drive	Local	Good	Concrete, Curb & Gutter	1171	1
Sunset Lane	D	Laurel Street	Yupon Street	Local	Fair	Asphalt, Open Ditch	736	3
Sycamore Street	D	Ross Street	Scott Street	Local	Poor	Asphalt, Open Ditch	1650	4
Sylvia	C	Downey Drive	End of Street	Local	Fair	Asphalt, Open Ditch	300	2
Taft Street	A	Hoover	End of Street	Local	Poor	Asphalt, Chip Seal	148	5
Tallow Drive	D	Avenue A	Oak Street	Local	Fair	Asphalt, Curb & Gutter	600	3
Taylor Street	A	Vauthier Street	End of Street	Local	Good	Asphalt, Chip Seal	1650	2
Texas Avenue	A	Volney Street	End of Street	Major Thoroughfare	Good	Asphalt, Chip Seal	2279	2
Thompson Street	A	Lake Road	End of Street	Local	Good	Asphalt, Chip Seal	1190	2
Threlkeld Lane	D	Laurel Street	Howell Avenue	Local	Poor	Asphalt, Open Ditch	695	4
Tonkawa Canyon Drive	B	Splintered Arrow Drive	End of Street	Local	Good	Concrete, Curb & Gutter	538	1
Totem Trail Drive	B	Autry Drive	Knuckle	Local	Good	Concrete, Curb & Gutter	1246	1
Travis Court	C	Magnolia Drive	End of Street	Local	Fair	Asphalt, Open Ditch	308	2
Trinity	C	Woodland Street	End of Street	Local	Good	Asphalt, Open Ditch	490	3
Turquoise Trade Drive	B	Paleos flint Drive	Indigo brush Drive	Local	Good	Concrete, Curb & Gutter	1483	1
Union Street	A	Texas Avenue	End of Street	Local	Good	Asphalt, Chip Seal	610	3
Upper Borondo	B	Borondo Stretch	End of Street	Local	Good	Concrete, Curb & Gutter	480	2
Vauthier Street	C	Gulf Freeway	End of Street	Major Thoroughfare	Good	Concrete, Curb & Gutter	6161	2
Verkin	A	Westward	End of Street	Local	Fair	Asphalt, Open Ditch	450	5
Veronica Street	C	Cedar Drive	End of Street	Local	Fair	Asphalt, Open Ditch	1420	3
Virginia Street	A	Westward Avenue	End of Street	Local	Good	Asphalt, Chip Seal	2256	2
Volney Street	A	South of Texas Avenue	End of Street	Local	Fair	Asphalt, Open Ditch	1598	2
Volney Street	B	Texas Avenue	End of Street	Local	Fair	Asphalt, Open Ditch	1598	2
West Camp Circle	A	Cedar Drive	End of Street	Local	Fair	Concrete, Open Ditch	496	5
Walker Road	B	South of Prairie Street	End of Street	Local	Fair	Asphalt, Open Ditch	1746	2
Walnut Street	C	8th Avenue	End of Street	Local	Good	Asphalt, Open Ditch	2380	3
Walnut Street	C	7th Avenue	4th Avenue	Local	Fair	Asphalt, Open Ditch	1245	3
Waterside Ridge Lane	A	Forest Village Circle	End of Street	Local	Good	Concrete, Curb & Gutter	395	1
West Crockett Street	C	Magnolia Drive	End of Street	Local	Good	Concrete, Open Ditch	1408	2
West Houston Drive	C	Lamar Drive	End of Street	Local	Good	Asphalt, Chip Seal	1942	2
Westerlage Street	D	Shady Lane	Ross Street	Local	Fair	Asphalt, Open Ditch	983	3
Westward Avenue	B	Main Street	End of Street	Collector	Fair	Asphalt, Chip Seal	2674	3
Westward Avenue	C	Gulf Freeway	End of Street	Collector	Fair	Asphalt, Open Ditch	6836	3
Westwood Circle	B	FM 1764	End of Street	Local	Good	Concrete, Curb & Gutter	3204	3
White Mountain Court	B	Sunset Falls Drive	End of Street	Local	Good	Concrete, Curb & Gutter	105	1
Williams Drive	B	Main Street	End of Street	Local	Fair	Asphalt, Chip Seal	1869	3
Willow Harbor Lane	A	Maple Bend Lane	Baycrest Court	Local	Good	Concrete, Curb & Gutter	1048	1
Winding Way	D	Texas Avenue	Bluebonnet Drive	Collector	Fair	Concrete, Open Ditch	1521	4
Winnie Street	D	Shady Lane	End of Street	Local	Poor	Asphalt, Open Ditch	450	3
Wisteria Street	D	Beginning to End	End of Street	Local	Fair	Concrete, Open Ditch	1869	4
Woodland Street	C	Lake Road	Westward Avenue	Collector	Good	Concrete, Open Ditch	2550	1
Yelma Street	A	Pirtle Street	End of Street	Local	Fair	Asphalt, Chip Seal	400	4
Yupon Street	D	Cedar Drive	Highway 3	Local	Good	Asphalt, Open Ditch	2730	2

ARPA Street Project

<u>Streets</u>	<u>District</u>
McKinney Dr	A
Virginia St	A
Kenneth St	A
Brown St	A
Union St	A
Jefferson St	A

2025 Galveston County Mobility and Drainage Project

<u>Streets</u>	<u>District</u>
Moss St	B
Rosewood St	B
Meadow Ln	C
Norman St	C
Akers St	D
Azelea Court	D
Nanlee St	C
Corbett St	C
Bellview St	A
Fleming St	B

Current Equipment Inventory & Condition Assessment

Equipment	Condition (1 = Best, 5 = Worst)
Zero Turn Mower #1	4
Zero Turn Mower #2	4
Slope Mower #1	2
Slope Mower #2	4
Front End Loader #1	2
Front End Loader #2	3
Dump Truck #1	3
Dump Truck #2	5
Dump Truck #3	5
Dura-Patch Trailer	1
Flat Bed Truck	3
Bucket Truck	3
Trailer #1	3
Trailer #2	4
Street Sweeper	5

Equipment Needs with Estimated Costs

Equipment	Low Estimate	High Estimate
Asphalt Roller (ARPA)	\$20,000	\$40,000
Hot Mix Asphalt Truck	\$200,000	\$260,000
Milling Machine	\$200,000	\$480,000
Concrete Saw	\$10,000	\$50,000
Zero Turn Mowers (2)	\$10,000	\$20,000
Dump Trailers (2)	\$20,000	\$40,000
Street Sweeper	\$50,000	\$300,000

Estimated Annual Operating Costs for Selected Equipment

Equipment	Annual Operating Cost (Low)	Annual Operating Cost (High)
Asphalt Roller	\$7,500	\$10,500
Hot Mix Asphalt	\$85,000	\$250,000
Milling Machine	\$85,000	\$119,000
Dura-Patch Trailer	\$20,000	\$30,000

Operating costs include fuel, maintenance, material, and depreciation.

Street Repair Operations: Equipment and Personnel Requirements

Full Street Repair Operations

Objective: Milling, paving, and compacting full street segments using heavy equipment.

Equipment Used:

- Milling Machine
- Hot Mix Asphalt Dump Truck
- Asphalt Paver
- Screed Unit (attached to paver)
- Steel Drum Roller (Compactor)
- Skid Steer or Loader
- Tack Distributor (optional, for better adhesion)
- Broom Truck or Sweeper
- Work Zone Signage & Cones

Crew Requirements (9-Person Crew): Absolute minimum- (8-9 miles a street a year)

Role	Responsibility
1. Supervisor	Oversees operations and coordinates the crew
2. Milling Machine Operator	Operates milling machine to remove old asphalt
3. Skid Steer Operator	Cleans milled material and loads dump truck
4. Dump Truck Driver	Delivers hot mix and hauls off millings
5. Paver Operator	Operates the paver for new asphalt installation
6. Screed Operator	Controls asphalt thickness and width
7. Roller Operator	Compacts asphalt to proper density
8. Raker/Laborer	Rakes and lutes asphalt for smooth finish
9. Traffic Control	Manages traffic flow and ensures crew safety

Hot Patch Trailer Pothole Repair

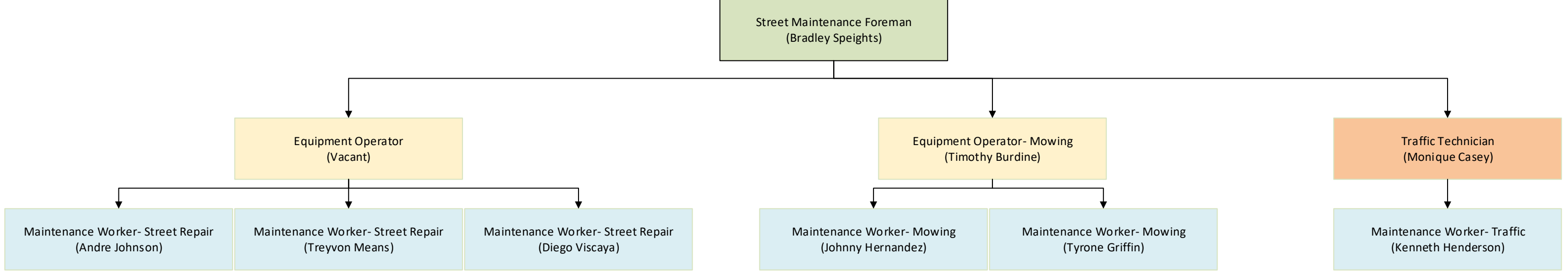
Objective: Perform localized asphalt pothole repairs using a hot patch trailer.

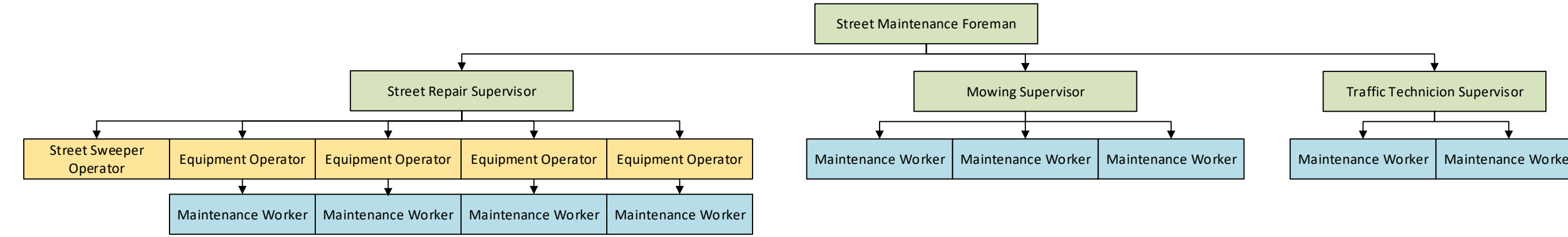
Equipment Used:

- Hot Patch Trailer
- Pickup Truck (for towing)
- Traffic Control Signs or Cones

Crew Requirements (3-Person Crew):

Role	Responsibility
1. Driver/Operator	Tows trailer, loads asphalt into potholes
2. Raker/Laborer	Distributes and levels the hot mix
3. Compactor Operator	Operates plate compactor or roller for patch





Dept12*Current*

<u>Position</u>	<u>Employee</u>	<u>Hourly Rate</u>	<u>Annual Salary</u>
Street Maintenance Foreman	Bradley Speights	\$25	\$52,000.00
Equipment Operator	Timothy Burdine	\$19.99	\$41,579.20
Equipment Operator	Vacant	\$20	\$41,600.00
Traffic Technician	Monique Casey	\$18	\$37,440.00
Maintenance Worker	Andre Johnson	\$19	\$39,520.00
Maintenance Worker	Johnny Hernandez	\$19	\$39,520.00
Maintenance Worker	Tyrone Griffin	\$22.14	\$46,972.22
Maintenance Worker	Kenneth Henderson	\$17.61	\$36,628.80
Maintenance Worker	Diego Viscaya	\$17.61	\$36,628.80
Maintenance Worker	Treyvon Means	\$17.61	\$36,628.80
Total Annual Salary			\$408,517.82

Dept12*Future*

<u>Position</u>	<u>Hourly Rate</u>	<u>Annual Salary</u>
Street Maintenance Foreman	\$28	\$58,240.00
Street Repair Supervisor	\$25	\$52,000.00
Street Sweeper Operator	\$23	\$47,840.00
Equipment Operator	\$23	\$47,840.00
Equipment Operator	\$23	\$47,840.00
Equipment Operator	\$23	\$47,840.00
Equipment Operator	\$23	\$47,840.00
Maintenance Worker	\$20	\$41,600.00
Maintenance Worker	\$20	\$41,600.00
Maintenance Worker	\$20	\$41,600.00
Maintenance Worker	\$20	\$41,600.00
Mowing Supervisor	\$23	\$47,840.00
Maintenance Worker- Mowing	\$20	\$41,600.00
Maintenance Worker- Mowing	\$20	\$41,600.00
Maintenance Worker- Mowing	\$20	\$41,600.00
Traffic Technician Supervisor	\$23	\$47,840.00
Maintenance Worker- Traffic Tech	\$20	\$41,600.00
Maintenance Worker- Traffic Tech	\$20	\$41,600.00
Total Annual Salary		\$819,520.00

Public Works Street Division Update

Public Works continues to address citywide street conditions through long-term planning, major rehabilitation projects, and daily maintenance operations.

A full pavement assessment of approximately 96 miles of city streets was completed to identify current roadway conditions, prioritize rehabilitation needs, and establish long-term funding strategies. In addition, several high-priority streets are already being addressed through the Galveston County Mobility and Drainage Project, reducing the City's direct financial burden.

To improve daily street maintenance operations, Public Works is also recommending activation of a full-time DuraPatcher Daily Pothole Repair Program, allowing crews to move from reactive emergency repairs to proactive daily pothole maintenance across all districts.

This update outlines current street conditions, rehabilitation needs, active project coordination, and operational improvements needed to strengthen the Street Division.

Current Street Condition Breakdown

Street Mileage by Condition

Condition	Rating	Miles
Very Good	1	18
Good	2	30
Fair	3	34
Poor	4	11
Very Poor	5	2

What This Means for the City

Only 48 miles, or 50% of the system, are currently rated Good or Very Good.

Nearly half of the city's streets are now rated Fair, Poor, or Very Poor. These roads require significantly more maintenance, create more citizen complaints, increase liability risks, and cost substantially more to repair if allowed to continue deteriorating.

This confirms the need for both long-term capital improvements and consistent daily maintenance.

The longer streets remain in poor condition, the more expensive they become to fix. Preventive maintenance is always significantly less expensive than full reconstruction.

Rehabilitation Cost Breakdown

Estimated Rehabilitation Costs by Category

Rehab Type	Rating	Unit Cost per Mile	Total Estimated Cost
None	1	\$0	\$0
Preventive	2	\$67,549	\$2,044,291
Light Rehab	3	\$283,756	\$9,682,421
Medium Rehab	4	\$400,260	\$4,502,167
Heavy Rehab	5	\$579,727	\$1,420,880

Original Total Estimated Systemwide Need

\$17,649,758

This estimate is based on 2024 construction costs only and does not include inflation, permitting requirements, utility conflicts, drainage improvements, or unforeseen field conditions.

Real project costs will continue to rise each year if improvements are delayed.

This number represents the true scale of deferred street maintenance across the city.

Highest Priority Streets

These streets require Heavy Rehabilitation and should be prioritized in the near future.

Top Category 5 Streets

Street	Estimated Cost
Meadow Lane	\$393,193
Azalea Courts	\$178,667
Strawn Street	\$101,518
Moss Street	\$78,033
Rosewood Street	\$67,426
Norman Street	\$63,133
Nanlee Street	\$58,335
Akers Street	\$40,405
Municipal	\$28,410
Blackstone Street	\$18,940

These are the streets most likely to continue generating service complaints, drainage concerns, and increased repair costs if not addressed.

Streets Already Being Addressed

Through Galveston County Mobility and Drainage Project

The following streets are already included in active project planning, reducing the immediate local funding need:

District A

- Bellview Street

District B

- Moss Street
- Fleming Street

District C

- Meadow Lane

- Norman Street
- Corbett Street

District D

- Akers Street
- Azalea Courts
- Nanlee Street

This outside project funding is a major benefit because it allows the City to shift limited local dollars toward remaining unfunded priorities.

Mobility Project Financial Impact

Streets Already Being Addressed

Street	Estimated Cost
Moss Street	\$78,033
Meadow Lane	\$393,193
Norman Street	\$63,133
Akers Street	\$40,405
Azalea Courts	\$178,667
Nanlee Street	\$58,335
Corbett Street	\$75,428
Bellview Street	\$92,181
Fleming Street	\$28,005

Total Removed from Direct City Funding Need

\$1,007,380

This represents street rehabilitation costs already being addressed through the Galveston County Mobility and Drainage Project.

This is a direct reduction in the City's immediate funding responsibility.

Revised Estimated Rehabilitation Need

Original Need

\$17,649,758

Less Mobility Project Streets

(\$1,007,380)

Revised Total

\$16,642,378

Even after outside project support, the City still faces over \$16 million in remaining street rehabilitation needs.

This is why strategic planning and funding discussions are critical.

Major Win for the City

Of the highest-priority streets identified in the pavement assessment:

Already Being Addressed:

- Moss Street
- Meadow Lane
- Norman Street
- Akers Street
- Azalea Courts
- Nanlee Street

This means 6 of the Top 10 Category 5 streets are already moving toward improvement.

This significantly reduces future capital burden and allows Public Works to focus funding on the remaining worst streets first.

Without this partnership, these costs would fall entirely on the City.

Remaining Priority Focus

Streets Still Requiring Direct City Funding

Category 5 Remaining Priorities

- Strawn Street
- Rosewood Street
- Municipal
- Blackstone Street

Additional Priority Streets

- Category 4 streets at risk of failure
- Preventive maintenance for Category 2 and 3 streets

These streets still require local funding solutions and long-term planning.

If these roads are delayed too long, they move into full reconstruction costs instead of repair costs.

That is where expenses increase rapidly.

Street Division Update

DuraPatcher Daily Pothole Repair Program

Public Works currently owns a DuraPatcher unit that can be used to create a true daily pothole repair program throughout the city.

This machine allows crews to perform immediate, traffic-ready pothole repairs using asphalt emulsion and aggregate, helping move the department from reactive emergency repairs to proactive street maintenance.

Instead of waiting for major failures, crews can address potholes daily across all districts.

This protects existing pavement and slows deterioration while larger reconstruction projects are pursued.

Additional Equipment Needed

While the City already owns the DuraPatcher machine itself, additional support equipment is required to make the program fully operational:

- Emulsion storage tank
- Emulsion transfer pump and hose system
- Aggregate storage bin/hopper
- Loading setup for aggregate
- Electrical setup for heated storage
- Spill containment improvements
- Replacement hoses, nozzles, fittings, and wear parts

Without this support equipment, the machine cannot be operated efficiently as a true daily maintenance program.

Initial Support Equipment Investment

Recommended Budget

\$75,000

This one-time investment would fully support daily operation of the DuraPatcher program.

Compared to full street reconstruction costs, this is a relatively small investment with significant long-term return.

Operating Costs

Recommended Daily Operating Cost

\$1,000 per day

This includes:

- Asphalt emulsion
- Clean aggregate

- Diesel fuel and cleanout materials
- Routine maintenance
- Wear items and replacement parts

Monthly Operating Cost

Estimated Monthly Range

12 Active Days

\$12,000 per month

14 Active Days

\$14,000 per month

This reflects a more realistic operating schedule based on crew availability, weather, emergency response priorities, and other street division workload.

Annual Operating Cost

Estimated Annual Range

12 Active Days Per Month

\$144,000 per year

14 Active Days Per Month

\$168,000 per year

First-Year Total Program Cost

Category	Cost
Support Equipment Investment	\$75,000
Annual Operating Cost (Low Range)	\$144,000
Annual Operating Cost (High Range)	\$168,000

Total First-Year Budget Recommendation

Estimated Range

Low End

\$219,000

High End

\$243,000

Why This Matters

Implementing this program would allow Public Works to:

- Improve pothole repair response times
- Reduce long-term street deterioration
- Extend pavement life
- Reduce emergency repair costs
- Provide more consistent maintenance across all districts
- Move from temporary patching to a structured daily maintenance program

This is one of the most cost-effective ways to improve street conditions without waiting on full reconstruction funding.

Without preventive maintenance, more roads continue moving into major rehabilitation categories.

That creates larger future budget problems.

Why Funding Matters

At this time, Public Works understands there are no immediate available funds to fully address all street needs.

However, identifying the problem without planning for funding only increases future costs.

Every year delayed means:

- Higher construction costs

- More street failures
- More resident complaints
- Greater liability exposure
- Increased emergency repair spending
- Less ability to stay ahead of deterioration

Street funding is not simply a maintenance issue – it is a long-term financial protection strategy.

Small investments today prevent major financial burdens tomorrow.

The goal is not to fix every street at once.

The goal is to stop the system from getting worse.

Closing Statement

This assessment confirms what residents already feel our streets need investment.

Even without immediate funding, council awareness and long-term planning are critical.

Our responsibility now is to stay strategic, protect taxpayer investment, and build a sustainable pavement management plan that improves service citywide.

Council Update – Public Works Budget Workshop

Public Works presented the FY27 Resident Budget Workshop focused on General Fund and Utility Fund budget scenarios, service impacts, and long-term operational needs. The goal was to provide residents with a clear understanding of current budget challenges, explain how reductions would affect service levels, and outline what is needed to restore Public Works to full operational capacity.

General Fund Overview

FY25 General Fund Public Works budget included Public Works Administration, Parks, Streets, Facility Maintenance, and Shop operations.

- Total Operating Budget: \$474,500
- Total Salary Budget: \$1,004,430
- Total Budget: \$1,478,930

Three FY27 budget scenarios were presented:

Option 1 – Voter Approved Tax Increase (5% Reduction)

Estimated citywide reduction of \$1–2 million.

Changes include:

- Public Works positions reduced from 20 to 18
- Administrative Assistant moved to Utility Fund
- One unfilled Parks Maintenance Worker position removed

This option allows the City to preserve most critical services while maintaining current operations with minimal service reduction. Streets and Parks operations would largely remain at current service levels.

Option 2 – 3.5% Total Property Tax Collected Increase (20% Reduction)

Estimated citywide reduction of approximately \$5 million.

Changes include:

- Public Works positions reduced from 20 to 14
- Parks and Streets combined into one department
- Parks Foreman removed

- One Equipment Operator removed
- Three Maintenance Worker positions removed

This option would reduce service capacity significantly. Basic operations such as pothole patching, mowing, debris pickup, and traffic sign replacement would continue, but response times and routine maintenance would be impacted due to reduced staffing.

Option 3 - No New Revenue / Reduced Tax Rate (25% Reduction)

Estimated citywide reduction of \$7–8 million.

Changes include:

- Public Works positions reduced from 20 to 13
- One additional Maintenance Worker removed beyond Option 2

This scenario creates the greatest operational strain and would further reduce service levels across Streets and Parks.

General Fund Full Operations Need

Current budgets reflect reduced operations, not full service delivery.

To reach full operational capacity, Public Works would require:

- Fully staffed Streets division for street rehabilitation, pothole repair, sign replacement, mowing, mosquito spraying, and traffic control
- Dedicated Parks division
- Certified Facility Maintenance staff for HVAC and electrical work
- Fully functioning Shop with heavy equipment repair capability and inventory control

Estimated need:

- Operating Budget: approximately \$1.3 million
- Salary Budget: approximately \$1.7 million

This does not include approximately \$1 million in additional equipment needed over the next 5–10 years, including dump trucks, asphalt equipment, mini excavators, street sweepers, grapple trucks, hydraulic lifts, and heavy equipment shop tools.

Utility Fund Overview

FY25 Utility Fund includes Public Works Administration, Utility Operations, and Utility Repair.

- Total Operating Budget: \$3,697,113
- Of that, \$2,143,000 is purchased water from Gulf Coast Water Authority
- Actual Operating Budget (excluding purchased water): \$895,913
- Total Salary Budget: \$1,749,830

FY27 Utility Fund Proposed Changes

Operational restructuring includes:

- Combining Water and Wastewater Operations into one Utility Operations division
- Creating one Chief Plant Operator position
- Reclassifying one unfilled Lift Station Operator role into Operator in Training

This reduces salary costs from:

- FY25: \$1,749,830
- FY27 Proposed: \$1,619,210

Annual savings:

- Approximately \$130,620

Stormwater operations would improve with previously approved staffing additions of one Equipment Operator and two Maintenance Workers.

Utility Fund Full Operations Need

To fully operate utility infrastructure, Public Works requires:

- Full Utility Operations Team managing wells, towers, distribution, wastewater plant, and compliance
- Utility Maintenance Team for lift stations and plant mechanical systems

- Utility Repair and Replacement Team
- Full Stormwater Operations Team

Estimated need:

- Operating Budget: approximately \$3 million
- Salary Budget: approximately \$2.1 million

This does not include approximately \$2 million in future equipment needs such as bypass pumps, crane trucks, jet equipment, camera systems, trench boxes, mini excavators, and additional heavy equipment.

Utility Maintenance Team Proposal

A major cost-saving proposal includes creating an in-house Utility Maintenance Team for lift station and facility repairs.

FY25 contractor spending:

- \$369,050 on lift station repairs alone

Proposed team:

- 1 Maintenance Foreman
- 2 Maintenance Technicians
- Crane Truck purchase

Startup investment:

- Salaries: \$195,220
- Equipment: \$150,000

Financial impact:

- Year 1 savings: approximately \$23,000
- Ongoing annual savings: approximately \$174,000+

This reduces contractor dependence and strengthens long-term Utility Fund stability. Additional savings are expected when including water well and facility repairs not included in the initial estimate.

Summary

Public Works is already operating below full capacity. Current budget discussions are not reductions from full operations they are reductions from an already limited operating structure. The department continues to identify internal efficiencies, staffing restructures, and operational improvements to reduce costs while maintaining essential services. Long-term planning remains focused on restoring full operational capacity over the next 5-10 years through responsible staffing, equipment investment, and sustainable budgeting.



Public Works Resident Budget Workshop

PRESENTED BY SHANNON BREAU

DIRECTOR OF PUBLIC WORKS

Goals For Meeting

- Provide residents with a clear understanding of the FY27 budget challenges
- Review draft Public Works General Fund budget scenarios
- Review draft Public Works Utility Fund budget scenarios
- Explain how potential reductions may impact service levels, response times, maintenance, and programs
- Discuss the long-term plan to restore Public Works to full operational capacity and the estimated funding required

FY25 Public Works Budget- General Fund Summary

Public Works Administration

- Salary Budget: \$172,490

Parks Department

- Operating Budget: \$130,000
- Salary Budget: \$150,740

Streets Department

- Operating Budget: \$318,200
- Salary Budget: \$483,550

Facility Maintenance

- Salary Budget: \$95,270

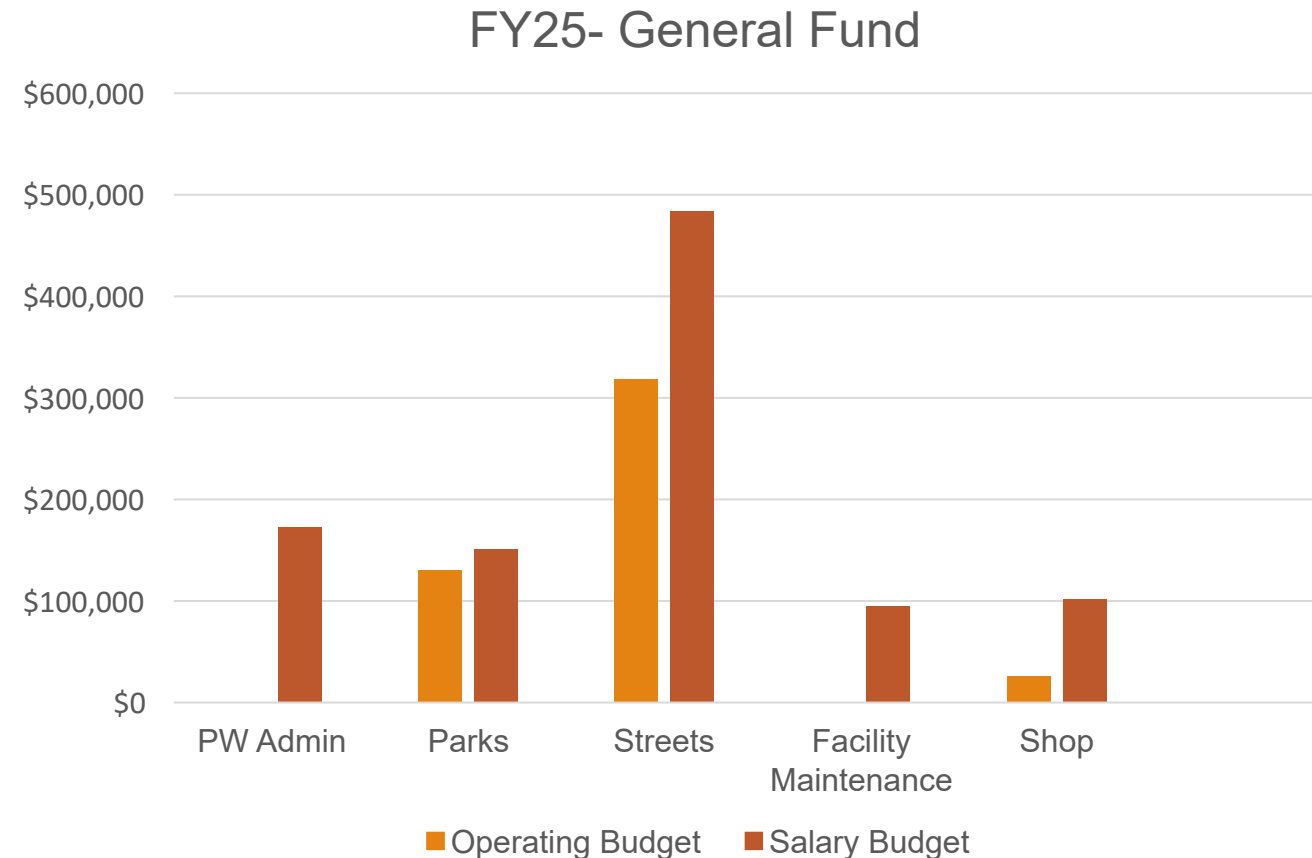
Shop

- Operating Budget: \$26,300
- Salary Budget: \$102,380

Total Operating Budget: \$474,500

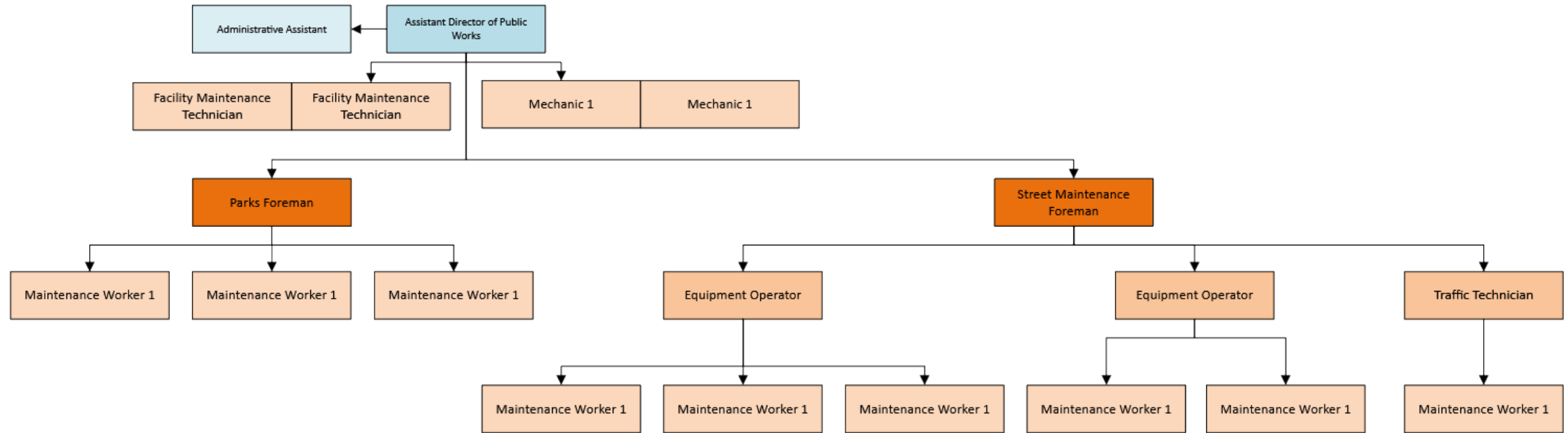
Total Salary Budget: \$1,004,430

Total Budget: \$1,478,930



Public Works Org Chart

General Fund



OPTION 1

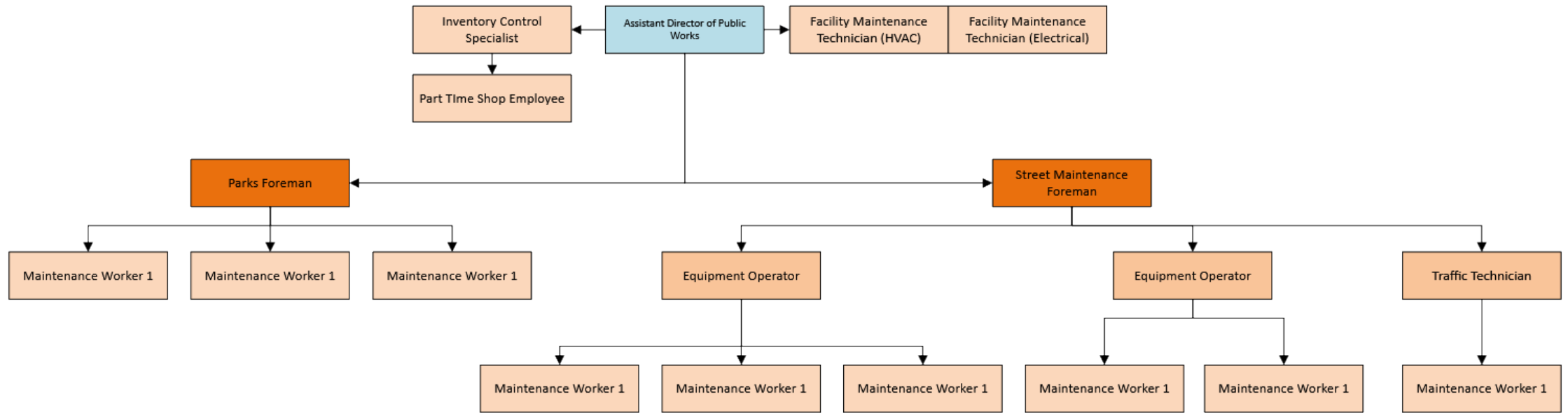


GENERAL FUND

Voter Approved Tax Increase

Estimated reduction of \$1–2 million

Allows the City to preserve more critical services while still making necessary cuts



Staffing Changes (Option 1)

- FY25: 20 positions
- FY27 Proposed: 18 positions

Department Change:

- Administrative Assistant moved to the Utility Fund

Positions Removed:

- 1 Parks Maintenance Worker

OPTION 2

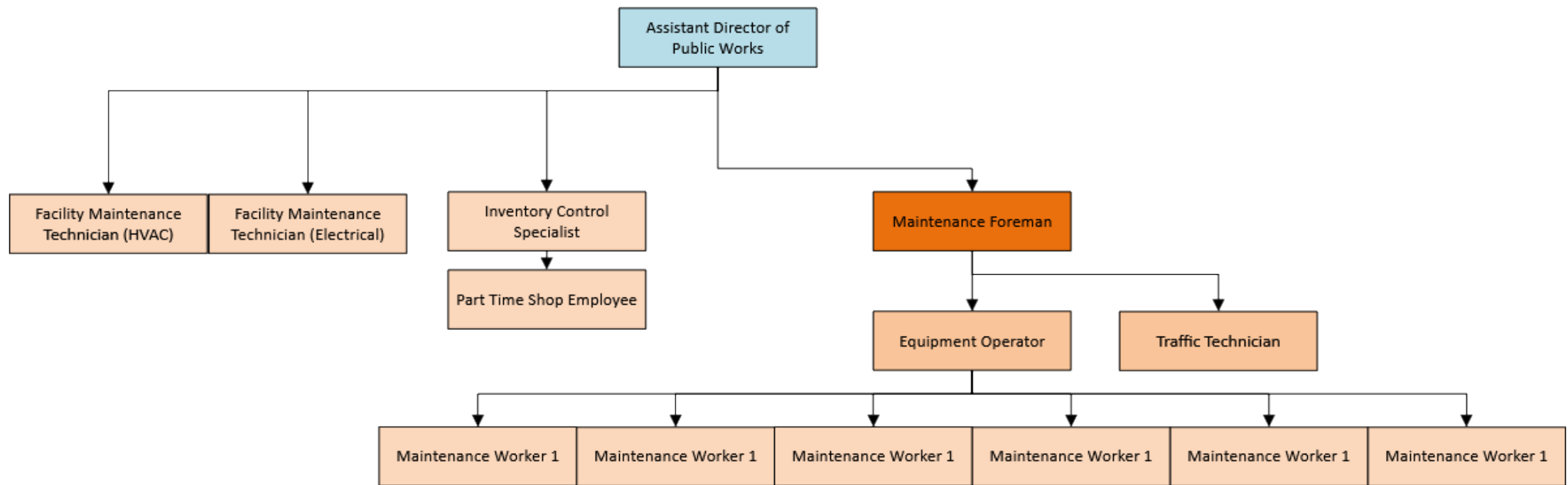


GENERAL FUND

3.5% Total Property Tax Collected Increase

Estimated reduction of approximately \$5 million

Requires substantial service and staffing reductions.



Staffing Changes (20% Reduction)

- FY25: 20 positions
- FY27 Proposed: 14 positions

Department Change:

- Parks and Streets combined into one department

Positions Removed:

- Parks Foreman
- 3 Maintenance Worker 1
- Equipment Operator

FY25 Public Works Budget- General Fund Summary

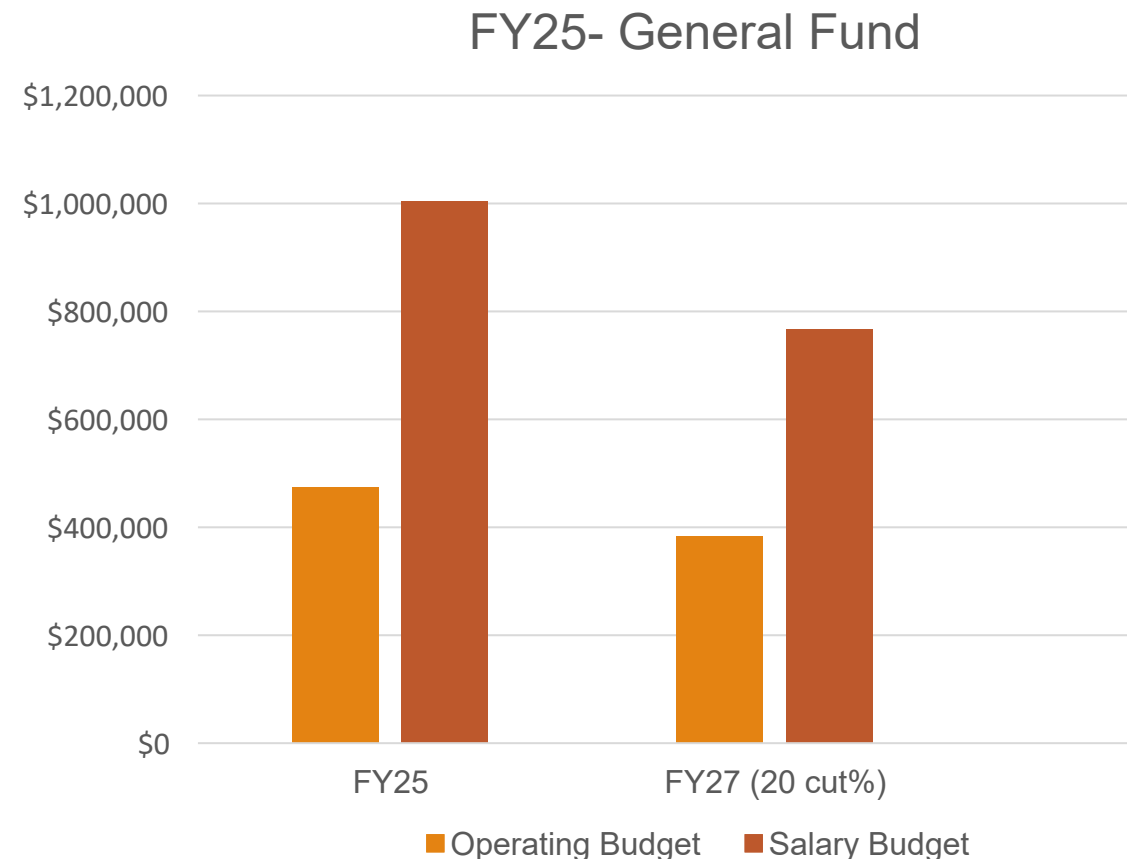
Budget Comparison (20% Reduction Scenario)

FY25:

- Operating Budget: \$474,500
- Salary Budget: \$1,004,430
- Total:** \$1,478,930

FY27 Proposed (20% Cut):

- Operating Budget: \$383,100
- Salary Budget: \$766,850
- Total:** \$1,149,950



OPTION 3

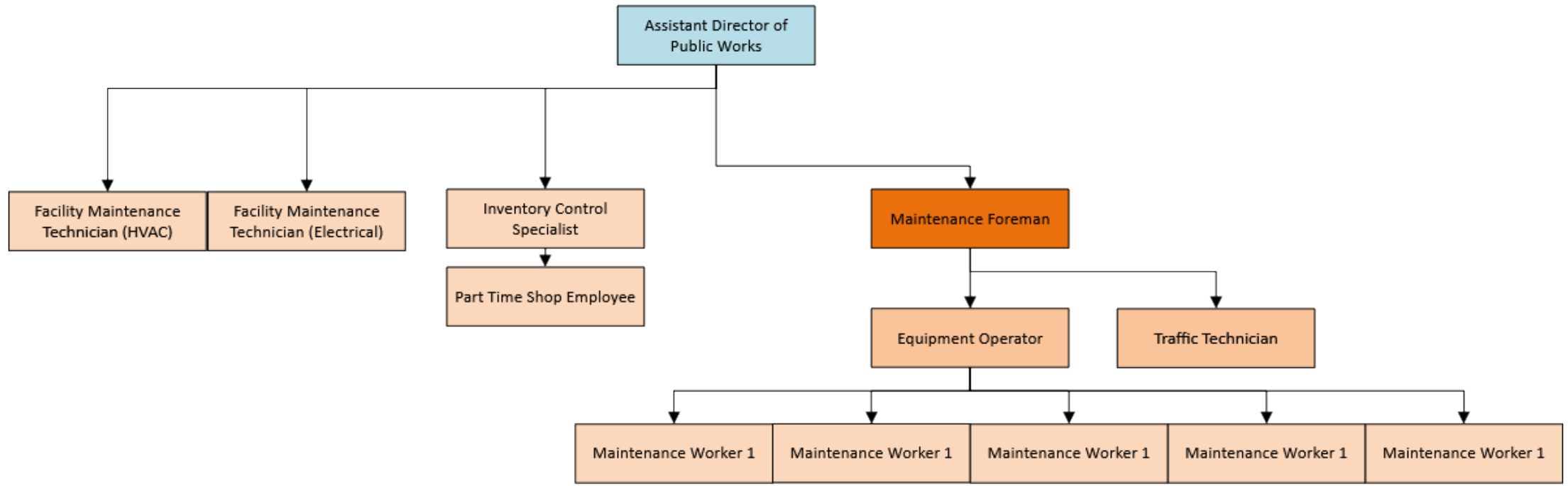


GENERAL FUND

No New Revenue or Reduced Tax Rate

Estimated reduction of \$7-8 million

Requires the most significant cuts across the City operations and services.



Staffing Changes (25% Reduction)

- FY25: 20 positions
- FY27 Proposed: 13 positions

Department Change:

- Parks and Streets combined into one department

Positions Removed:

- Parks Foreman
- 4 Maintenance Worker 1
- Equipment Operator

FY25 Public Works Budget- General Fund Summary

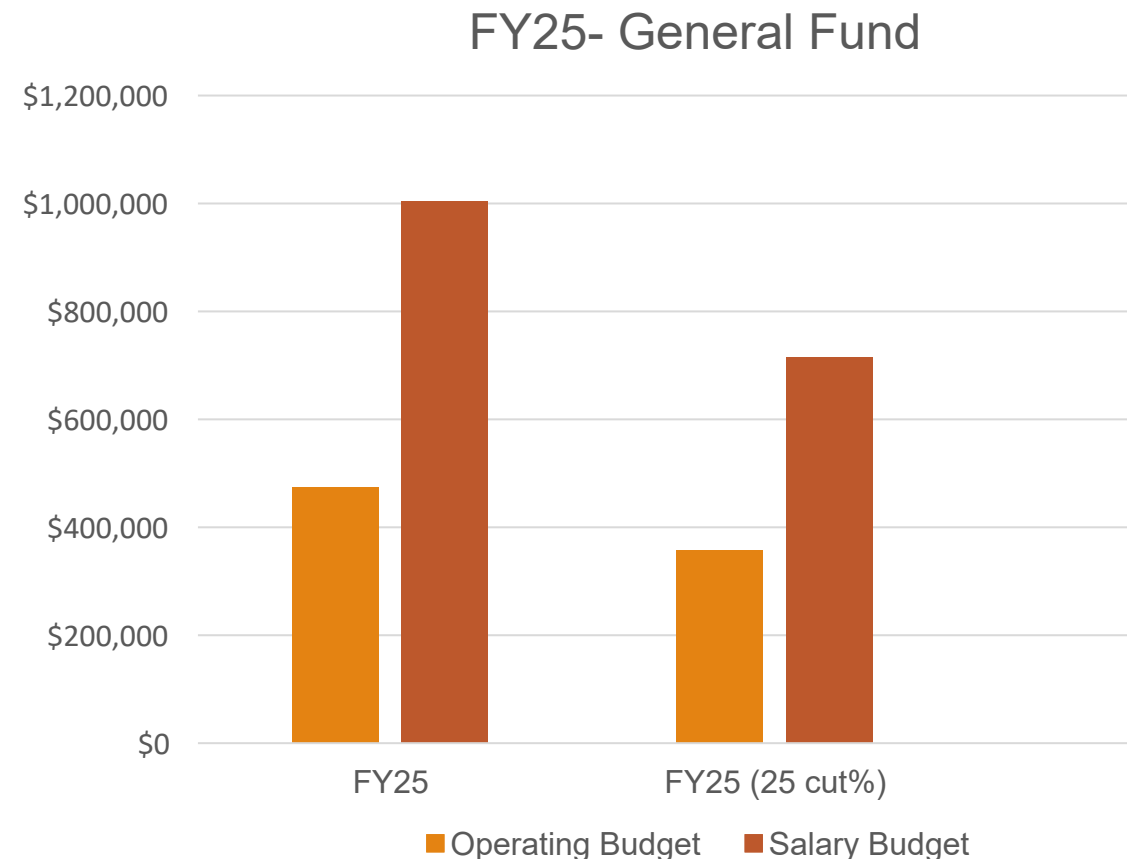
Budget Comparison (25% Reduction Scenario)

FY25:

- Operating Budget: \$474,500
- Salary Budget: \$1,004,430
- Total:** \$1,478,930

FY27 Proposed (25% Cut):

- Operating Budget: \$358,100
- Salary Budget: \$715,570
- Total:** \$1,073,670



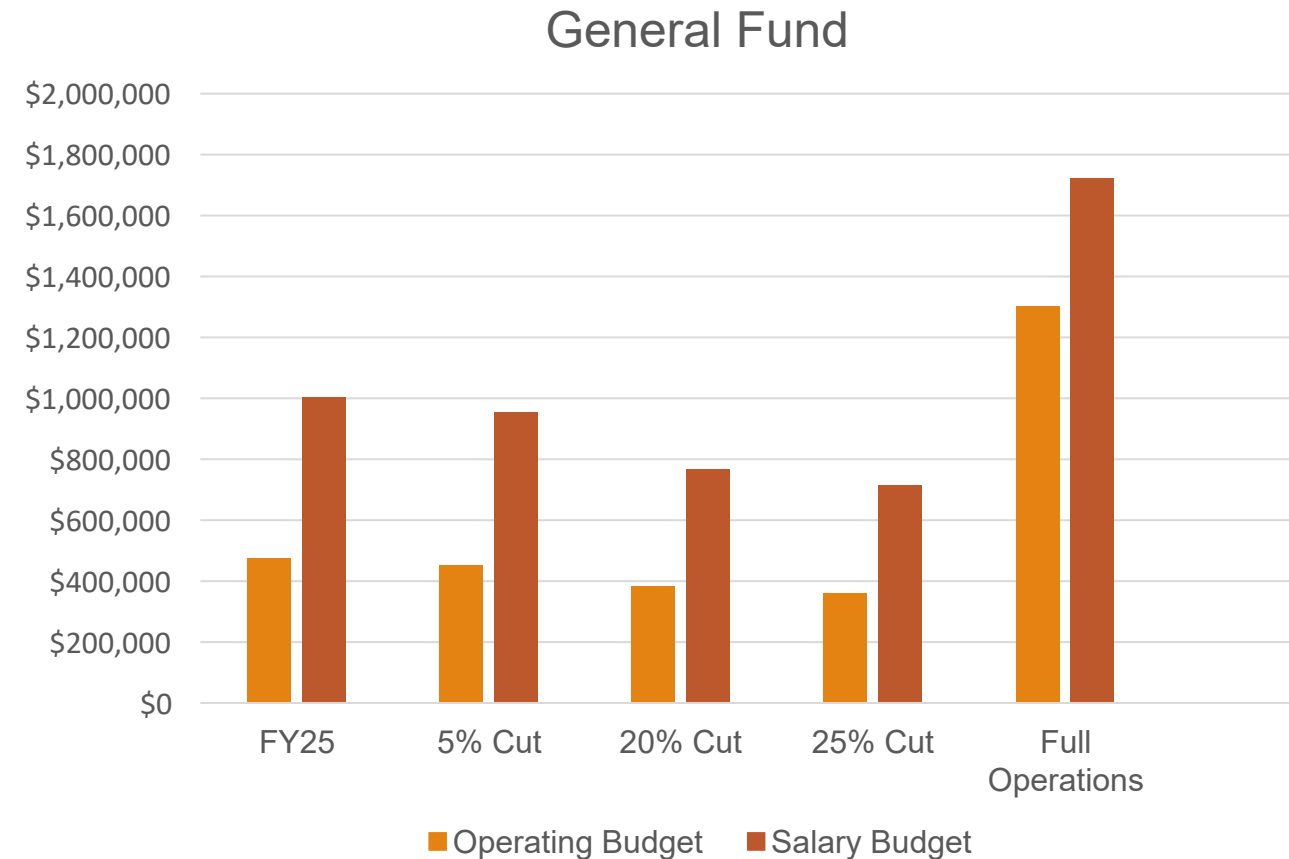
FY25 Public Works Budget- General Fund Summary

Full Operations Include:

- Fully staffed Streets Team performing street rehabilitation, pothole repairs, debris pickup, traffic control, sign replacement, mowing, and mosquito spraying
- Dedicated Parks Team focused on park maintenance and improvements with proper training and certifications
- Facilities Maintenance Team with certified staff to reduce reliance on outside contractors
- Fully equipped Shop capable of heavy equipment repairs and supported by an Inventory Control Specialist

Note:

- Does not include approximately \$1,000,000 in equipment required to achieve full operational capacity



FY25 Public Works Budget- Utility Fund Summary

Public Works Administration

- Salary Budget: \$232,890

Utility Operations

- Operating Budget: \$3,038,913
- Salary Budget: \$840,110
- Note: \$2,143,000 of the operating budget was for purchased water from Gulf Coast Water Authority (GCWA)

Actual Operating Budget: \$895,913

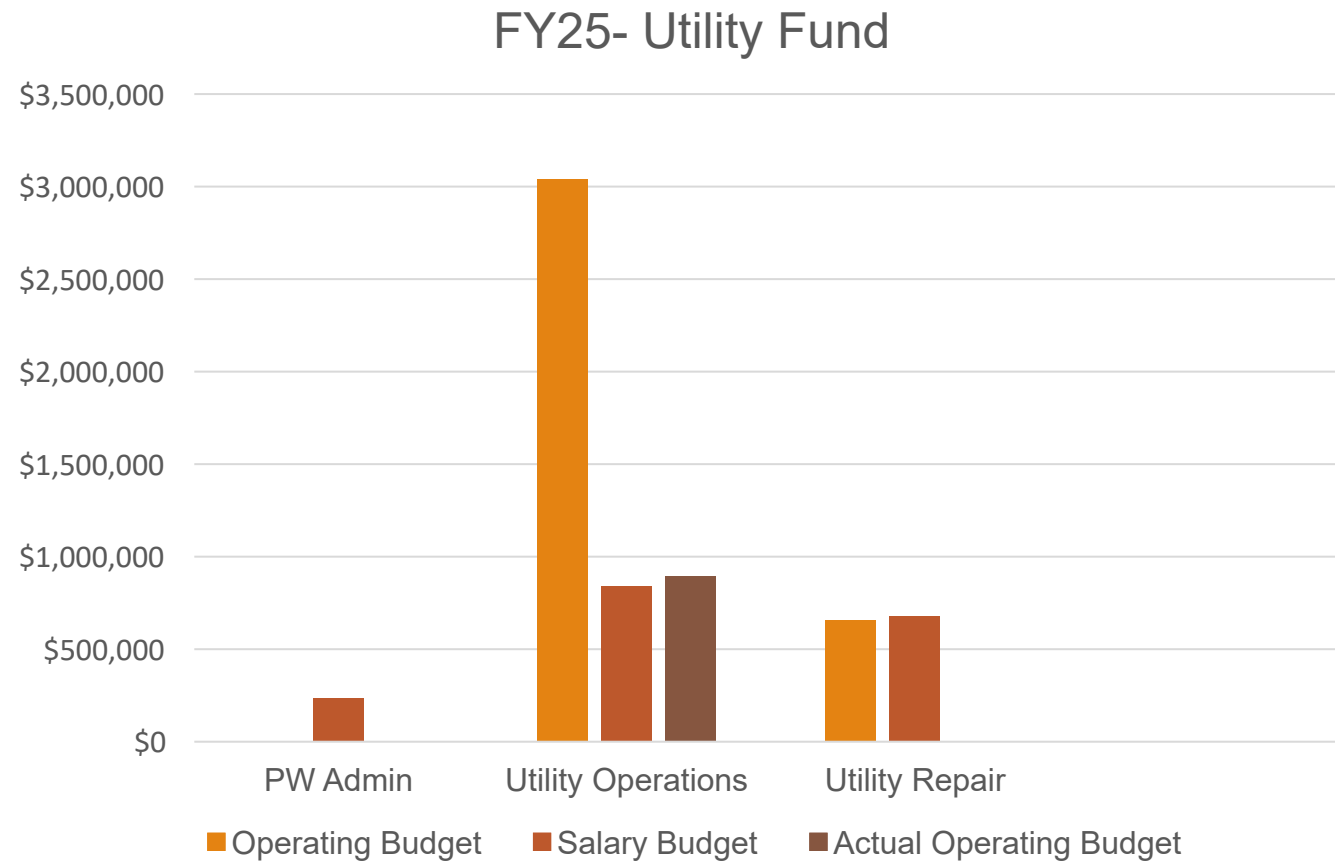
Utility Repair

- Operating Budget: \$658,200
- Salary Budget: \$676,830

Total Operating Budget:

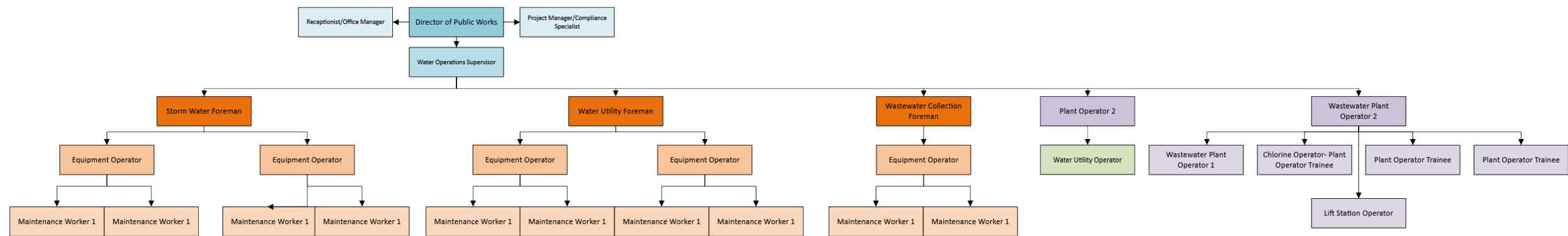
\$3,697,113

Total Salary Budget: \$1,749,830



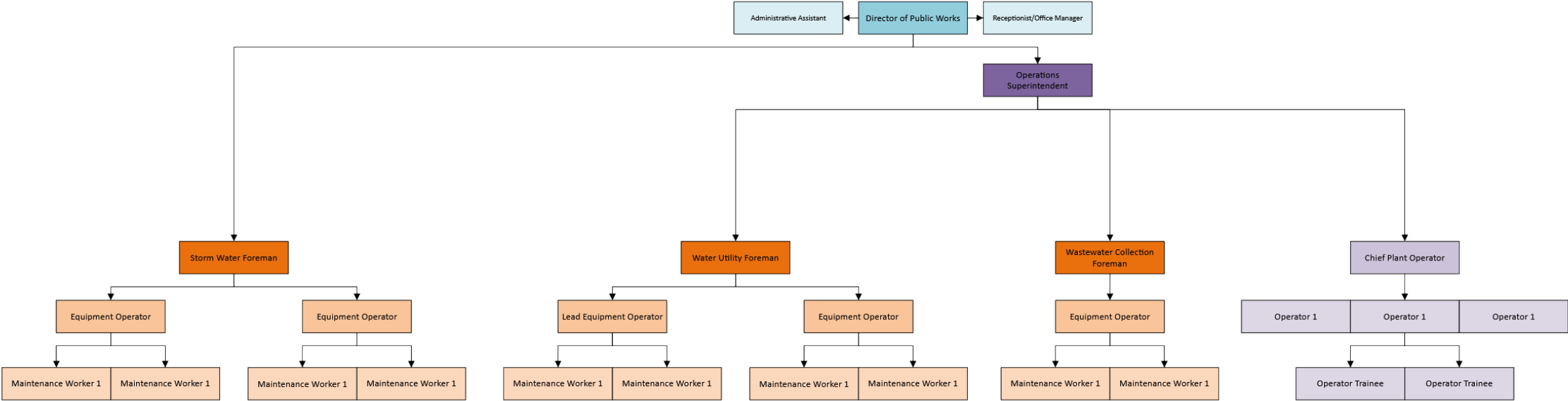
Public Works Org Chart

Utility Fund



Public Works Org Chart

Utility Fund (Proposed)



FY25:

\$1,749,830

FY27 Proposed:

\$1,619,210

Savings:

\$130,620

FY27 Public Works Budget- Utility Fund Summary

Full Operations Include:

Fully staffed Utility Operations Team managing water production, wells, elevated storage tanks, distribution system, wastewater treatment plant and ensuring regulatory compliance.

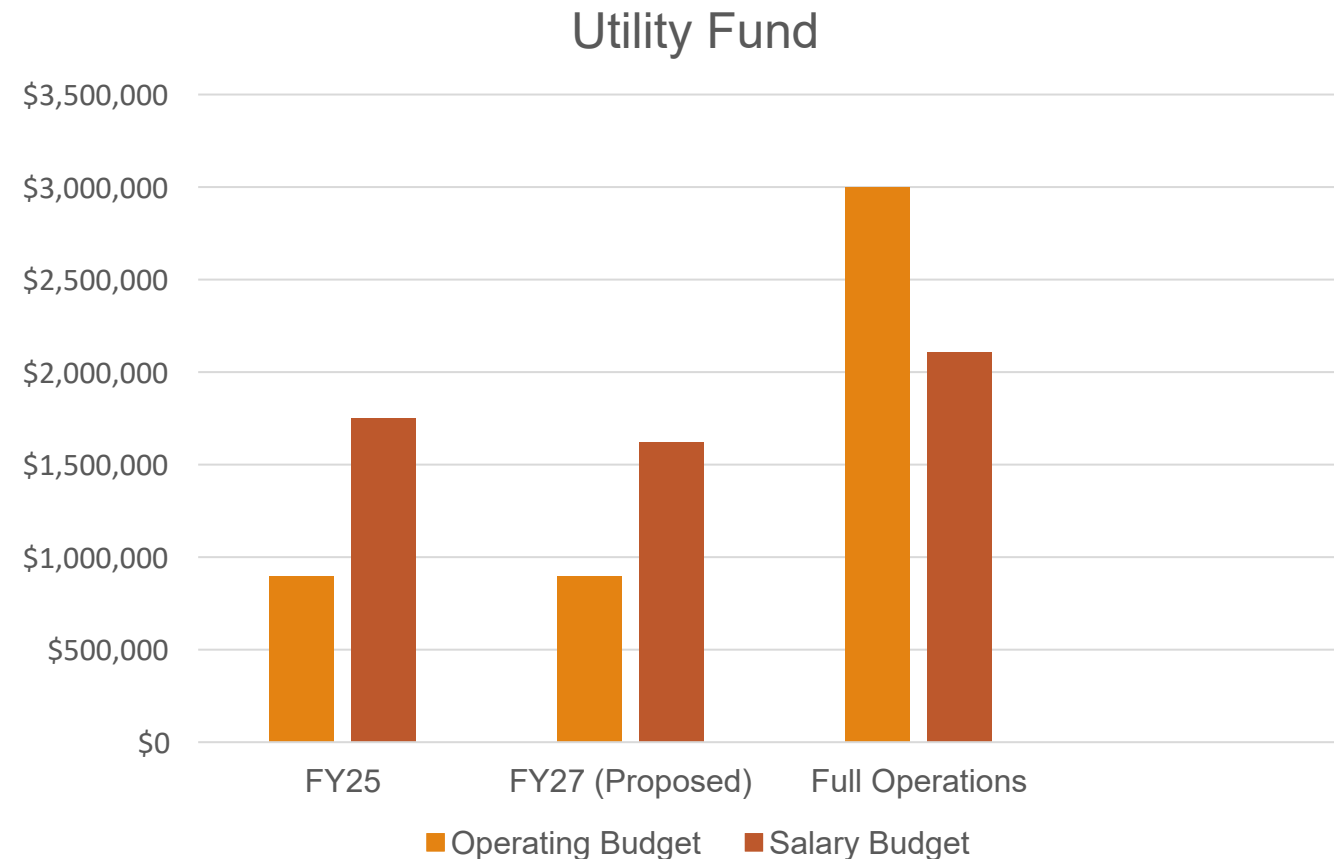
Utilities Maintenance Team maintaining all lift stations and mechanical components of the wastewater treatment plant and water facilities

Utility Repair & Replacement Team handling water and wastewater line repairs, replacements, and emergency response

Stormwater Operations Team performing drainage maintenance, ditching, and system improvements.

Note:

Does not include approximately \$2,000,000 in equipment required to achieve full operational capacity



Utilities Maintenance Team

FY25 Contractor Cost:

- \$369,050 spent on lift station repairs

Proposed In-House Team:

- 1 Maintenance Foreman + 2 Maintenance Technicians
- Crane Truck Purchase

Startup Investment (Year 1):

- Salaries: \$195,220
- Equipment: \$150,000

Financial Impact:

- Year 1 Savings: ~\$23,000
- Ongoing Annual Savings: ~\$174,000

Benefit:

- Reduces contractor reliance
- Strengthens long-term Utility Fund



Q & A

Thank you for joining us today.

We appreciate your time, input, and continued engagement as we work together to plan for the future of Public Works

Fiscal Year 2027

Finance, Utility Billing and Revenues Resident Budget Workshop & Q&A Session

Presented by Worth Ferguson

City of La Marque Finance Director

Council Chambers | 6:00 PM

Tuesday, May 5, 2026



GOALS TODAY

1. Help residents better understand FY27 budgeting challenges.
2. Discuss the rough drafts of the Finance, Court, Information Technology, and Utility Billing budget scenarios
3. Discuss Revenue Budgeting and the impacts of the different scenerios
3. Gather community input on potential budget cuts.
4. Explain how reductions could impact to service levels, response times, maintenance, and programs.

GENERAL FUND

How is it funded?

- Property Tax
- Sales Tax
- Licenses and Permits
- Fines, Charges, Service Fees
- Grants

Departments

- City Admin
- City Council
- Code Enforcement
- Court
- Development Services
- Finance, Fleet
- Fire Department
- Human Resources
- Information Technology
- Library
- Police Department
- Public Works - Streets, Parks



ENTERPRISE FUND

AKA Utility Fund



How is it funded?

- Utility Bill Revenue
- Fines, Charges, Service Fees
- Grants

Departments

- Public Works - Stormwater
- Public Works - Utility Operations
- Public Works - Water Line Maintenance
- Utility Billing

FY 2027 COLM Budget Scenarios - **GENERAL FUND**

-all options include rebuilding the reserve and emergency funds

3 OPTIONS



No New
Revenue or
Reduced Tax rate



3.5% Increase
in Total Property Tax
Collected



Voter Approved
Tax Increase
TBD

OPTION 1 GENERAL FUND

3.5% Total Property Tax Collected Increase

Estimated reduction of approximately \$5 million

Requires substantial service and staffing reductions,
but fewer than the no-revenue/reduction option

OPTION 2



GENERAL FUND

No New Revenue or Reduced Tax Rate
Estimated reduction of \$7-8 million

Requires the most significant cuts across City operations and services

OPTION 3



GENERAL FUND

Voter Approved Tax Increase

Estimated reduction of \$1-2 million

Allows the City to preserve more critical services while still making necessary cuts

Finance Departments and Functions – General Fund

- Finance Office
 - Processes all payments made by the city, investments of the city's funds, deposits the city's cash and checks for UB, Court, Development Services, etc., manages the finance/accounting, purchasing/procurements, budget, reporting, and payroll systems, and reconciles the bank accounts to the accounting system to ensure accuracy and compliance.
 - Other notable roles in Finance include Risk Management, Purchasing Officer, and Investment Officer
- Court
 - Manages (with city approved judges) the court process for all municipal tickets and fines.
 - Processes all payment plans, warrants, community service, trials, etc. for the city and ensures all paperwork (electronic for our court) is correct, compliant and legal.
- Information Technology
 - Ensuring all IT infrastructure is working, compliant, and legal. This includes all physical infrastructure (servers, wiring, computers, etc.) and software.
- Grants
 - A Future project to ensure that all grants are managed and accounted for including all paperwork and documents in a single location.

Budget Scenarios - Finance

- The amounts are rounded estimates
- Cuts are made at the group level, not by individual department.
- Proposals are subject to significant change as citizen and council priorities are incorporated.
- Priorities need to include both a budget increase an associated budget decrease.
- All budget scenarios include a funding of a reserve fund and an emergency fund (for declared disasters)

Budget		Scenario 1 - 3.5% tax increase (Translates to a 20% cut)	Scenario 2 - No New Revenue tax rate (Translates to a 25% cut)	Scenario 3 - Citizen approved Tax Increase (Translates to a 5% cut)
Finance (includes Risk Management Fund, and Grants)				
Personnel Services	\$ 539,772.00	\$ 410,000.00	\$ 410,000.00	\$ 500,000.00
Supplies, Repai & Maint, Services, Utilities, Capital, and Other	\$ 310,785.00	\$ 190,000.00	\$ 140,000.00	\$ 200,000.00
Total	\$ 850,557.00	\$ 600,000.00	\$ 550,000.00	\$ 700,000.00
Court (includes Court Technology and Court Security Funds)				
Personnel Services	\$ 285,691.00	\$ 225,000.00	\$ 225,000.00	\$ 225,000.00
Supplies, Repai & Maint, Services, Utilities, Capital, and Other	\$ 140,510.00	\$ 100,000.00	\$ 85,000.00	\$ 125,000.00
Court Technology and Court Security Funds	\$ 13,000.00	\$ -	\$ -	\$ 25,000.00
Total	\$ 439,201.00	\$ 325,000.00	\$ 300,000.00	\$ 375,000.00
Information Technology (Includes cost of IT contract for separate IT services that is coming in house to IT)				
Personnel Services	\$ 425,670.00	\$ 375,000.00	\$ 375,000.00	\$ 425,000.00
Supplies, Repai & Maint, Services, Utilities, Capital, and Other	\$ 544,316.00	\$ 500,000.00	\$ 475,000.00	\$ 550,000.00
Total	\$ 969,986.00	\$ 875,000.00	\$ 850,000.00	\$ 975,000.00
Finance Total				
Personnel Services	\$ 1,251,133.00	\$ 1,010,000.00	\$ 1,010,000.00	\$ 1,150,000.00
Supplies, Repai & Maint, Services, Utilities, Capital, and Other	\$ 995,611.00	\$ 790,000.00	\$ 700,000.00	\$ 875,000.00
Court Technology and Court Security Funds	\$ 13,000.00	\$ -	\$ -	\$ 25,000.00
Total	\$ 2,259,744.00	\$ 1,800,000.00	\$ 1,710,000.00	\$ 2,050,000.00
Percent of Budget		79.66%	75.67%	90.72%

Scenario 1 – 3.5% tax increase (translates to a 20% cut)

Finance Office:

- Reduce staff by removing the payroll position permanently. Reduce the reliance on outside professionals to assist with finance tasks.
- Significant increase in reporting for council and citizens. Only required training for staff.

Court (Including Court Technology and Court Security):

- Maintain service in required functions but reduce staff to 2 clerks from 3
- No upgrades to court technology or court security

Information Technology:

- Bringing Public Safety IT into city staff functions, onboarding a new server and cloud backup storage, onboarding new fiber internet in secure single access point setup, onboarding new access control hardware and software. Numerous software upgrade and integration projects
- Cut supplies, computer and other hardware replacement, duplicative contracts, and no Audio-Visual specialist or equipment for the council room

Grant:

- Once the rest of finance is running smoothly, we will bring in grants review and management. This is supporting the approved grant administrator but ensuring the city has everything and is producing reporting to provide updates like the rest of finance.

Scenario 2 – No New Tax Revenue (translates to a 25% cut)

Finance Office:

- Reduce staff by removing the payroll position permanently. Reduce the reliance on outside professionals to assist with finance tasks.
- Significant increase in reporting for council and citizens. No training for staff

Court (Including Court Technology and Court Security):

- Maintain service in required functions but reduce staff to 2 clerks from 3
- No upgrades to court technology or court security

Information Technology:

- Bringing Public Safety IT into city staff functions, onboarding a new server and cloud backup storage, onboarding new fiber internet in secure single access point setup, onboarding new access control hardware and software. Numerous software upgrade and integration projects
- Cut supplies, computer and other hardware replacement, duplicative contracts, and no Audio-Visual specialist or equipment for the council room, and some trainings

Grant:

- Once the rest of finance is running smoothly, we will bring in grants review and management. This is supporting the approved grant administrator but ensuring the city has everything and is producing reporting to provide updates like the rest of finance.

Scenario 3 – Citizen approved Tax Increase (Translates to a 5% reduction)

Finance Office:

- Reduce staff by removing the payroll position permanently. Reduce the reliance on outside professionals to assist with finance tasks.
- Significant increase in reporting for council and citizens. Additional trainings and certification opportunities for staff.

Court (Including Court Technology and Court Security):

- Maintain service in required functions but reduce staff to 2 clerks from 3
- Small upgrades to court technology or court security which will be work with the improvement in council chambers

Information Technology:

- Bringing Public Safety IT into city staff functions, onboarding a new server and cloud backup storage, onboarding new fiber internet in secure single access point setup, onboarding new access control hardware and software. Numerous software upgrade and integration projects. Upgrades to Council room AV and a shared AV specialist with communications. Reestablish assets replacement schedule. Additional emergency operation technology.
- Cut duplicative contracts

Grant:

- Once the rest of finance is running smoothly, we will bring in grants review and management. This is supporting the approved grant administrator but ensuring the city has everything and is producing reporting to provide updates like the rest of finance.

FY 2027 COLM Budget Scenarios - ENTERPRISE/UTILITY FUND

-all options include rebuilding the reserve and emergency funds

3 OPTIONS



Utility Revenue
Comes in Below
Expectations



Utility Revenue
Comes in At
Expectations



Utility Revenue
Comes in Above
Expectations

OPTION 1



ENTERPRISE/UTILITY FUND

Utility Revenue **Comes in Below** Expectation
Estimated reduction of \$1 million

Requires cuts across City utility operations and services and increasing rates beyond current plans to ensure fund is self sufficient

OPTION 2



ENTERPRISE/UTILITY FUND

Utility Revenue **Comes in At** Expectation

Estimated reduction of approximately \$250 Thousand

Requires making service and staffing efficiency adjustments but will not result in major service cuts

OPTION 3



ENTERPRISE/UTILITY FUND

Utility Revenue **Comes in Above** Expectation

Estimated maintaining of current budget amounts

Allows the City to preserve and hopefully improve critical services while improving efficiency

Budget Scenarios - Utility Billing

- The amounts are rounded estimates
- Cuts are made at the group level, not by individual department.
- Proposals are subject to significant change as citizen and council priorities are incorporated.
- Priorities need to include both a budget increase an associated budget decrease.
- All budget scenarios include a funding of a reserve fund and an emergency fund (for declared disasters)

Budget		Scenario 1 - Utility Revenue below Expectations (Translates to a \$1mil cut)	Scenario 2 - Utility Revenue at Expectations (Translates to a \$250k cut)	Scenerio 3 - Utility Revenue above Expectations (Translates to no cut or addition)
Utility Billing Total				
Personnel Services \$	356,216.00	\$ 355,000.00	\$ 355,000.00	\$ 400,000.00
Supplies, Repai & Maint, Services, Utilities, Capital, and Other \$	550,668.00	\$ 300,000.00	\$ 500,000.00	\$ 500,000.00
Total \$	906,884.00	\$ 655,000.00	\$ 855,000.00	\$ 900,000.00
Percent of Budget		72.23%	94.28%	99.24%

Scenarios

Scenario 1 - Utility Revenue below Expectations (Translates to a \$1mil cut)

Utility Billing Office:

- Maintain staff levels. Cut the inventory of replacement meters significantly which will potentially delay some replacements.

Scenario 2 - Utility Revenue at Expectations (Translates to a \$250k cut)

Utility Billing Office:

- Maintain staff levels. Slight reduction the inventory of replacement meters

Scenario 3 - Utility Revenue above Expectations (Translates to no cut or addition)

Utility Billing Office:

- Add a part time to ensure more coverage at the front counter and drive through. Slight reduction the inventory of replacement meters

Budget Scenarios - Revenues

- The amounts are rounded estimates
- We are anticipating a reduction in Sales tax collected mostly due to this year's numbers and I45 construction.
- Proposals are subject to significant change as citizen and council priorities are incorporated.
- All budget scenarios include a funding of a reserve fund and an emergency fund (for declared disasters)

Budget		Scenerio 1 - 3.5% tax increase (Translates to a 20% cut)	Scenerio 2 - No New Revenue tax rate (Translates to a 25% cut)	Scenerio 3 - Citizen approved Tax Increase (Translates to a 5% cut)
General Fund				
Property Tax \$	5,877,763.00 \$	6,100,000.00 \$	5,750,000.00 \$	7,350,000.00
Sales Tax \$	6,395,500.00 \$	6,250,000.00 \$	6,250,000.00 \$	6,250,000.00
Franchise Fees and Misc Tax \$	1,126,000.00 \$	1,200,000.00 \$	1,200,000.00 \$	1,200,000.00
Permits Licenses and Fees \$	3,512,783.00 \$	3,250,000.00 \$	3,000,000.00 \$	3,750,000.00
Court Fines and Fees \$	842,550.00 \$	600,000.00 \$	500,000.00 \$	900,000.00
Fire/EMS Revenue and Fees \$	1,349,076.00 \$	1,000,000.00 \$	750,000.00 \$	1,500,000.00
Parks, Library, Grant, Inter/Intra Governmental \$	2,747,100.00 \$	1,100,000.00 \$	1,000,000.00 \$	1,500,000.00
Misc Revenue \$	1,770,650.00 \$	750,000.00 \$	700,000.00 \$	1,000,000.00
Total \$	23,621,422.00 \$	20,250,000.00 \$	19,150,000.00 \$	23,450,000.00
Percent of Budget		85.73%	81.07%	99.27%

Budget		Scenerio 1 - Utility Revenue below Expectations (Translates to a \$1mil cut)	Scenerio 2 - Utility Revenue at Expectations (Translates to a \$250k cut)	Scenerio 3 - Utility Revenue above Expectations (Translates to no cut or addition)
Utility Fund				
Water and Sewer Sales \$	8,652,080.00 \$	9,500,000.00 \$	10,500,000.00 \$	11,500,000.00
Other Utility Fees, Misc Rev, Leases, Capital Rev, and Services \$	2,251,300.00 \$	1,500,000.00 \$	1,750,000.00 \$	2,000,000.00
Total \$	10,903,380.00 \$	11,000,000.00 \$	12,250,000.00 \$	13,500,000.00
Percent of Budget		100.89%	112.35%	123.81%

Revenue Impacts and Other Items

General Fund Revenue:

- We are anticipating roughly 5% allocation of revenues to the rebuilding of the Reserve Fund and Emergency Fund
- There will be reductions in all revenue types that are associated with a reduction in service and personnel

Utility Fund Revenue:

- We are anticipating roughly 5% allocation of revenues to the rebuilding of the Reserve Fund and Emergency Fund
- The additional revenue is to get the Utility fund to be self sufficient first and then be able to cover a small amount of General Fund expenses for areas that the Utility Fund receives benefits from.

Forensic Audit:

- Funding for the Forensic Audit is accounted for in funds that are not designated for operational or debt repayment. The cost of the audit determine how much and which funding sources will be used. There is a plan to ensure maximum funding for the audit (though there are always limits as 20mil for the audit in a single FY would be impossible for the city)

Other Funds Expenses and Revenues not included in the main funds (General, Utility, and EDC):

- They will be funded at the level they require by statute/charter/ordinance/resolution
- Any non-required items will be cut



Q & A

Thank You for attending today's budget workshop and helping shape the future of La Marque.

DEFINITIONS

Balance Sheet

Shows assets, liabilities and equity providing a snapshot of a financial position at a specific time

Budget to Actual

Compares planned budget amounts to actual revenues and expenditures to monitor financial performance

Emergency Fund

Separate bank fund set aside for declared disasters, emergencies or unexpected critical events

Reserve Fund

Separate bank fund set aside to stabilize finances and address extraordinary events without service disruption

DEFINITIONS

I&S Rate

Interest and Sinking refers to funds used to pay debt service principal and interest on municipal bonds

ISO Rating

Insurance Services Rating measures our fire protection capabilities, and impacts property insurance premiums

M&O

Maintenance and Operations refers to funding for a city's day to day services, staffing and routine work

S&P

Standard & Poor's is a credit rating agency that evaluates our financial strength and ability to repay debt

Resident Budget Workshop & Q&A Session



Fiscal Year 2027

Administration Resident Budget Workshop & Q&A Session

Presented by Barbara Holly and Worth Ferguson

City of La Marque Interim City Manager and Finance
Director

Council Chambers | 4:00 PM

Tuesday, March 31, 2026



GOALS TODAY

1. Help residents better understand FY27 budgeting challenges.
2. Discuss the rough drafts of the Administration budget scenarios
3. Gather community input on potential budget cuts.
4. Explain how reductions could impact service levels, response times, maintenance, and programs.

GENERAL FUND

How is it funded?

- Property Tax
- Sales Tax
- Licenses and Permits
- Fines, Charges, Service Fees
- Grants

Departments

- City Admin
- City Council
- Code Enforcement
- Development Services
- Finance, Fleet
- Fire Department
- Human Resources
- Library
- Police Department
- Public Works - Streets, Parks



ENTERPRISE FUND

AKA Utility Fund



How is it funded?

- Utility Bill Revenue
- Fines, Charges, Service Fees
- Grants

Departments

- Public Works - Stormwater
- Public Works - Utility Operations
- Public Works - Water Line Maintenance
- Utility Billing

FY 2027 COLM Budget Scenarios - **GENERAL FUND**

-All options include rebuilding the reserve and emergency funds

3 OPTIONS



No New
Revenue or
Reduced Tax rate



3.5% Increase
in Total Property Tax
Collected



Voter Approved
Tax Increase
TBD

OPTION 1 GENERAL FUND

3.5% Total Property Tax Collected Increase

Estimated reduction of approximately \$5 million

Requires substantial service and staffing reductions,
but fewer than the no-revenue/reduction option

OPTION 2



GENERAL FUND

No New Revenue or Reduced Tax Rate
Estimated reduction of \$7-8 million

Requires the most significant cuts across City operations and services

OPTION 3



GENERAL FUND

Voter Approved Tax Increase

Estimated reduction of \$1-2 million

Allows the City to preserve more critical services while still making necessary cuts

Administration Departments and Functions

- **City Manager's Office:**
 - City Manager – Chief Executive Officer for the city including an Executive Assistant who manages the operations and administration of the city including supervision of all city employees
 - Receptionist – Phone, customer greeting, Request Tracker calls
- **City Clerk's Office**
 - Council and Board Administration including agendas and postings
 - City Records including Public Information Requests
- **Human Resources**
 - Ensuring all hiring, leave, terminations, resignations, benefits, disciplinary actions, and status changes are correctly documented, tracked, and follow rules
- **Communications**
 - Oversee, advise, or run all city communication with public including city website and social media
 - Manage City events
- **Library**
 - A community resource that helps residents obtain information to meet their needs: personally, educationally, and professionally.

Budget Scenarios - Administration

- The amounts are rounded estimates
- Cuts are made at the group level, not by individual department.
- Proposals are subject to significant change as citizen and council priorities are incorporated.
- Priorities need to include both a budget increase and an associated budget decrease.
- All budget scenarios include a funding of a reserve fund and an emergency fund (for declared disasters)

	FY 25 Budget	Scenerio 1 - 3.5% tax increase (Translates to a 20% cut)	Scenerio 2 - No New Revenue tax rate (Translates to a 25% cut)	Scenerio 3 - Citizen approved Tax Increase (Translates to a 5% cut)
City Manager Office (includes Communicaitons)				
Personnel Services	\$ 586,443.00	\$ 475,000.00	\$ 450,000.00	\$ 575,000.00
Supplies, Repai & Maint, Services, Utilities, Capital, and Other	\$ 125,265.00	\$ 75,000.00	\$ 50,000.00	\$ 75,000.00
Total	\$ 711,708.00	\$ 550,000.00	\$ 500,000.00	\$ 650,000.00
City Clerk/Council				
Personnel Services	\$ 224,465.00	\$ 200,000.00	\$ 200,000.00	\$ 225,000.00
Supplies, Repai & Maint, Services, Utilities, Capital, and Other	\$ 134,575.00	\$ 100,000.00	\$ 85,000.00	\$ 125,000.00
Council	\$ 78,250.00	\$ 15,000.00	\$ 15,000.00	\$ 25,000.00
Total	\$ 437,290.00	\$ 315,000.00	\$ 300,000.00	\$ 375,000.00
Human Resources				
Personnel Services	\$ 143,689.00	\$ 115,000.00	\$ 110,000.00	\$ 125,000.00
Supplies, Repai & Maint, Services, Utilities, Capital, and Other	\$ 41,180.00	\$ 25,000.00	\$ 25,000.00	\$ 30,000.00
Total	\$ 184,869.00	\$ 140,000.00	\$ 135,000.00	\$ 155,000.00
Library				
Personnel Services	\$ 299,454.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
Supplies, Repai & Maint, Services, Utilities, Capital, and Other	\$ 53,200.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Total	\$ 352,654.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00
Administration Total				
Personnel Services	\$ 1,254,051.00	\$ 1,090,000.00	\$ 1,060,000.00	\$ 1,225,000.00
Supplies, Repai & Maint, Services, Utilities, Capital, and Other	\$ 354,220.00	\$ 250,000.00	\$ 210,000.00	\$ 280,000.00
Council	\$ 78,250.00	\$ 15,000.00	\$ 15,000.00	\$ 25,000.00
Total	\$ 1,686,521.00	\$ 1,355,000.00	\$ 1,285,000.00	\$ 1,530,000.00
Percent of 25 Budget		80%	76%	91%

Scenario 1 – 3.5% tax increase (translates to a 20% cut)

City Manager's Office:

- Cut Deputy City Manager position permanently
- Have receptionist to help ensure city can better meet citizen needs to reach the city

City Clerk's Office / Council:

- Maintain service in required functions including records retention, PIRs, agendas, publications, postings, elections, and Council and board administration
- Will reduce to near zero the discretionary funding for council and boards

Human Resources:

- Will maintain service levels ensuring all hiring, leave, terminations, resignations, benefits, disciplinary actions, and status changes are correctly documented, tracked, and follow rules

Communications:

- Cut second position; reduce city events to only required events and events that are fully funded with no tax dollars (sales tax or property tax), limited interaction on social media
- Will improve relationships and increase transparency with citizens and businesses
- Work on A/V improvements for the city especially in the council chambers

Library:

- Maintain services and hours

Scenario 2 – No New Tax Revenue (translates to a 25% cut)

City Manager's Office:

- Cut Deputy City Manager position permanently and lessen funding for projects and city hall repairs
- Have receptionist to help ensure city can better meet citizen needs to reach the city

City Clerk's Office / Council:

- Maintain service in required functions including records retention, PIRs, agendas, publications, postings, elections, and Council and board administration
- Will reduce to near zero the discretionary funding for council and boards

Human Resources:

- Will maintain service levels ensuring all hiring, leave, terminations, resignations, benefits, disciplinary actions, and status changes are correctly documented, tracked, and follow rules

Communications:

- Cut second position; reduce city events to only required events and events that are fully funded with no tax dollars (sales tax or property tax), limited interaction on social media
- Will improve relationships and increase transparency with citizens and businesses
- No A/V improvements for the city

Library:

- Maintain services and hours

Scenario 3 – Citizen approved Tax Increase (Translates to a 5% reduction)

City Manager's Office:

- Add Deputy City Manager position back and extended focus on city projects and grants
- Have receptionist to help ensure city can better meet citizen needs to reach the city

City Clerk's Office / Council:

- Maintain or improve service in required functions including records retention, PIRs, agendas, publications, postings, elections, and Council and board administration. Add a part time position to increase ability to perform required functions
- Will reduce the discretionary funding for council and boards

Human Resources:

- Will maintain service levels ensuring all hiring, leave, terminations, resignations, benefits, disciplinary actions, and status changes are correctly documented, tracked, and follow rules
- Restart employee awards, holiday party, internal team building

Communications:

- Fully funded second position, fund creative services, bring back all city events
- Will improve relationships and increase transparency with citizens and businesses
- Work on A/V improvements for the city especially in the council chambers

Library:

- Add new programs and community outreach resources, library expansion



Q & A

Thank You for attending today's budget workshop and helping shape the future of La Marque.

DEFINITIONS

Balance Sheet

Shows assets, liabilities and equity providing a snapshot of a financial position at a specific time

Budget to Actual

Compares planned budget amounts to actual revenues and expenditures to monitor financial performance

Emergency Fund

Separate bank fund set aside for declared disasters, emergencies or unexpected critical events

Reserve Fund

Separate bank fund set aside to stabilized finances and address extraordinary events without service disruption

DEFINITIONS

I&S Rate

Interest and Sinking refers to funds used to pay debt service principal and interest on municipal bonds

ISO Rating

Insurance Services Rating measures our fire protection capabilities, and impacts property insurance premiums

M&O

Maintenance and Operations refers to funding for a city's day to day services, staffing and routine work

S&P

Standard & Poor's is a credit rating agency that evaluates our financial strength and ability to repay debt

Administration Resident Budget Workshop & Q&A Session

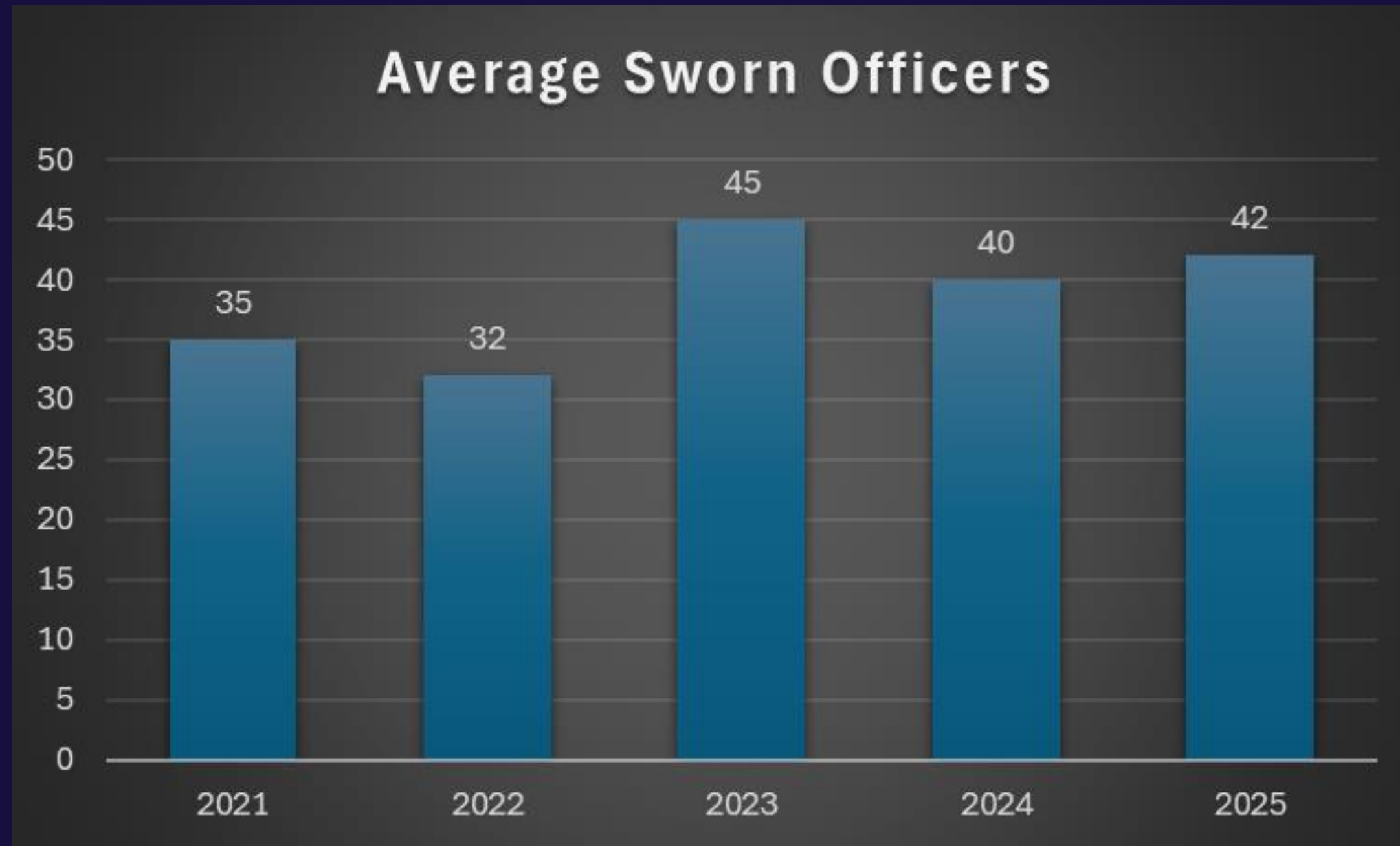




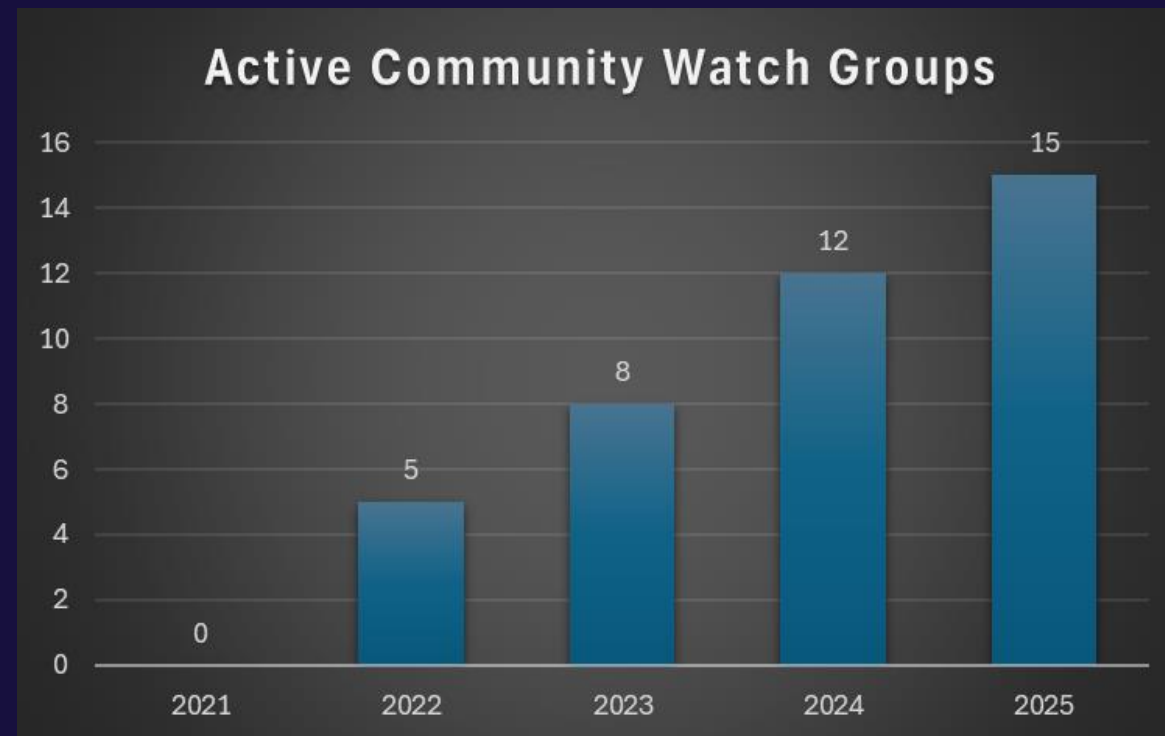
LA MARQUE POLICE DEPARTMENT



AVERAGE SWORN OFFICERS



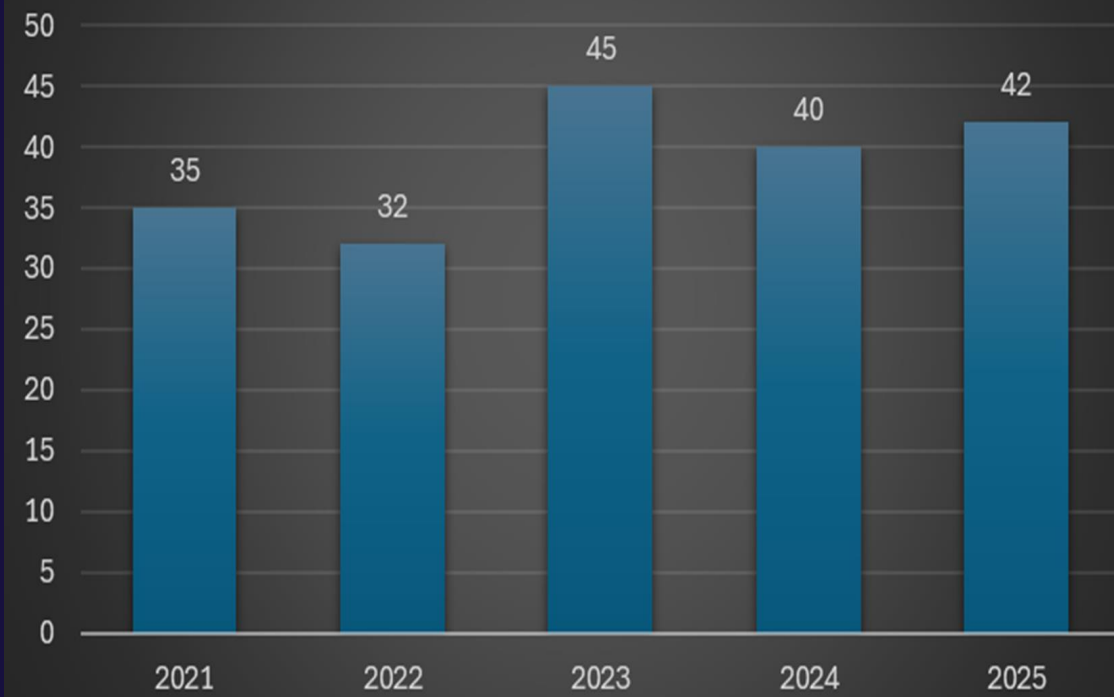
CRIME REDUCTION PROGRAMS



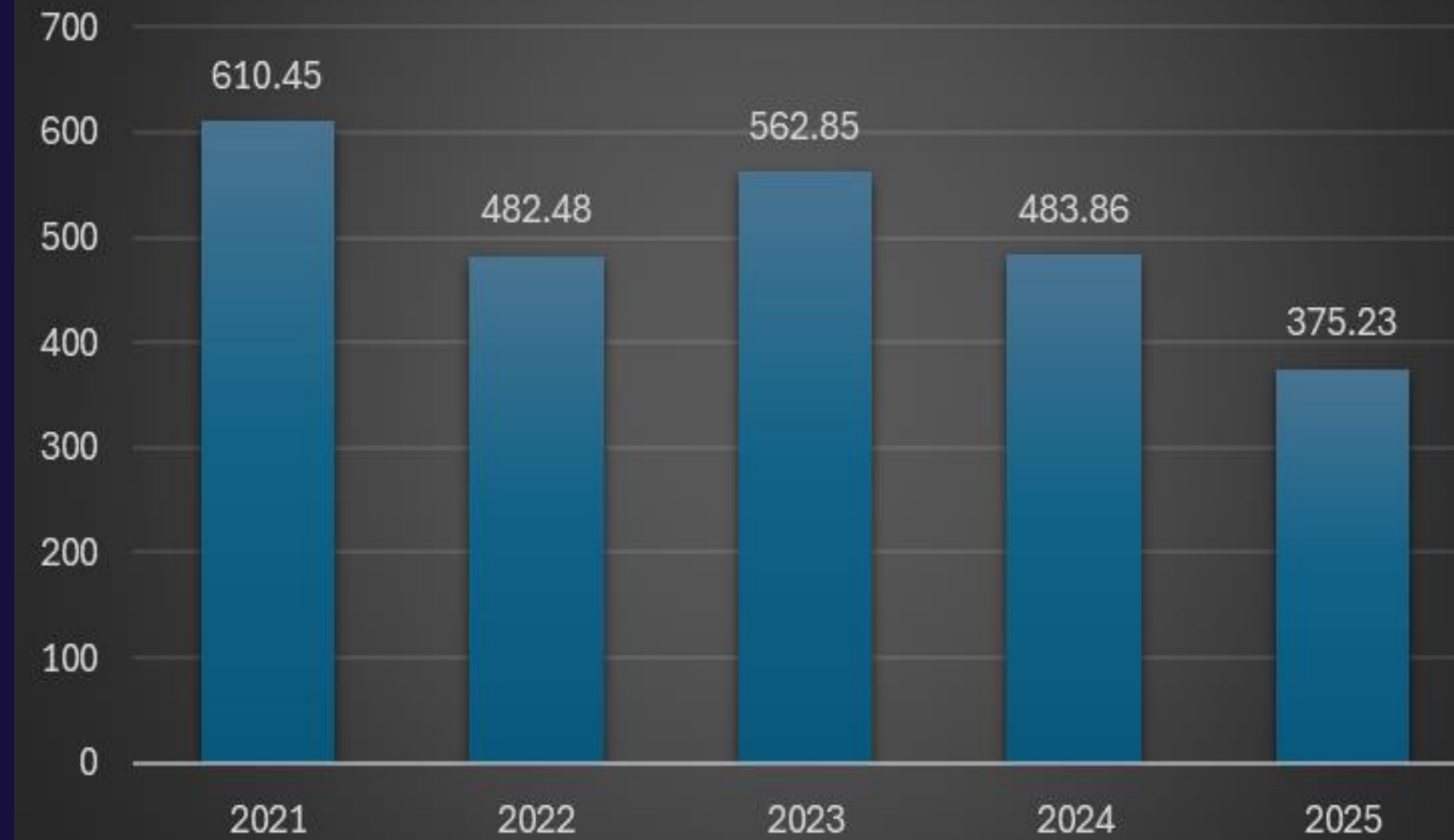
- Community Watch Groups were established in January 2022
- COPS Grant was awarded in 2022
- Crime Suppression Unit was established in 2024
- Crime Analyst position was funded through a grant and filled in 2024

VIOLENT CRIME

Average Sworn Officers

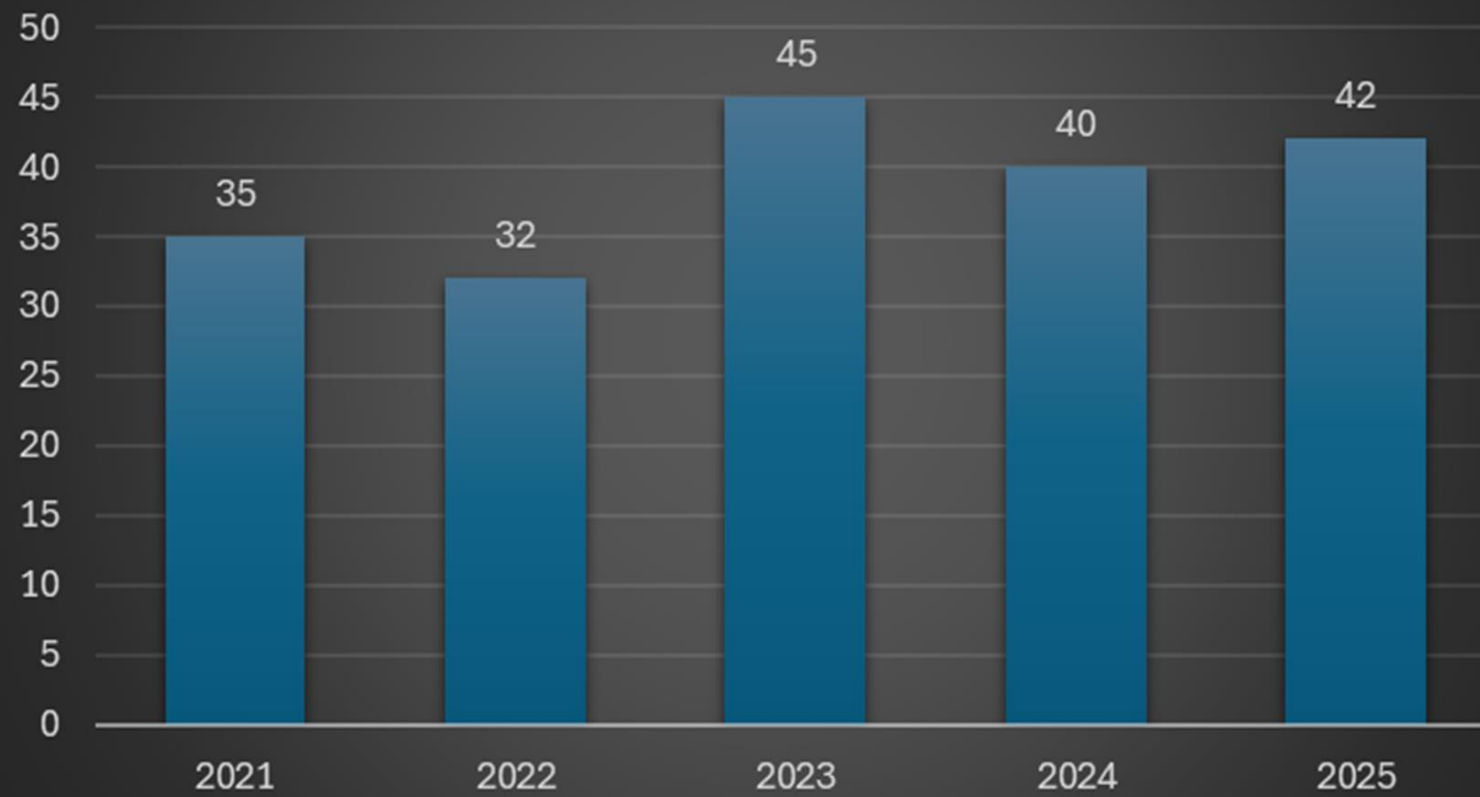


Violent Crime Rate

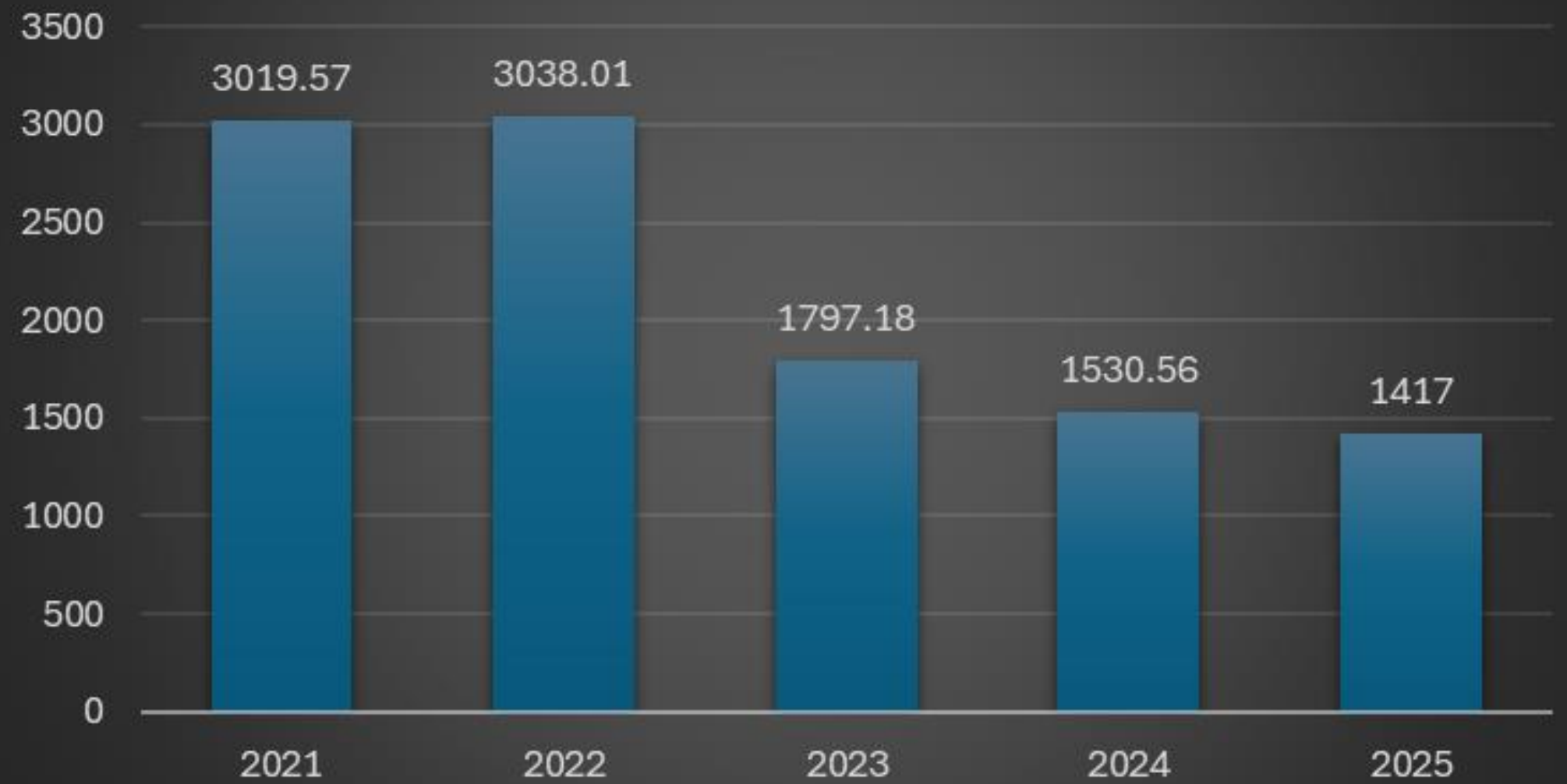


PROPERTY CRIME

Average Sworn Officers



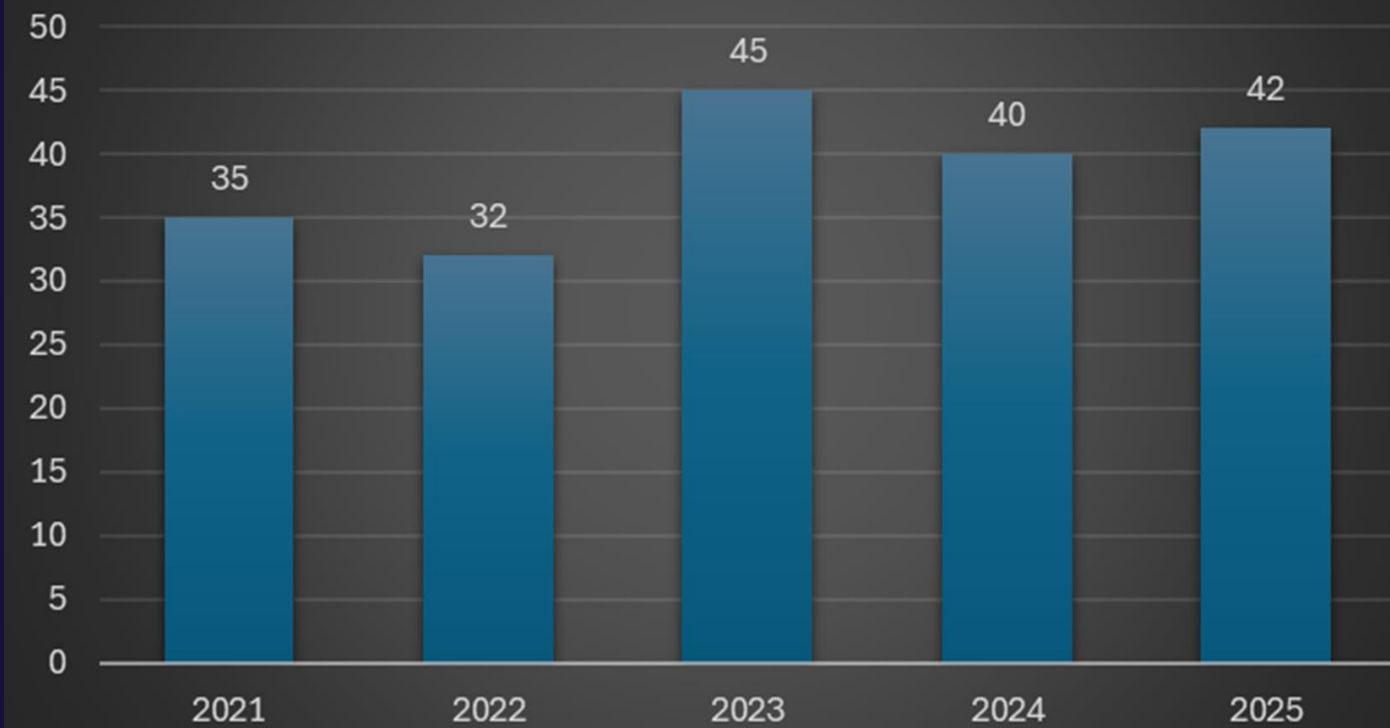
Property Crime Rate



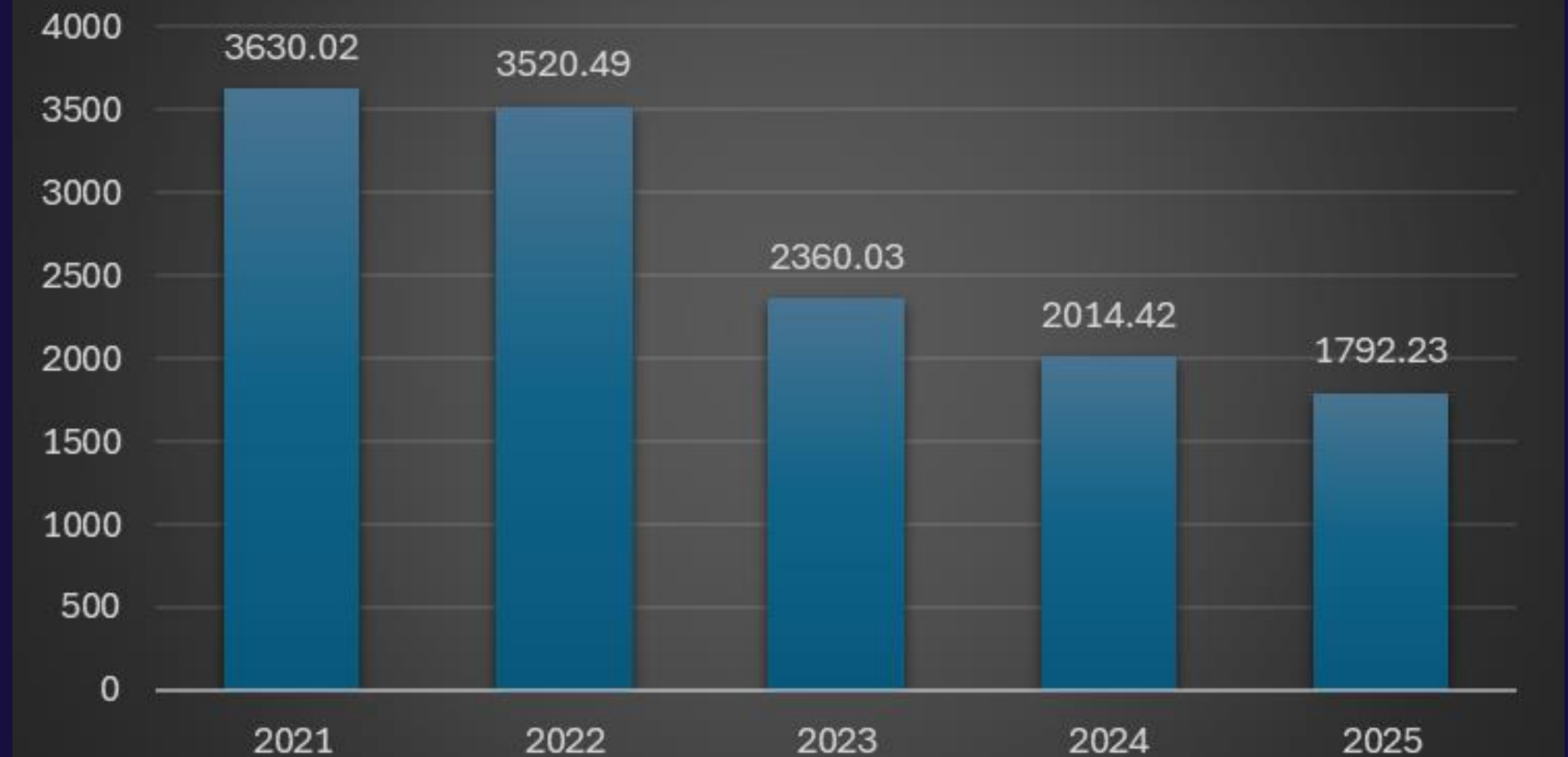
OVERALL CRIME



Average Sworn Officers



Overall Crime Rate

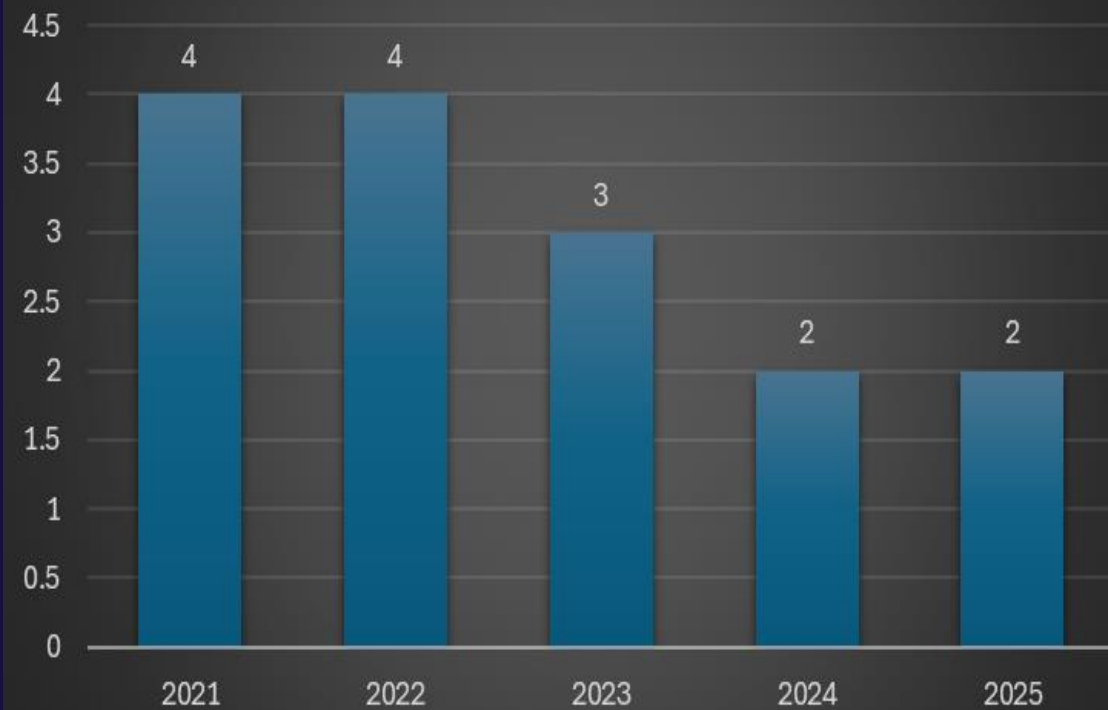


CALL FOR SERVICE



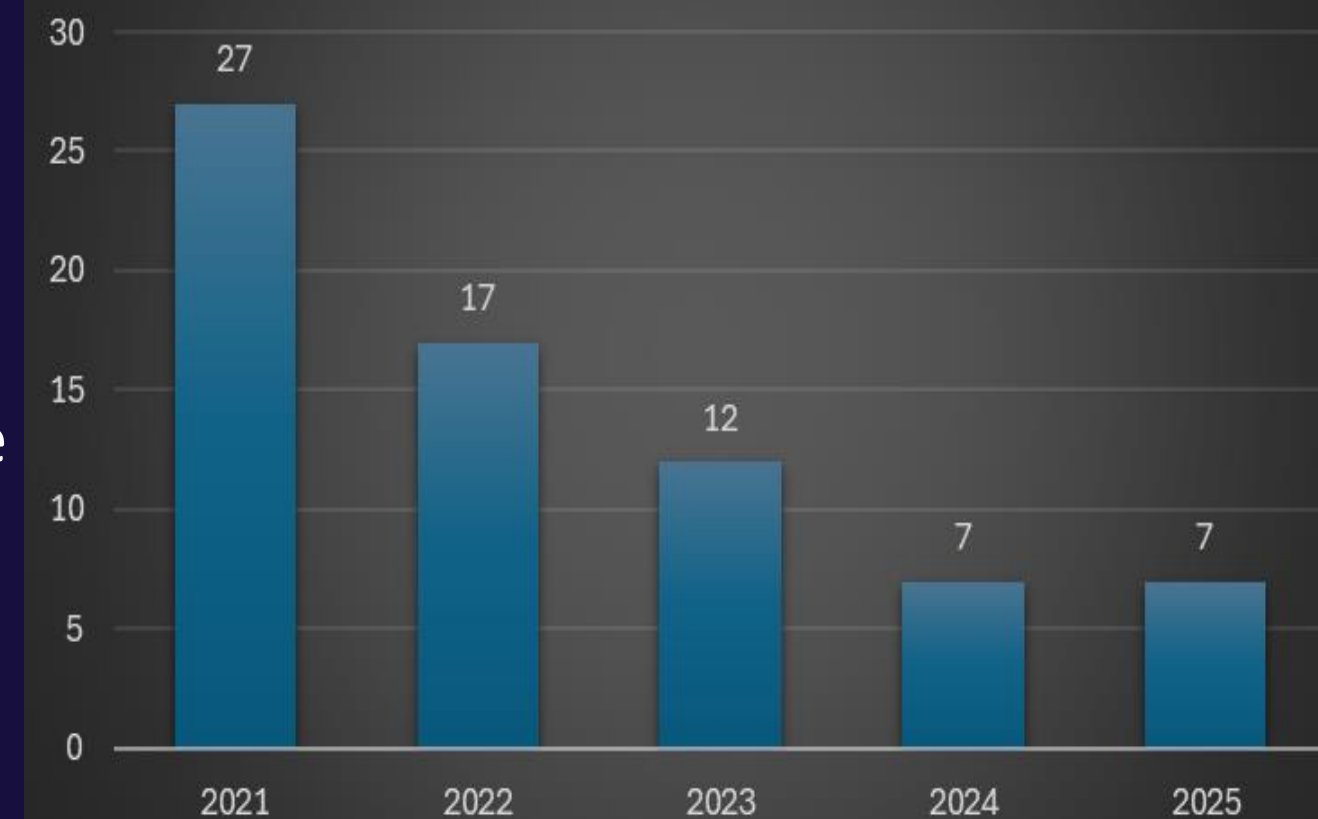
Specific Crimes

Murders



- Homicide cases have decreased since 2022 by 50%
- Data on shootings were pulled from non-family violence shootings; this affected community members homes that were shot at as well bystanders being injured by shots fired.
- For example, in one instance, 60 shell casings were found at one apartment complex.
- Another instance resulted in 21 shell casings near a home and two separate elderly community members discovering their houses being shot.

Shootings



Current Years Budget

Budget Breakdown:

- . Personnel Services: \$6,758,516.00
- . Supplies: \$594,678.00
- . Repair & Maintenance: \$176,500.00
- . Services: \$195,111.00
- . Capital: \$186,490.00
- . **Total Budget: \$7,911,295.00**

5 % Reduction in Budget

Target Reduction: \$395,564.75

Proposed Adjustments:

Overtime (OT) reduction: \$225,000

Operations reduction: \$174,000

Total Operational Reduction: \$399,000

Operational Impact:

No elimination of sworn officer positions

Reduced overtime flexibility

Reduced operational capacity and response flexibility

Total Budget \$ 7,515,748.25

20 % Reduction in Budget

Twenty Percent (20%) Reduction

Target Reduction: \$1,585,259.00

Proposed Adjustments:

Short staff – unable to flex coverage

Operations reduction: \$145,259

Elimination of 6 currently filled officer positions (90k with fringe)

Elimination of 10 currently unfilled officer positions (90k with fringe)

Total Positions Reduced: 16 Officers

Operational Impact:

Significant staffing shortages

Reduced patrol coverage

Increased response times

Reduced proactive policing efforts

Increased workload on remaining personnel

CID personnel reduction and increased workload

Total Budget 6,326,036.00

25 % Reduction in Budget



Target Reduction: \$1,977,823.75 (~ \$1.98 Million)

Proposed Adjustments:

Extremely short staffed – unable to flex

Operations reduction: \$174,000

Elimination of 10 currently filled officer positions (90k with fringe)

Elimination of 10 currently unfilled officer positions (90k with fringe)

Total Positions Reduced: 20 Officers

Operational Impact:

Critical staffing shortage

Major reduction in patrol presence and CID investigations

Substantial increase in response times

Limited investigative and community policing capacity

Elevated safety risks to officers and the public

Total Budget 5,933,471.25

SUMMARY

While a 5% reduction can be absorbed through operational efficiencies and overtime reductions, reductions of 20% or greater require elimination of sworn personnel, significantly impacting service delivery, public safety, and response capabilities.





La Marque Fire Department

Community

Courage

Commitment

Current Daily Staffing

Station 1

- Engine 1 (2-3)
- Medic 1 (2)

ADMINISTRATION*

- Fire Chief 601
- Deputy Fire Chief 602
- EMS Captain 603
- Fire Marshal 604
- Deputy Fire Marshal 614

Station 2

- Engine 2 (3-4)
- Medic 2 (2)

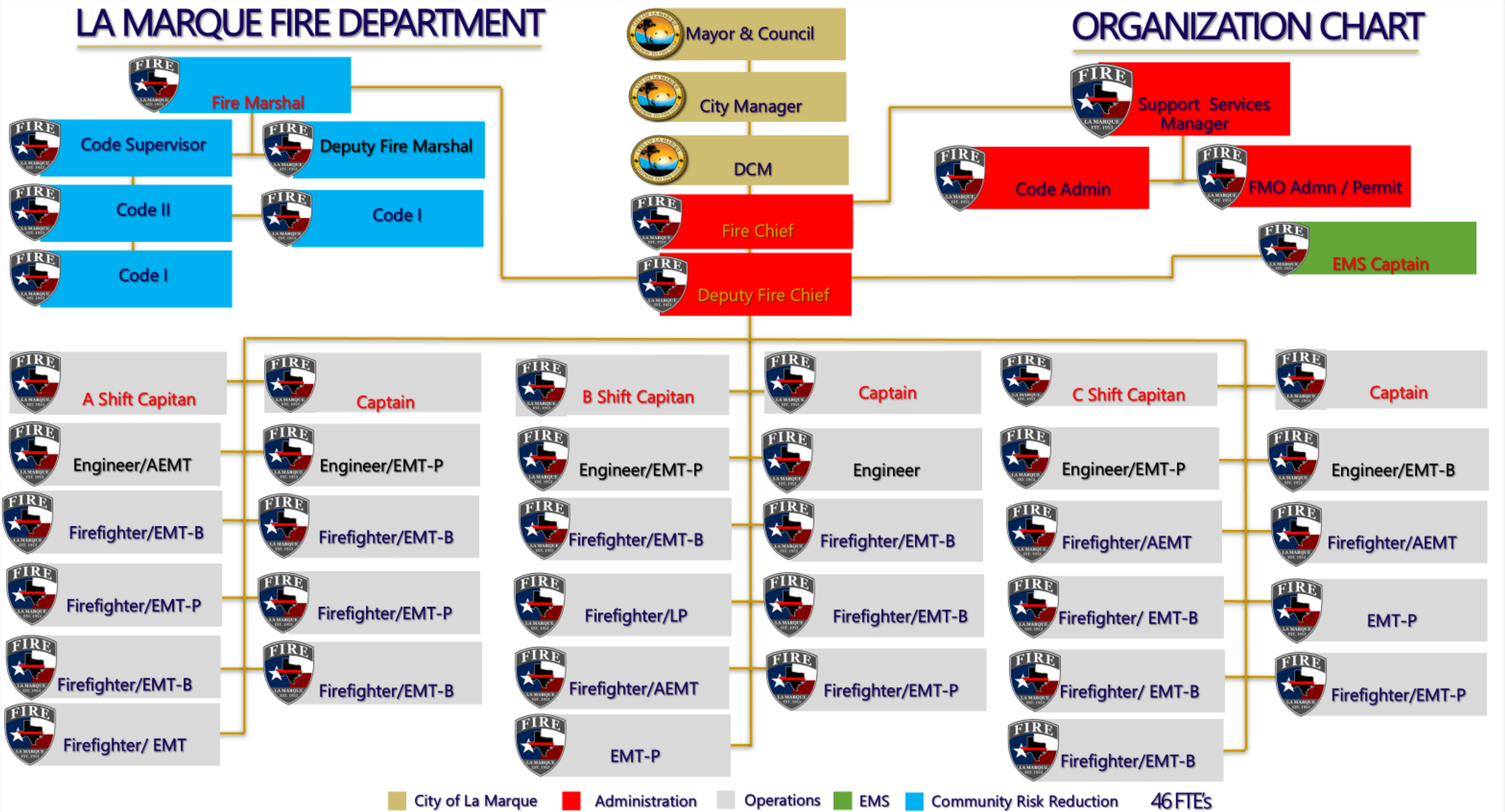
* Monday – Friday Available for call outs

Current Budget

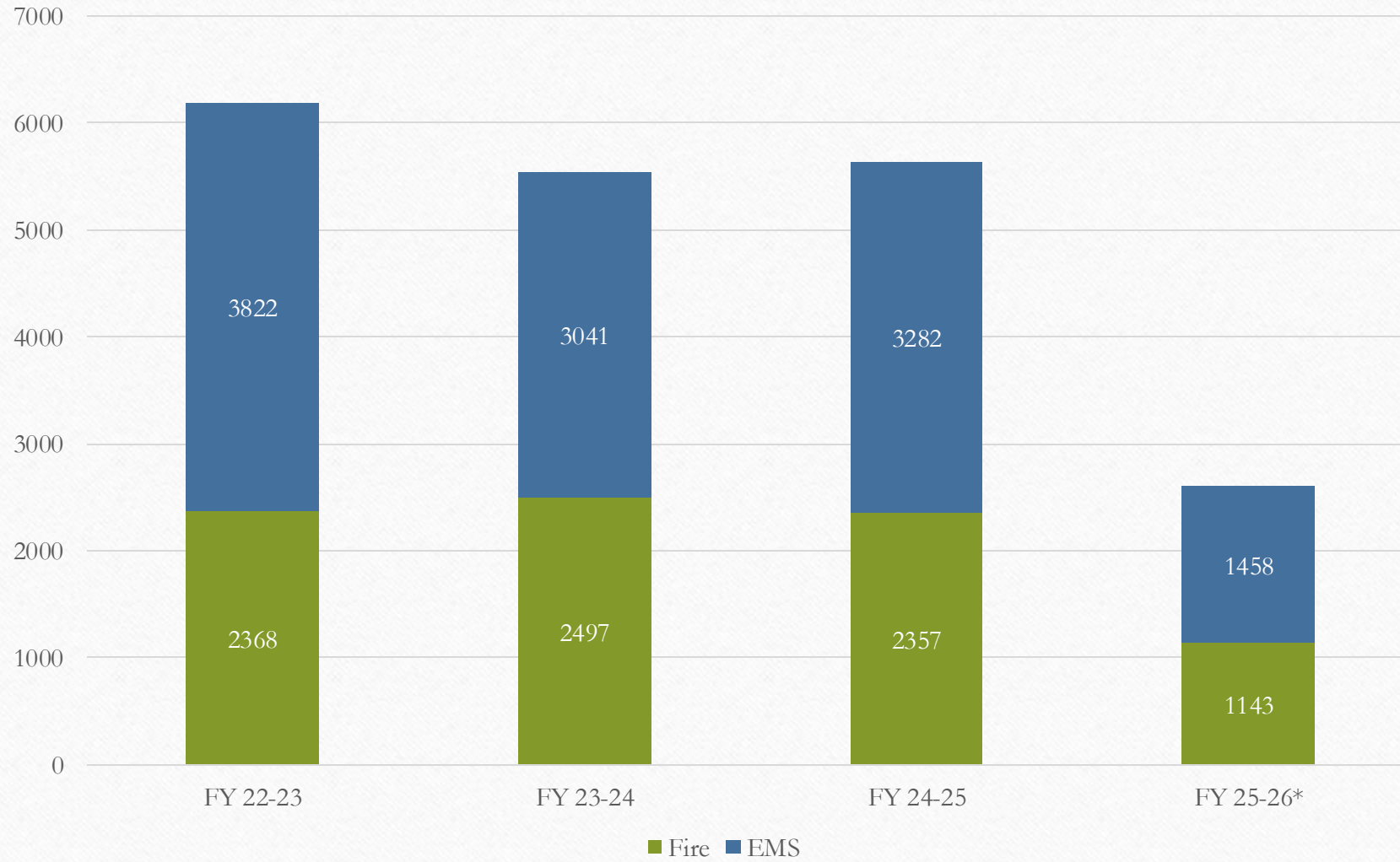
- ISO 2
- Average Response Time 7min (FY 24-25)
- \$5,809,921.00
- Personnel:
\$4,495,382.00

LA MARQUE FIRE DEPARTMENT

ORGANIZATION CHART

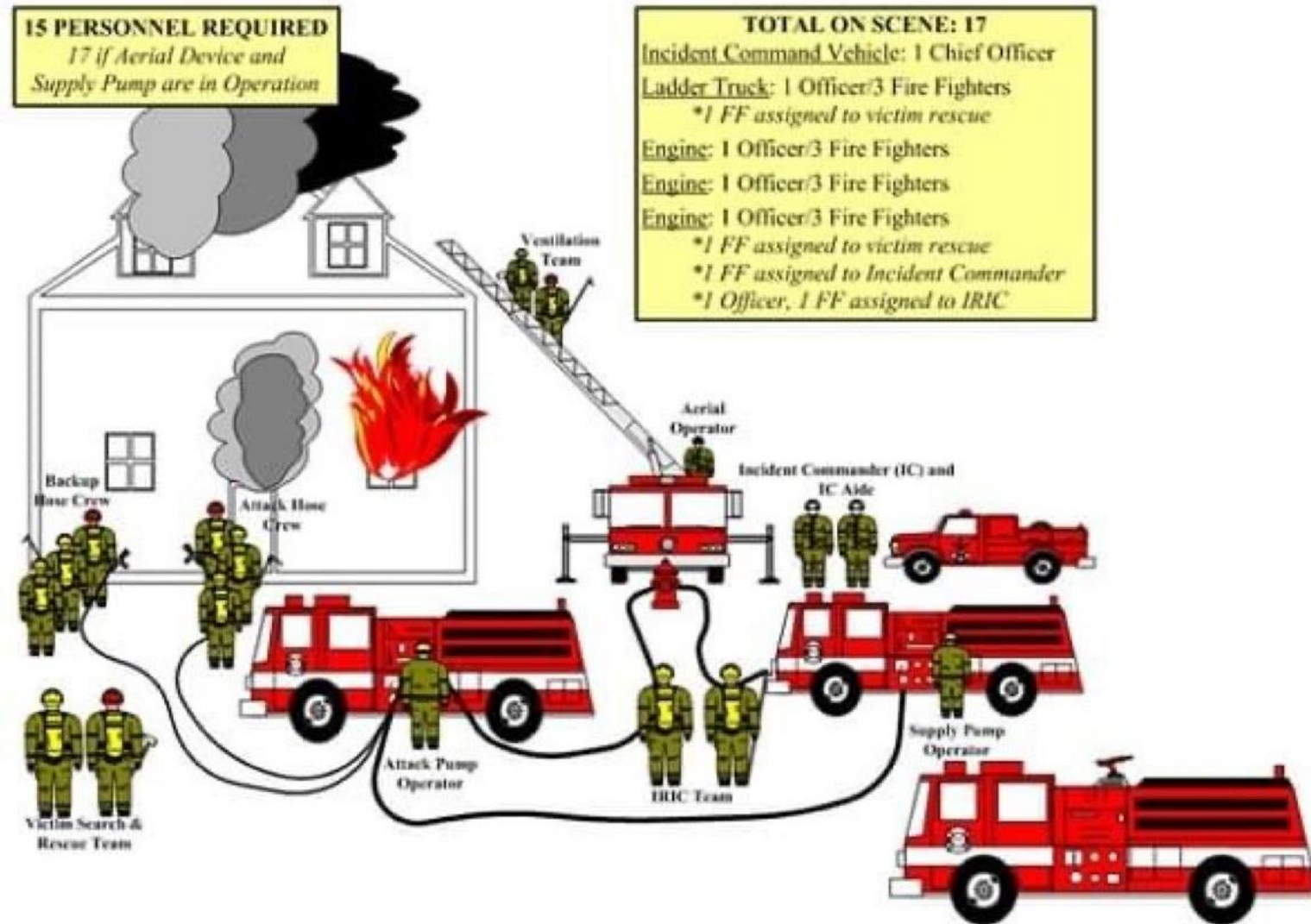


Call Volume



- NFPA 1710

It establishes minimum requirements for staffing (e.g., 4 firefighters per engine), response times (4-minute arrival), and safety procedures for career fire departments to ensure effective emergency services.



Departmental Effect

Personnel

- Reduce Staffing
- Mental Health

Maintenance

- Vehicle
- Building

Training / Education

- Continuing Education
- Paramedics

Uniforms / Safety Gear

- Bunker Gear
- Air packs

Budget Cut Consequences

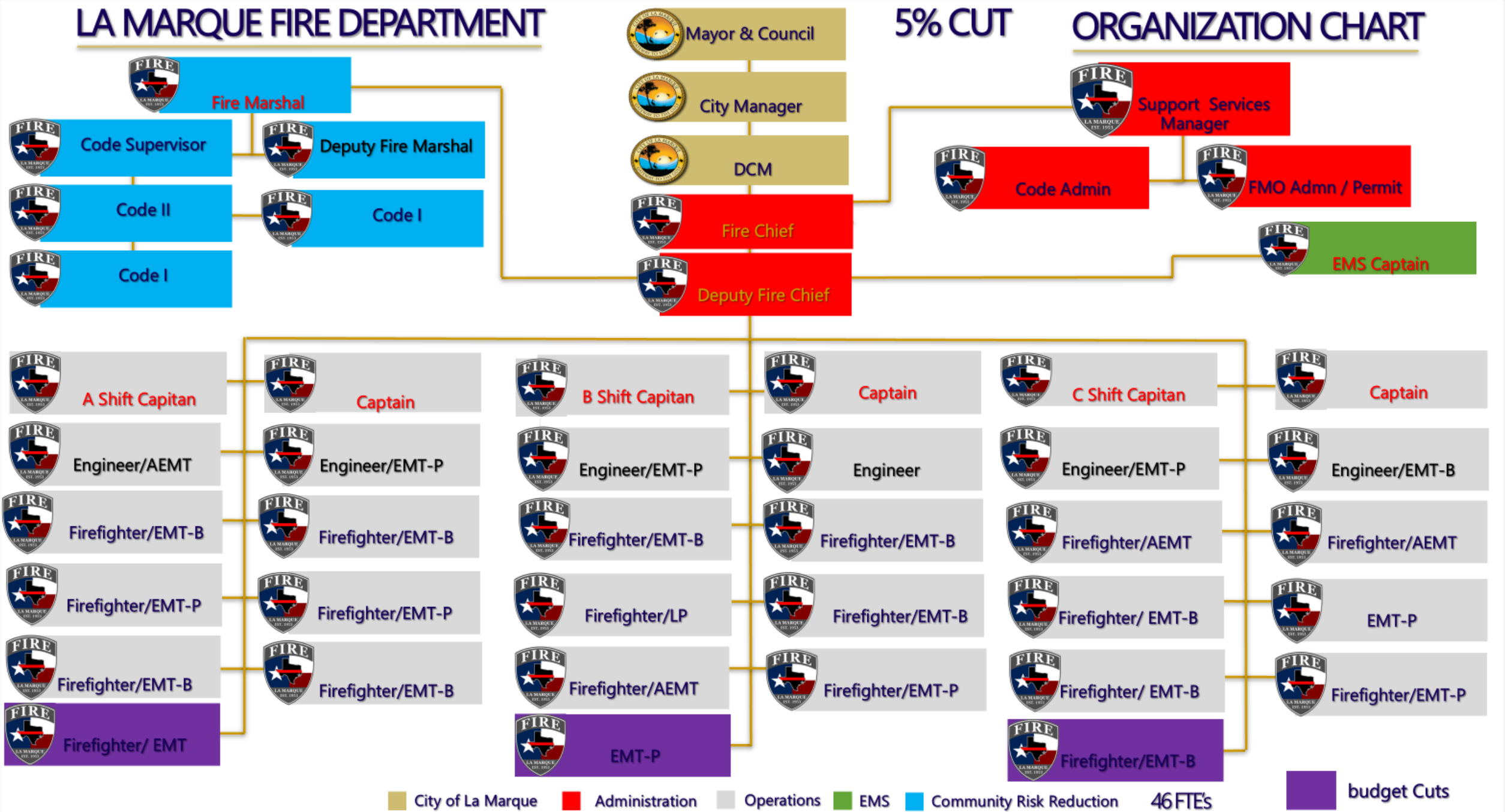
- Decrease in Protection Rating (ISO)
- Decrease in Response Time
- Decrease in Community Outreach
- Under Educated / Under Prepared Staffing
- Out of Compliance Equipment
- Unsafe Living Conditions

5 % Cut

- ISO 3
\$350-\$450 (Average Annual Increase)
- Average Response Time 8min (FY 23-24)
- \$5,809,921.00 - \$290,496.05 = \$5,519,424.95
- Personnel:
\$224,769.10 (3 Personnel)

LA MARQUE FIRE DEPARTMENT

5% CUT ORGANIZATION CHART



20 % Cut

- ISO 4 – 5

\$500-\$650 (Average Annual Increase)

- Average Response Time 9min*

- $\$5,809,921.00 - \$1,161,984.20 = \$4,647,936.80$

- Personnel:

\$899,076.40 (9 Personnel)

* Estimate

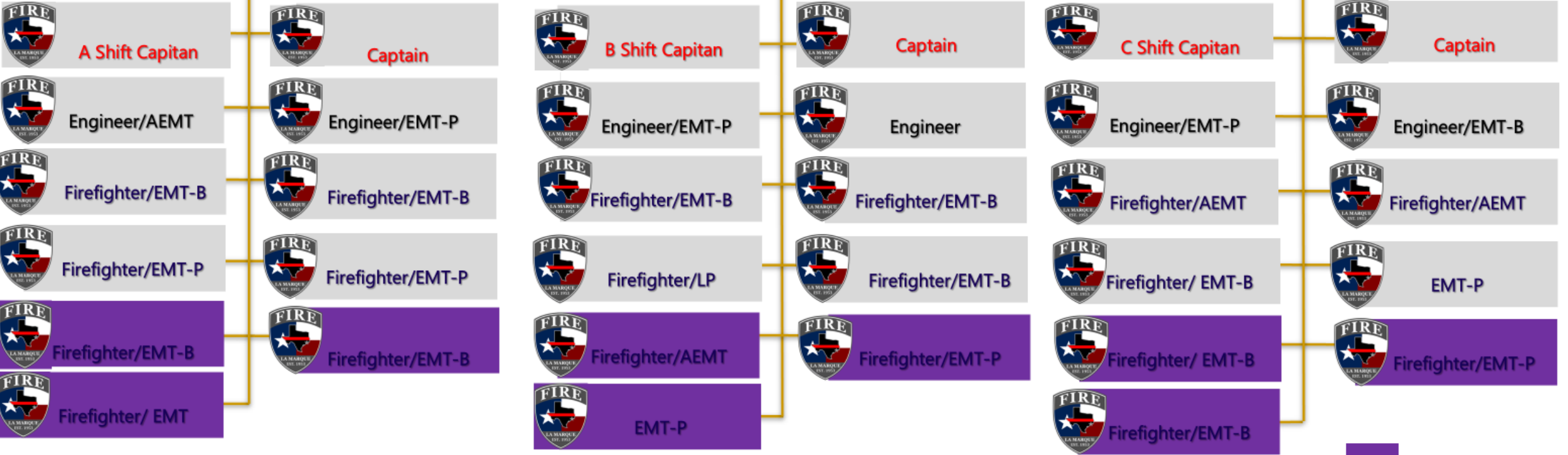
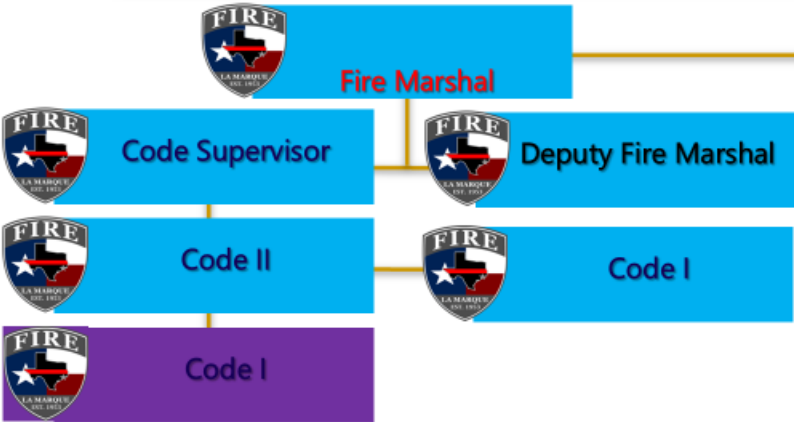
11

LA MARQUE FIRE DEPARTMENT



20% CUT

ORGANIZATION CHART



25 % Cut

- ISO 6 – 7

\$650-\$800 (Average Annual Increase)

- Average Response Time 10+min*

- $\$5,809,921.00 - \$1,452,480.25 = \$4,357,413.75$

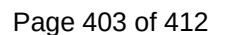
- Personnel:

\$1,123,845.50 (12 Personnel)

* Estimate

13

ORGANIZATION CHART





20XX

Summary

The La Marque Fire Department remains committed to protecting and serving its citizens. While proposed budget cuts may require a reduction in scale, our dedication to the community will not change.



Code Enforcement

Current Budget vs. Cuts

- **\$439,655.00**
- 5% **\$21,982.75** = \$417,672.25
- 20% **\$87,931.00** = \$351,724.00
- 25% **\$109,913.75** = \$329,741.25

Effects

- Decrease mowing
- Less officers to enforce

Development Services

Current Budget vs Cuts

- **\$683,642.00**
- 5% **\$34,182.10** = \$649,459.90
- 20% **\$136,728.40** = \$546,913.60
- 25% **\$170,110.50** = \$512,731.50

Effects

- Discontinue BBG
- Decrease Personnel

Questions

Thank you for your time and collaboration as we continue to push forward in our commitment to excellence.



Finance Update 5-11-2026

The Finance department is working on journal entry adjustments, policy improvements, Internal Control creation and improvements, and filling out the staff. These are areas identified by both CherryBekaert and BrooksWatson, and echoed via the Finance Committee, that need to continue to be improved beyond what we have currently been able to get in place. The improvements already implemented are many and significant but much more still needs to come to get to where the city and citizens deserve.

Progress on the Forensic Audit RFQ is continuing and the finance committee has been designated as the review group for the RFQ once bids are opened. In addition, the committee is going to be contributing to the language in the RFQ specifically around what are the minimum qualifications that a bidding entity will need. Once the RFQ is drafted it will go to the committee for approval and send it to the council. Once the RFQ is approved it will be sent out for bids. The bids will be reviewed by the committee to determine the best bid(s) to then take back to council for approval in contracting for the audit. The budget for next year does include a specific carve out for funding for the forensic audit in all three budget scenarios. One additional note is that the Finance Director will not be a voting member for this process. There are too many possible conflicts of interest that could be present; however, he will be a technical advisor for the committee if they have questions during the review process.

The city is scheduled to have city workdays on May 20th and 21st. These days most non-essential city functions will be closed, and employees will be working at the Building A site.

The budget process is underway; the departments are preparing 3 different budgets based on 3 different scenarios of what funding levels could be. All scenarios involve an overall reduction in spending by the city. The city will be getting in compliance with the expectations of the citizens and council while ensuring compliance with rules and laws. One other item that is of importance is the lack of city having both a reserve fund and an emergency fund and working to remedy this will also be a part of the budget scenarios. The initial presentations of the budget are on You-Tube, and the slides are included in the agenda packet and on the city's website. We want feedback on the current plans included in the presentations from all citizens. Please let us know if you have any suggestions or ideas. You can call, email, or come by City Hall to let us know your thoughts, suggestions, or ideas.

For any additional questions or concerns please contact the Finance Director.

Thanks,

Worth Ferguson

Finance Director

City of La Marque

w.ferguson@cityoflamarque.org

409-916-1392