



The City of Liberty
City Council

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Regular Meeting

~ Agenda ~

April Gilliland
City Secretary
936-336-3684

Tuesday, March 10, 2026

6:00 PM

City Council Chambers

The City Council of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

Table with 5 columns: Attendee Name, Present, Absent, Late, Arrived. Rows include Mayor John Hebert, Jr., Mayor Pro Tem Tommy Brents, Council Member Ed Seymour, Council Member Ross Ward, Council Member Debbie Dugger, Council Member Bruce Bell, Council Member Nick Dennis.

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda.

V. PRESENTATIONS / REPORTS

- A. Proclamation - 2026 LHS Cheerleaders
B. Proclamation - Rotary Club
C. City Manager's Report - City Manager Bryan Kendrick - Includes various updates of interest to our community.
D. Department Reports
E. Sam Rayburn Municipal Power Agency - Mayor Hebert
F. Mayor, Council and Staff Comments

VI. CONSENT AGENDA

All consent items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

A. Minutes Approval

- 1. February 20, 2026

B. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING A CONSTRUCTION VARIANCE FOR THE CHLORINE ROOM AT THE NEW WATER PLANT

C. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AWARDED THE BID FOR THE 2026 ANNUAL SUBSTATION MAINTENANCE TO DASHIELL CORPORATION.

D. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AUTHORIZING ADVANCE FUNDING AGREEMENT FOR LOCAL GOVERNMENT MAINTENANCE OF RAILROAD APPROACHES (OFF-SYSTEM).

VII. REGULAR AGENDA

A. Regular Session

- 1. Continue Discussion and Possible Action related to broadcast of public meetings of the City Council over the Internet in compliance with the City of Liberty's discretion under Government Code Chapter 551.128
- 2. Discussion and possible action on wayfinding and branding presentation from Merje Designs
- 3. **A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, ACCEPTING THE FISCAL YEAR 2024-2025 ANNUAL AUDIT REPORT AS PRESENTED BY BROOKS WATSON & CO., P.C., LLC.**
- 4. **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE PORT OF LIBERTY'S BUDGET FOR FISCAL YEAR 2026**
- 5. **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING A PROPOSAL FROM ALLEGION (STANLEY ACCESS TECHNOLOGIES) FOR ADA-COMPLIANT AUTOMATIC DOOR IMPROVEMENTS AT CITY HALL AND THE LIBERTY CENTER; AUTHORIZING THE CITY MANAGER TO EXECUTE ANY NECESSARY DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.**
- 6. **A RESOLUTION OF THE CITY OF LIBERTY, TEXAS, AUTHORIZING PROFESSIONAL SERVICE PROVIDER(S) SELECTION FOR COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY (CDBG-DR) LOCAL COMMUNITIES PROGRAM (LCP) FUNDING ADMINISTERED THROUGH THE TEXAS GENERAL LAND OFFICE (GLO) UNDER THE 2024 DISASTERS DR-4781 TEXAS SEVERE STORMS AND DR-4798 HURRICANE BERYL.**

7. A RESOLUTION OF THE CITY OF LIBERTY, TEXAS, AUTHORIZING PROFESSIONAL ENGINEERING SERVICE PROVIDER(S) SELECTION FOR COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY (CDBG-DR) LOCAL COMMUNITIES PROGRAM (LCP) FUNDING ADMINISTERED THROUGH THE TEXAS GENERAL LAND OFFICE (GLO) UNDER THE 2024 DISASTERS DR-4781 TEXAS SEVERE STORMS AND DR-4798 HURRICANE BERYL.
8. A RESOLUTION OF THE CITY COUNCIL OF CITY OF LIBERTY, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE DOWNTOWN REVITALIZATION PROGRAM.
9. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AUTHORIZING AN IN-KIND CONTRIBUTION TO THE LIBERTY YOUTH BASEBALL ASSOCIATION THROUGH THE WAIVER OF PARK FIELD RENTAL FEES; MAKING A FINDING OF PUBLIC PURPOSE; AND PROVIDING FOR RELATED MATTERS.
10. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, APPROVING CHANGE ORDER NUMBER 1 FOR THE HIGHWAY 146 WATER PLANT PROJECT
11. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, SELECTING A GRANT ADMINISTRATION FIRM TO ASSIST THE CITY WITH THE SUBMITTAL OF AN APPLICATION FOR FUNDING AND ADMINISTRATION OF A CONTRACT, IF AWARDED, FROM THE TEXAS WATER DEVELOPMENT BOARD HOUSE BILL 500 WATER SUPPLY AND INFRASTRUCTURE GRANT PROGRAM.
12. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AMENDING THE CITY'S MASTER FEE SCHEDULE TO ADD FEES AND POLICIES RELATED TO T-HANGAR END CAP STORAGE AREAS AT THE LIBERTY MUNICIPAL AIRPORT; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.
13. AN ORDINANCE APPROVING A GENERATOR PROJECT AT THE AIRPORT AND AN AMENDMENT TO THE CITY OF LIBERTY'S FISCAL YEAR 2025 - 2026 BUDGET.

B. Executive Session

1. **Texas Government Code §551.071 - Private Consultation with Attorney**
Discussion with attorney regarding contemplated/pending litigation and/or regarding matters protected by attorney/client privilege.
2. **Texas Government Code §551.072 - Deliberation Regarding Real Property**
Discussion regarding real property.
3. **Texas Government Code §551.074 - Personnel Matters.**
To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.
4. **Texas Government Code §551.087 - Deliberation Regarding Economic Development Negotiations.**
Discussion regarding economic development negotiations.

C. Reconvene into Regular Session

1. Consider and take possible action on legal matters discussed in the executive session.
2. Consider and take possible action on real estate matters discussed in the executive session.
 - Consider and take possible action on an ordinance authorizing the Mayor, or designee, to execute a Purchase & Sale Agreement, Special Warranty Deed, and related documents for the purchase of primarily undeveloped land generally located east of Highway 146 and north of McGuire Road for a road construction project in the City of Liberty.
3. Consider and take possible action on personnel matters discussed in the executive session.
4. Consider and take possible action on economic development matters discussed in the executive session.

VIII. ADJOURNMENT

A. Motion To: Adjourn

I certify that the attached Notice of Meeting was posted on the bulletin board and in the Message Centers located on the east and west sides of the City Hall Administration Building, located at 1829 Sam Houston on the 5th day of March 2026. This notice will remain posted continuously for at least three (3) business days preceding the scheduled day of said meeting in accordance with Chapter 551 of the Texas Government Code.

April Gilliland

 April Gilliland, City Secretary

NOTICE

In compliance with the Americans with Disabilities Act, the City of Liberty will provide reasonable accommodation for persons attending and/or participating in this Council Meeting. To better serve you, requests must be made at least 24 hours prior to the meeting. Contact the City at (936) 336-3684 or by Fax at (936) 336-9846. The building is wheelchair accessible, with parking available, on the west side of the building.

I certify that the attached Notice and Agenda of items to be considered by the City Council was removed by me from the bulletin board at the City Hall on the _____ day of _____, _____.



PROCLAMATION

WHEREAS, The Liberty Independent School District athletics program plays a vital role in building confidence, discipline, teamwork, and leadership among young people; and

WHEREAS, the 2026 Liberty High School Cheerleaders demonstrated exceptional dedication, perseverance, and sportsmanship through countless hours of training and commitment; and

WHEREAS, the 2026 Liberty High School Cheerleaders made history by becoming the first team from Liberty High School to attend the National High School Cheerleading Championship held in Orlando, Florida, January 30 to February 1, 2026; and

WHEREAS, the 2026 Liberty High School Cheerleaders faced 36 teams from across the country to finish the season as Bronze Medalist; and

WHEREAS, this historic achievement was made possible through the leadership and dedication of the coaches, principals, board members, parents and supporters whose guidance, mentorship and unwavering belief in the athletes helped lead the team to success.

NOW, THEREFORE, BE IT KNOWN, that I, John Hebert, Jr., Mayor of the City of Liberty, do hereby proclaim March 10, 2026, as:

"LHS CHEERLEADER DAY"

in Liberty, Texas and encourage all residents to join in celebrating this remarkable accomplishment.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Liberty, Texas to be affixed on this 10th day of March 2026.

John Hebert, Jr., Mayor
City of Liberty

ATTEST:

April Gilliland, City Secretary
City of Liberty



PROCLAMATION

WHEREAS, The Liberty Rotary Club received its charter from Rotary International on June 5, 1925, and thus is celebrating its 100th Anniversary; and

WHEREAS, the Club counts among its members this community's leaders in business and the professions and trades; and

WHEREAS, the Club has enriched its community by observing the Rotary motto "Service Above Self" and has sponsored projects to aid those in need within our community; and

WHEREAS, the Club is contributing to and supporting Rotary International's PolioPlus Program to eradicate polio in developing countries and regions worldwide; and

WHEREAS, the Liberty Rotary Club commemorated its 100th Anniversary with planting six oak trees around the Liberty Municipal Park Pond.

NOW, THEREFORE, BE IT KNOWN that I, John Hebert, Jr., Mayor of the City of Liberty, do hereby congratulate the Liberty Rotary Club on its 100th Anniversary, commend it for its community service, and proclaim Tuesday, March 10, 2026, to be

"LIBERTY ROTARY CLUB DAY"

in Liberty, Texas.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Liberty, Texas to be affixed on this 10th day of March 2026.

John Hebert, Jr., Mayor
City of Liberty

ATTEST:

April Gilliland, City Secretary
City of Liberty

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: City Manager's Report - City Manager Bryan Kendrick - Includes various updates of interest to our community.

Department: Administration

Subject: City Manager's Report

Background: This agenda item provides an opportunity for the City Manager to update the City Council and the public on key ongoing and upcoming City projects and initiatives.

Water System Maintenance:

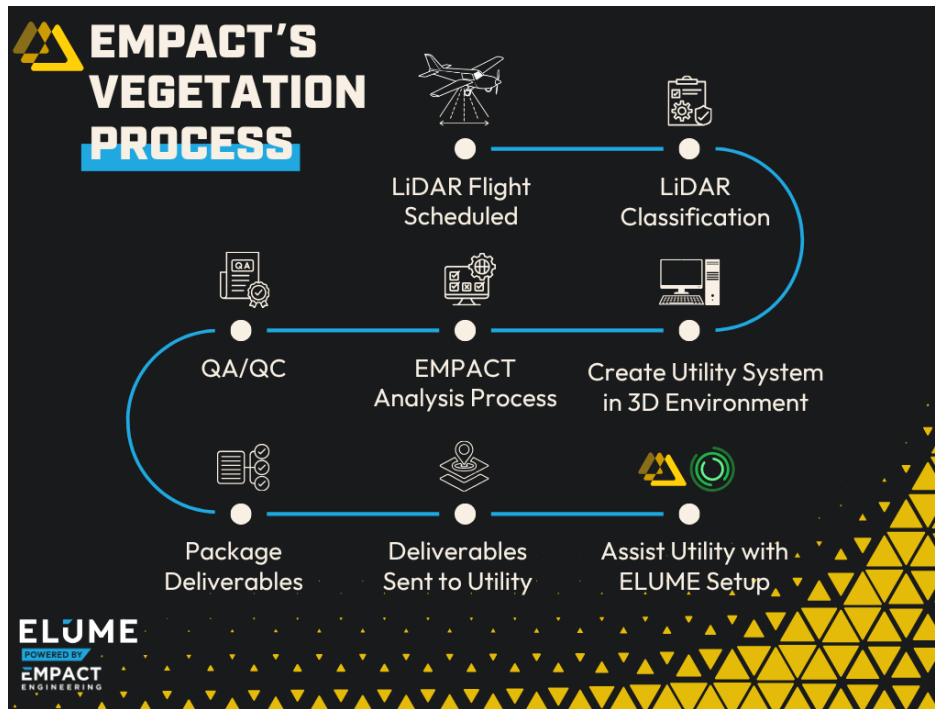
Our crews continue to address water leaks on a maintenance-response basis, resolving issues as they arise. As of last week, there were six active leaks throughout the city. Should the volume exceed our internal capacity to respond in a timely manner, we will bring in outside contractors to assist as needed.

Fiber Ring Infrastructure Sale Completed:

We have completed the sale, received our infeasible rights of use for our needs and funding has been received and credited to the Cambridge Fund, dedicated to Park Improvements per staff's request and City Council's direction.

EMPACT Engineering Geospatial Report for Electric Utility:

Empact is conducting the Analysis, next they will get us with the final data to present at the Strategic Planning Workshop to finalize a plan and budget.



Roadway Asset Services:

Staff is reviewing the data deliverables, once we finally accept the data, RAS will begin using the BOSS software to create budget scenarios which will be presented at the Strategic Planning Workshop.

Liberty Municipal Park:

- Liberty Municipal Park Splash Pad is scheduled to be completed by March 6th, 2026
- The bid for the Concession Stands and Bathrooms was published on January 8th. The projected schedule is listed below:
 Bid opening: March 26
 City Council approval: April 14
 Prepare and execute contracts: April 15–24
 Issue Notice to Proceed: April 27
 Contractor preparation of subcontracts: April 28–May 5
 Contractor preparation of submittals (for review and material procurement): May 6–June 26
 Mobilization and start of construction: July 1

Funding Source: n/a

Staff Recommendation: n/a

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: Department Reports

Department: Administration

Subject: Department Reports

Background: Attached are reports compiled by various City departments regarding facts about projects, situations and activities of the individual department. These reports are submitted on a monthly basis.

Funding Source:

Staff Recommendation:

Airport Operations
Snapshot Local Time

Start Date 02/01/2026 00:00 LT
 End Date 02/28/2026 23:59 LT

Creation 03/01/2026 07:29
 User mark_bush
 Customer ID KT78

Summary

Landings		Take-Offs		Totals	
Single Engine	465	Single Engine	475	Single Engine	940
Single Engine Turbine	5	Single Engine Turbine	5	Single Engine Turbine	10
Multi Engine	5	Multi Engine	4	Multi Engine	9
Multi Engine Turbine	6	Multi Engine Turbine	6	Multi Engine Turbine	12
Business Jet	1	Business Jet	1	Business Jet	2
Helicopter	23	Helicopter	26	Helicopter	49
TOTAL	505	TOTAL	517	TOTAL	1022

FAA AAC/ADG Summary

Landings		Take-Offs		Totals	
A1	466	A1	475	A1	941
A2	2	A2	2	A2	4
B1	4	B1	4	B1	8
B2	6	B2	6	B2	12
HEL	23	HEL	26	HEL	49
UKN	4	UKN	4	UKN	8
TOTAL	505	TOTAL	517	TOTAL	1022

Operations by Aircraft Type

Single Engine		Single Engine Turbine		Multi Engine		Multi Engine Turbine		Business Jet	Jet 2	Jet NB	Jet 4	Jet WB	Helicopter	
AA5	3	AT5T	2	BE58	2	B350	12	C525	2				B206	1
AG5B	10	KODI	4	C421	4								B407	18
BE33	2	PA28	2	PA34	3								BK17	2
BE35	7	PC12	2										EC45	6
BE36	6												H500	21
BL8	2												R44	1
C150	14													
C152	8													
C170	2													
C172	219													
C180	5													
C182	76													
C185	2													
C206	1													
C210	19													
CC1B	1													
CH7B	4													
DA40	10													
EAGL	2													
M20	14													
MOR2	4													
P28A	12													
PA24	10													
PA28	441													
RV14	2													
RV4	6													
RV6	2													
RV7	10													

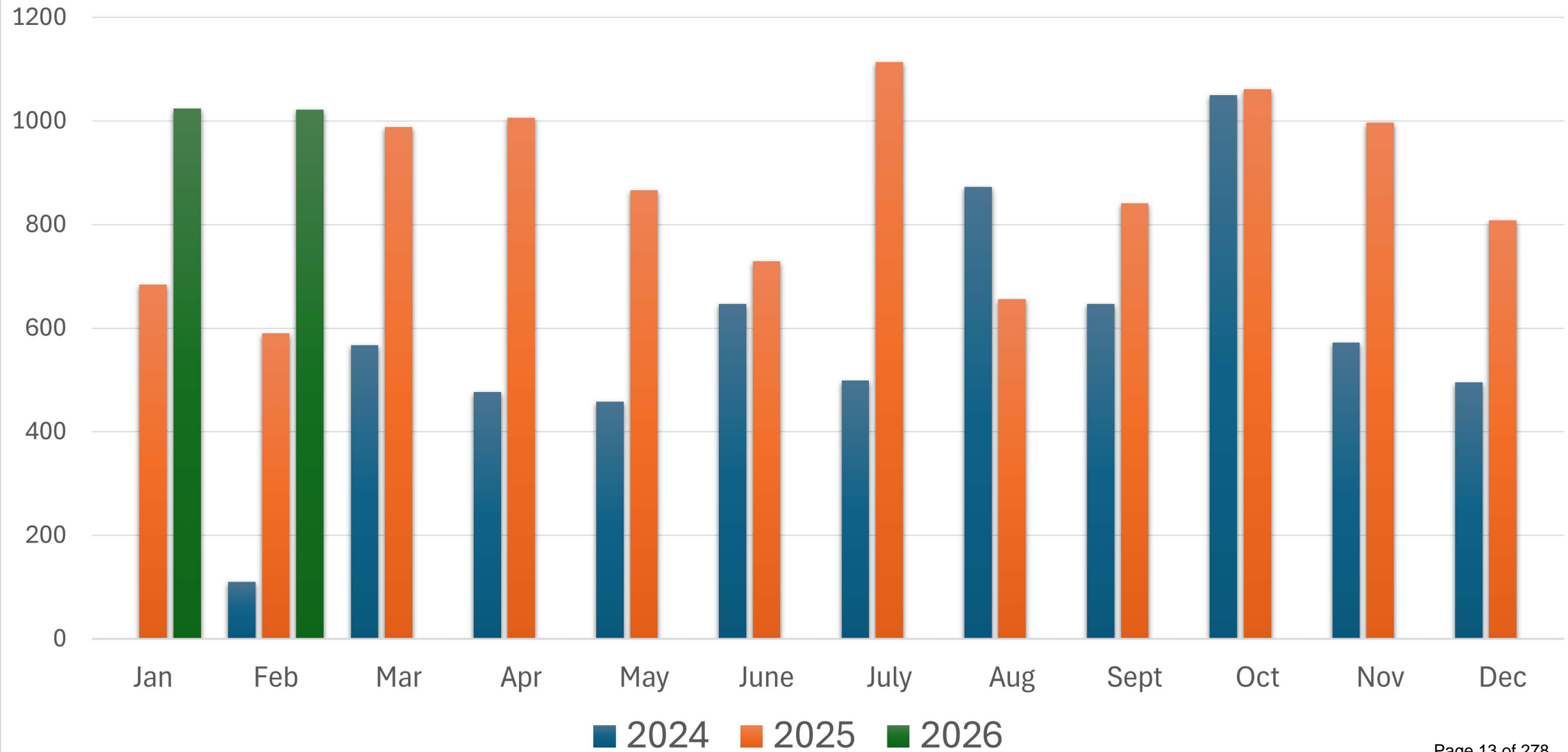
	Single Engine	Single Engine Turbine	Multi Engine	Multi Engine Turbine	Business Jet	Jet 2	Jet NB	Jet 4	Jet WB	Helicopter
RV8	2									
SR20	2									
SR22	9									
Others	33									

Activity Summary

LANDING RWY 16	301
LANDING RWY 34	204
SELF FUEL	180
TAKEOFF RWY 16	304
TAKEOFF RWY 34	213
T&G RWY 16	92
T&G RWY 34	78
T-HANGARS	26

This report was generated using sensors monitoring aircraft operations at the selected airport and may not contain aircraft that do not have ADS-B. Airports that have multiple sensors deployed will also feature aircraft fitted with transponders only. The information presented is correct to the best of our knowledge from available sensors at the time: Les Goldsmith, President VirTower LLC

Total Flight Activity



**CODE ENFORCEMENT MONTHLY REPORT
FEBRUARY 1, 2026 to FEBRUARY 28, 2026**

<u>Case #</u>	<u>Case OPEN Date</u>	<u>Owner (Last name)</u>	<u>Owner (First name)</u>	<u>Address</u>	<u>Violation Type</u>	<u>Contact/Notification</u>	<u>Follow Up Date & Notes</u>	<u>Report Status</u>
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LITTER								
26-003	2/24/26	Wells	Sharon	1616 Kipling Liberty, TX 77575	LITTER	1st NOV- HANGER	3/4/26	OPEN

HIGH GRASS								
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25-086	7/28/25	Osorto	Oscar	101 Glenn St. Liberty, TX 77575	HIGH GRASS	TAGGED		CLOSED- CLEARED BY OWNER
25-088	8/4/25	Rodriguez	Rodolfo	1834 N San Jacinto Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	3/6/26	OUT FOR BIDS
25-089	8/5/25	Rubit	Ronnie	609 Washington Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	3/6/26	OUT FOR BIDS
25-094	8/12/25	Turner	Joyce	1015 Lamar Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	3/6/26	OUT FOR BIDS
25-100	9/3/25	Davis	Richard	901 MLK & MLK- ID#127680 Liberty, TX 77575	HIGH GRASS	3rd NOV & POSTED	3/6/26	OUT FOR BIDS

STOP WORK ORDER								
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RV VIOLATIONS								
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23-109V	7/20/23	Multiple	Owner	311 Riverbend Rd. Liberty, TX 77575	LIVING IN RV	3rd NOV & POSTED	3/3/26	OPEN
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25-005V	6/11/25	Falke	George	3023 Grand Liberty, TX 77575	LIVING IN RV	VERBAL	1/8/26	OPEN
26-005V	2/25/26	Dubois	Calvin	1409 Webster Liberty, TX 77575	LIVING IN RV	1st NOV- HANGER	3/25/26	OPEN

DILAPIDATED PROPERTY

24-095	10/3/24	Winni's	Hair Studio	120 Alabama Liberty, TX 77575	DILAPIDATED PROPERTY	Working on Warrant	3/6/26	OPEN
25-040	5/15/25	Mitchell	Aurelia	311 Riverbend Rd. Liberty, TX 77575	DILAPIDATED PROPERTY	1st NOV- Mail	1/13/26	OPEN
25-082	7/22/25	McCarty	Michael	134 McMannus Liberty, TX 77575	DILAPIDATED PROPERTY	1st NOV- Mail	3/23/26	OPEN
25-097	8/25/25	Tabers	Michael	2721 Cos Liberty, TX 77575	DILAPIDATED PROPERTY	1st NOV- Mail	2/6/26	OPEN
26-002	2/24/26	Rubio	J Ciro	2713 Cornell Liberty, TX 77575	DILAPIDATED PROPERTY	1st NOV- Mail	3/24/26	OPEN
26-004	2/24/26	Robinson	W T	1515 Lakeland Liberty, TX 77575	DILAPIDATED PROPERTY	1st NOV- Mail	3/24/26	OPEN

SIGN ORDINANCE VIOLATIONS

MULTIPLE VIOLATIONS

25-012	3/12/25	Locke	Charlie	103 East St. Liberty, TX 77575	MULTIPLE VIOLATIONS	NOV- Reinspection		CLOSED
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25-074	7/15/25	Ortiz	Raul	2757 Cos Liberty, TX 77575	MULTIPLE VIOLATIONS	1st NOV- HANGER	1/16/26	OPEN
26-001	1/14/26	Fregia	Dustin	2422 Hollywood Liberty, TX 77575	MULTIPLE VIOLATIONS	1st NOV- HANGER	3/6/26	OPEN
26-005	2/25/26	Overbay	Jay	150 Lone Oak Liberty, TX 77575	MULTIPLE VIOLATIONS	1st NOV- HANGER	3/6/26	OPEN

JUNK MOTOR VEHICLE (JMV)-PRIVATE PROPERTY

<u>JMV Case #</u>	<u>Case OPEN Date</u>	<u>Last reg.</u>	<u>Owner (Last name)</u>	<u>Owner (First name)</u>	<u>Follow up date & Notes</u>	<u>Vehicle Location</u>	<u>License Plate #</u>	<u>Status</u>
25-006V	6/4/25		Terrell	Craig	9/29/2025	924 Sam Houston Liberty, TX 77575		OPEN
25-020V	11/20/25	May-15	Smith	Terry	2/13/2026	311 Riverbend Liberty, TX 77575	TZS449	OPEN
25-021V	11/20/25	Feb-25	Cosson	Judy		311 Riverbend Liberty, TX 77575	BSD8673	CLOSED- CLEARED BY CITY
25-022V	11/20/25	Aug-20	Driskill	Benny	2/13/2026	311 Riverbend Liberty, TX 77575	DLZ2649	OPEN
25-023V	11/20/25					311 Riverbend Liberty, TX 77575		CLOSED- CLEARED BY CITY
26-001V	1/23/26	May-25	Hipp	David	2/23/2026	1122 N Travis Liberty, TX 77575	MVW6627	OPEN
26-002V	1/22/26		Taylor	Patrick	2/23/2026	6010 N Travis Liberty, TX 77575		OPEN
26-003V	1/29/26		Harbour	Cathy	3/1/2026	200 East St. Liberty, TX 77575		OPEN
26-004V	1/29/26	May-25	Sifuentes	Victor	3/1/2026	1301 Lamar Liberty, TX 77575	VTS5789	OPEN

26-006V	2/24/26	3/25/2026	1805 Reese Liberty, TX 77575	OPEN
26-007V	2/25/26	3/25/2026	205 Avenue I Liberty, TX 77575	OPEN
26-008V	2/26/26	3/26/2026	1603 Cypress Liberty, TX 77575	OPEN

OPEN

<i>Case Type</i>	<i>Began</i>	<i>Closed</i>	<i>OPEN</i>
LITTER	1		1
HIGH GRASS	5	1	4
STOP WORK ORDER	0		0
RV VIOLATIONS	3		3
DILAPIDATED PROPERTY	6		6
SIGN ORDINANCE VIOLATIONS	0		0
MULTIPLE VIOLATIONS	3	1	2

JUNK MOTOR VEHICLE	12	2	10
			0
TOTAL CASES	30	4	26

<u>Bandit signs collected this month:</u>	37
<u>Number of citations issued this month:</u>	

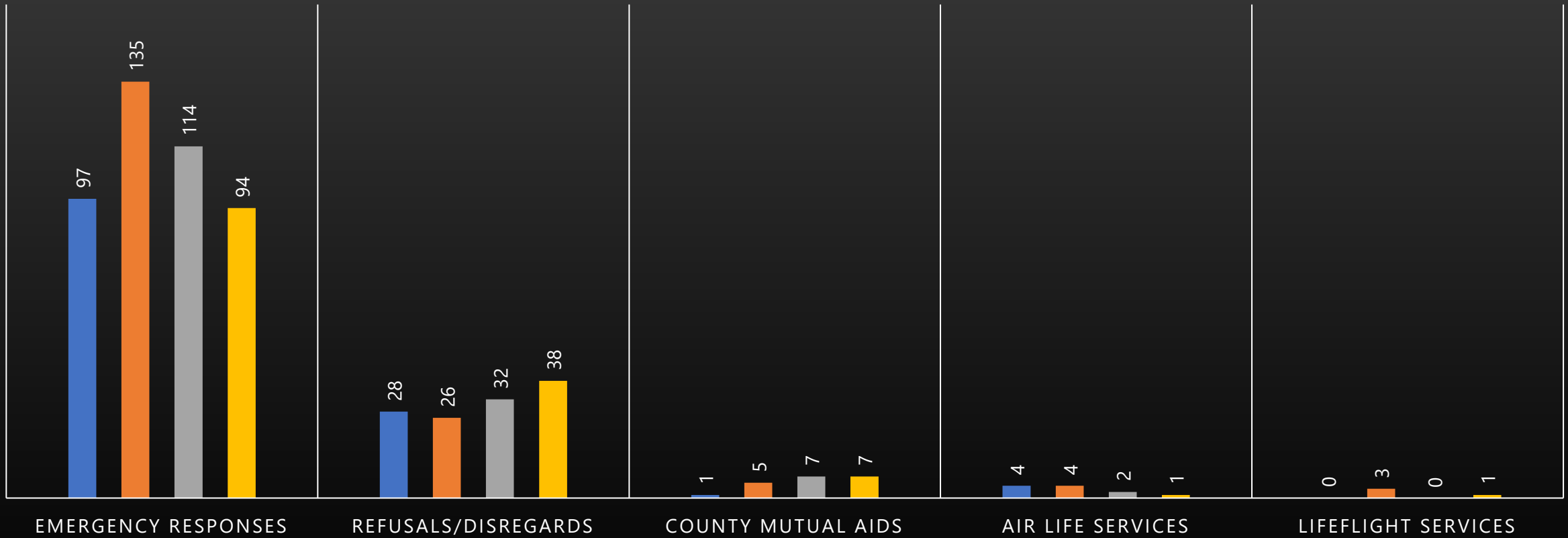
Liberty Fire

- February Monthly
- Report



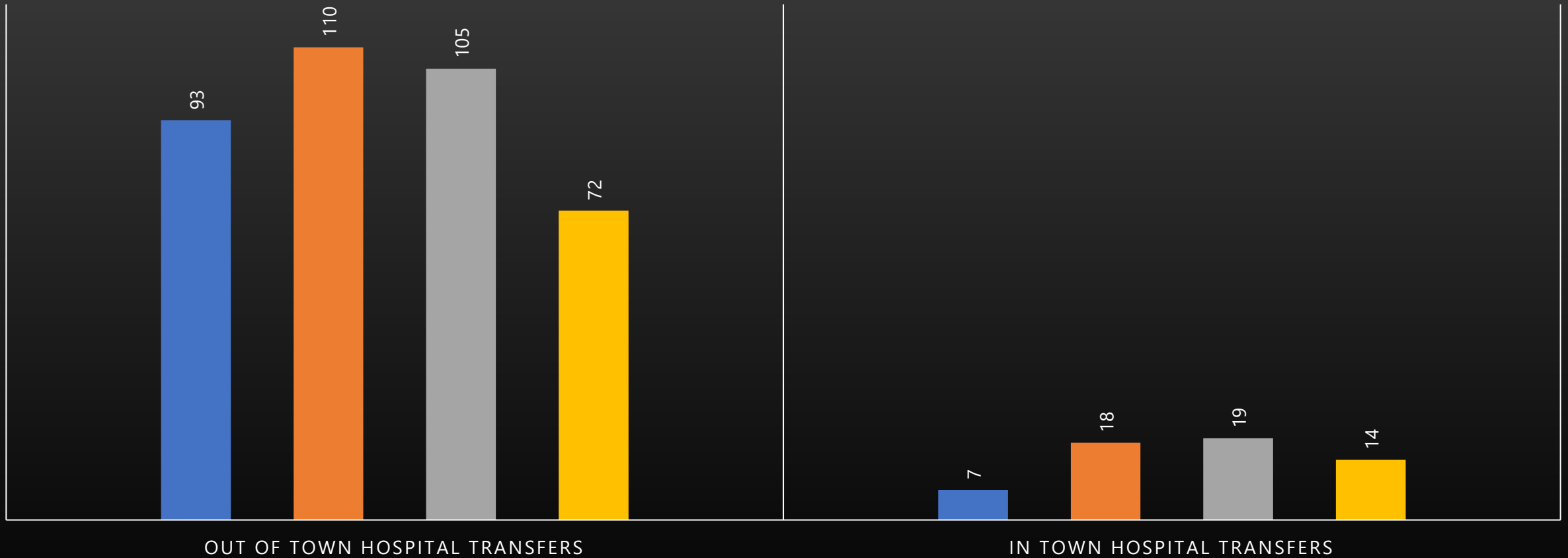
EMS Calls: 227

■ Nov-25 ■ Dec-25 ■ Jan-26 ■ Feb-26



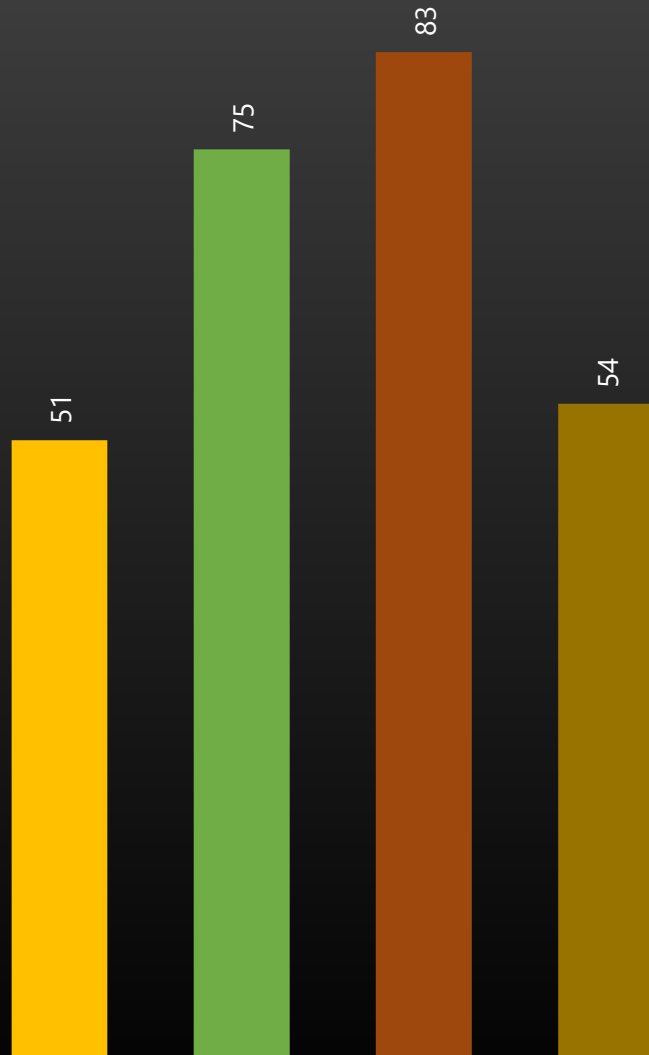
EMS Transfers

■ Nov-25 ■ Dec-25 ■ Jan-26 ■ Feb-26

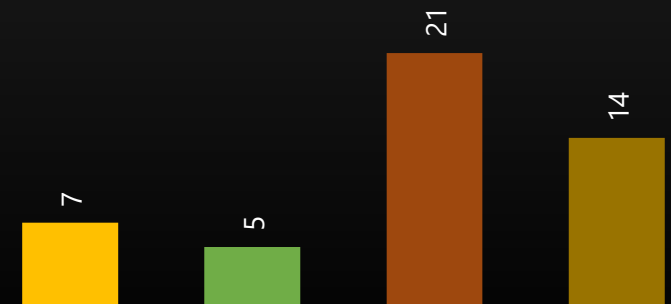


Fire Calls: 68

Column1 Nov-25 Dec-25 Jan-26 Feb-26



CALL WITH IN THE CITY



MUTUAL AID FOR THE COUNTY

"A" SHIFT



- **Station 21 Tour**



- **Oilfield Brush fire**



- **Martin Dr Brush fire**



- **Texas fire**

"B" Shift

- In Gear shift workout.
- The Newest member to the B-Shift family.
- Confined space class.



"C" Shift

- House fire Ames
- Foam Educator Training.
- Washing trucks.
- Washing trucks.



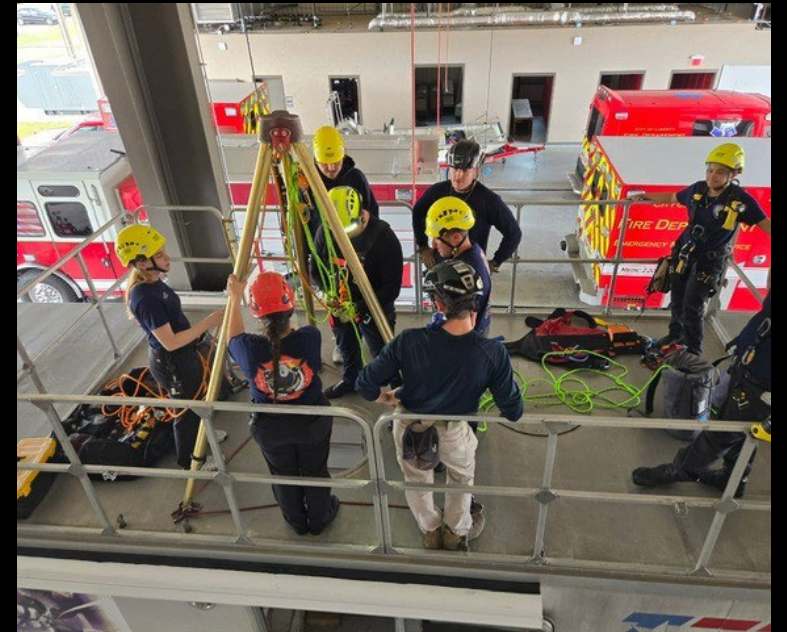
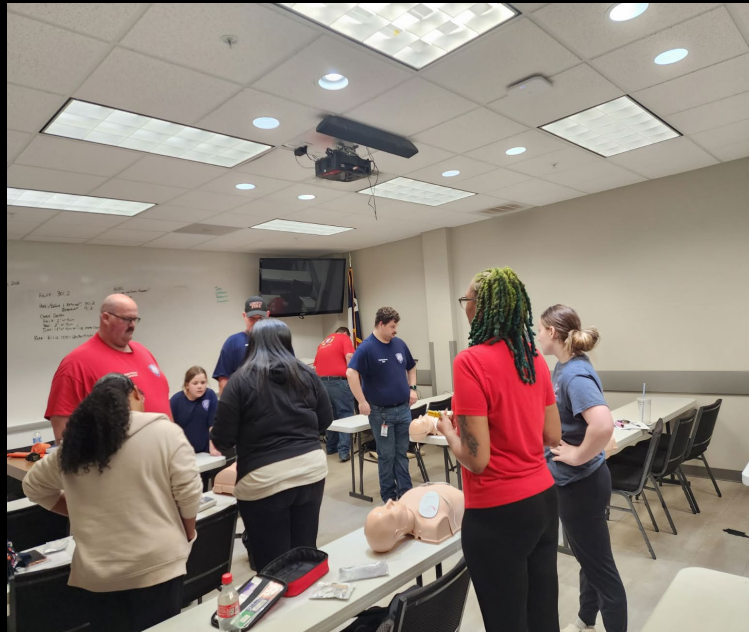


Fire Marshal

- **Total Inspections: 9**
- **New Inspections: 7**
- **Reinspections: 2**
- **Food Truck Inspections: 4**
- **Inspection Man Hours:**
- **Violations found: 13**
- **Burn Permits: 6**



- **BBQ Fundraiser**
- **February CPR class**
- **Confined Space Training**



February 2026 Golf Course Report

February 2026

Spraying first round of spring Pre-Emerge

Course cleanup after Feb. 14 storm

Working on a few drain washouts

Have a few trees that need to be cut down

Pro Shop Report

Attached are detailed reports from:

February 2025 compared to February 2026 showing a **58% increase in revenue** for the month of February compared to previous year.

February 2026 we had 3 days closure.

We are headed into High School Golf tournament season. We hosted two tournaments in February.

March holds 10 full tournaments.

GL Summary

Liberty Municipal Golf Course

Sunday, February 1, 2026 - Saturday, February 28, 2026

*CURRENT
FEBRUARY 2026*

GL Code	Total	GL Code Description	Quantity	Sub Total
Add-On Modifiers	\$1,609.60	Concessions	977	\$1,609.60
Cart Fees	\$17,832.17	Cart Fees	1,504	\$17,832.17
		Employee	4	\$0.00
		Member	551	\$0.00
		Member Guest	24	\$0.00
Green Fees	\$23,576.79	Online	48	\$1,901.80
		Public	718	\$16,100.59
		Regular	18	\$166.32
		Resident	330	\$5,408.08
Memberships	\$6,799.01	Membership	25	\$6,799.01
		Accessories	28	\$699.26
		Clubs	14	\$3,144.45
		Gloves	34	\$439.11
Merchandise	\$7,167.50	Golf Balls	194	\$2,089.89
		Men Apparel	12	\$579.08
		Shoes	1	\$16.63
		Tees	59	\$54.28
		Women Apparel	3	\$144.80
Range	\$5,210.90	Range Balls	795	\$5,210.90
Tournaments	\$1,703.00	Tournament	2	\$1,703.00
Sales Tax	\$5,131.52	Sales Tax	0	\$5,131.52
Credit Card Surcharge	\$423.56	CC Surcharge	0	\$423.56
Cash	\$9,411.27	Cash	0	\$12,674.72
		Cash Change	0	(\$3,263.45)
Checks	\$1,403.00	Check	0	\$1,403.00
		American Express	0	\$1,391.30
Credit Cards	\$58,530.79	Discover	0	\$1,411.09
		MasterCard	0	\$20,676.25
		Visa	0	\$35,052.15
Gift Card Charges	\$108.99	Gift Card	0	\$108.99

FEB, 2025 - \$43,834.27

FEB, 2024 - \$69,345.06

58% GROWTH

GL Summary

Liberty Municipal Golf Course

Saturday, February 1, 2025 - Friday, February 28, 2025

FEBRUARY 2025

GL Code	Total	GL Code Description	Quantity	Sub Total
Cart Fees	\$11,922.22	Cart Fees	1,036	\$11,922.22
Gift Cards Sold	\$42.00	Gift Cards Sold	1	\$42.00
		Employee	4	\$0.00
		Member	410	\$0.00
		Member Guest	35	\$0.00
Green Fees	\$15,195.15	Online	53	\$2,073.60
		Public	411	\$9,397.53
		Regular	4	\$36.96
		Resident	228	\$3,687.06
Memberships	\$5,570.40	Membership	18	\$5,570.40
		Accessories	12	\$129.25
		Clubs	5	\$1,387.10
		Gloves	26	\$307.69
Merchandise	\$3,652.04	Golf Balls	162	\$1,532.09
		Men Apparel	4	\$110.84
		Shoes	2	\$149.19
		Tees	39	\$35.88
Range	\$2,914.86	Range Balls	444	\$2,914.86
Tournaments	\$1,002.00	Tournament	2	\$1,002.00
Sales Tax	\$3,238.07	Sales Tax	0	\$3,238.07
Credit Card Surcharge	\$297.53	CC Surcharge	0	\$297.53
Cash	\$7,725.76	Cash	0	\$9,299.93
		Cash Change	0	(\$1,574.17)
Checks	\$1,995.00	Check	0	\$1,995.00
		American Express	0	\$2,891.57
Credit Cards	\$34,113.51	Discover	0	\$326.51
		MasterCard	0	\$9,066.73
		Visa	0	\$21,828.70

Liberty Municipal February 2026 Report

The library landscaping has looked overrun and dreary for years. The pictures below showcase what the garden area had been like before the Garden Club's efforts began to take shape.



Landscaping efforts, thanks to the Garden Club and Precision Lawns, concluded this month. The building looks invigorated with a fresh look. The project cost \$23,500 and was fully funded by the Liberty Garden Club. We are grateful for the consideration and hard work that went into this project.

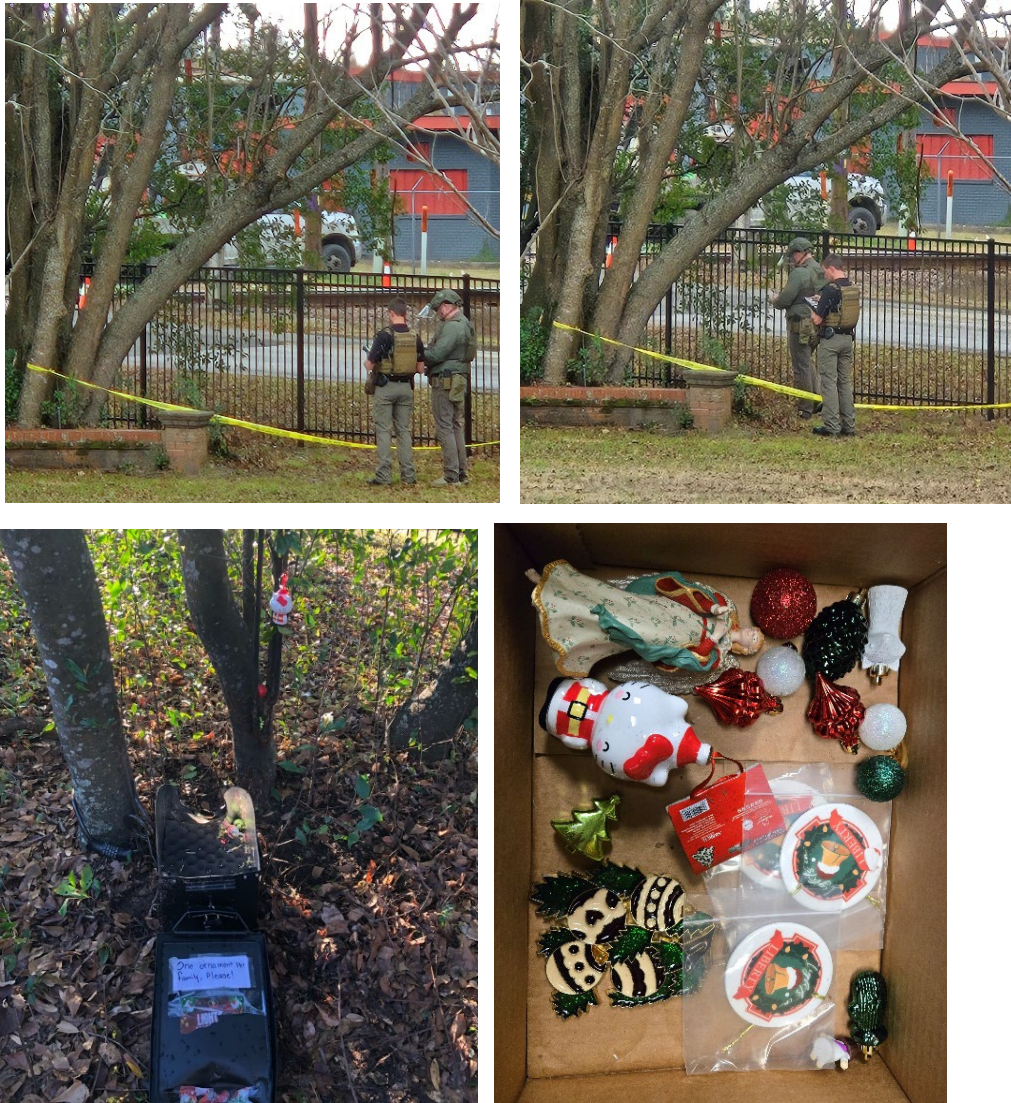




New theater lighting has been in the installation process all month with the majority of the work done by the end of the month.



On February 3, library staff were notified of a box chained to a tree on the back lawn of the library. Police were immediately notified to survey the box and determine what should be done with the box. Police ended up blocking off access to the immediate area with staff and library patrons informed to stay away from the back of the library. Specialized units from Houston were called out due various questions regarding the boxes contents. The police along with partners proceeded a safe explosion. Upon inspection after the box was opened it was discovered to be a leftover Geocache box from the Lights in Liberty event.



The library held a Valentine’s Day event for children on February 12. Crafts events were held in several upstairs meetings rooms. The larger meeting room held crafts for ages 2-7 and a

smaller meeting room held crafts for children ages 8-12. There were 28 people in attendance at the event. The smaller meeting room, when not in use for events, will become study area for with dividers creating four individualized areas in the room for study. This project is made possible by a grant from the U.S. Department of the Treasury and Texas State Library and Archives Commission (Grant # CPFFN0161). * (2026) The library is currently waiting on attorney approval of a study room policy approved of by the Library Board at the January 2026 meeting before the room is used for other purposes. The Friends of the Liberty Municipal Library served cookies and water to those in attendance.



Great Beginnings brought over the students Valentine's Day boxes for display at the library, Friday, February 13. These boxes help add a creative flair each year at the library and families come in to see the children's boxes on display at the library. The boxes were picked up by Gigi and the children on February 25, 2026.





Pokémon Day was celebrated this month at the library with a scavenger hunt, crafts, prizes on February 27 and February 28. This two-day long event brought in 97 participants of all ages. Administrative Assistant Maggie Varela created the scavenger hunt and researched the various types of takehome crafts and games. Library Director Amber Ursprung utilized the library's 3D printer to create various 3D Pokémon items. Everyone who participated had a wonderful time and are requesting more scavenger hunts to come. The Friends of the Library help in providing the library resources to purchase materials used in the various scavenger hunts held by the library. The next scavenger hunt is scheduled for March 10th, 11th, 12th, 13th, and 14th for Mario Day and all are welcome to participate. A Free showing of the movie "The Super Mario Bros. Movie" will show in theater on Friday, March 13 beginning at 2 p.m. All are invited, however, there is a limit of 153 seating in the theater and will be on a first come, first served basis. This will be the library's first time utilizing the Epson EpiqVision Ultra LS800 Short Throw Projector with built-in Yamaha speakers that the library received through funding from the U.S. Department of the Treasury through a grant to the Texas State Library and Archives Commission (Grant # CPFFN0161).





Book author, Lauri Smith, held a book signing this month on Saturday, February 28 for her book, “112 Days: A Caregiver’s Journey From Desperation to Hope.” The event was sponsored by the Friends of the Liberty Municipal Library. Several people came out and visited with the author. Several books were purchased and signed by the author. Lauri donated a copy of her book to the library for the collection.

Liberty Municipal Library Monthly Report September through February 2026

Circulation	September	October	November	December	January	February
Spanish Materials Circulation	89	66	15	13	18	26
Total Adult, Teen & YA Circulation All Formats	1,450	1,367	1,088	975	1,159	1,016
Total Juvenile Circulation All Formats	1,222	1,249	814	731	874	899
Total Circulation All Formats	2,672	2,616	1,902	1,706	2,033	1,915
Reference Services						
In-house Reference	197	207	241	147	184	215
Telephone Reference	93	108	86	98	79	99
Public Computer Assistance	165	134	143	118	124	117
Collection Statistics						
Total Volumes in Collection	49,526	49,562	49,667	49,674	49,512	49,671
Total Titles in Collection	70,135	70,199	70,333	70,592	70,554	70,816
Cataloging						
Books Cataloged	141	0	96	50	86	99
DVD/ Blu-Rays Cataloged	0	19	0	3	0	0
Audiobooks & Music CDs Cataloged	0	0	0	0	0	0
Periodicals Cataloged	5	25	9	0	91	0
Building Use/ Programs/Public Relations						
Meeting Room/Pavilion Use	15	17	13	15	12	11
Story Time Programs	3	4	3	5	4	4
Story Time Attendance	42	52	35	40	37	40
Misc. Children's Programs/Tours	0	3	1	1	1	3
Misc. Children's Programs/Tours Attendance	0	78	11	188	75	125
Adult Programs Attendance	86	32	30	9	22	16
YA/Teen Programs Attendance	0	0	2	25	0	0
Patron Count/ Volunteers						
Total Active Accounts In-City Patrons	2,387	2,380	2,367	2,369	2,356	2,328
Total Active Accounts Out-of-City Patrons	3,733	3,704	3,683	3,689	3,655	3,628
Total Volunteers	10	8	1	12	7	10
Total Volunteer Hours	26.5	19	6	62	22.25	53.25
Patron Visits Count	1,799	1,892	1,723	2,294	1,604	2,284
Public Use Technology						
Wireless Users	108	67	55	45	184	450
Hours of Patron Wireless Use	49	22	29	24	69	83
Public Computers Users This Month	204	194	178	188	194	210
Hours of Patron Computer Use	141	115	111	106	113	130
Website Sessions: Online Catalog	1,883	2,537	13,816	2,016	2,159	2,575
Social Media Sessions: Facebook, Instagram	733	944	1,053	2,693	628	657

Liberty Municipal Library Volunteer Report for the Month of February 2026																																					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total					
Abshier, Dana												1.50																						3.50	5.00		
Daniel, Hannah																																				0.00	
Davis, Beverly												0.50																							3.50	4.00	
Delahoussaye, Evelyn																																				3.75	3.75
Dominguez, Hannah		3.25		2.25						3.50			3.25				2.25									4.25	4.25									23.00	
Harbour, Cathy												1.50																								1.50	
Hammer, Theresa																																					0.00
Lawrence, Lindsay												1.50																							3.50	5.00	
Minchew, Sammie												1.50																									1.50
Pickett, Sandy												1.50																								3.50	5.00
Stratton, Gloria																																				3.00	3.00
Walker, Shelby												1.50																									1.50
Total for month																																				53.25	

CITY OF LIBERTY
INSPECTION AND PERMIT DEPARTMENT MONTHLY REPORT
FEBRUARY 2026

<u>PLAN REVIEW</u>	
# of Plans Reviewed	12
<u>BUILDING PERMITS</u>	
Commercial Building Permits - New	0
Commercial Building Permits - Renovation/Remodel	0
Commercial Building Permits - Addition/Expansion	0
Residential Building Permits- New (Manufactured Homes)	0
Residential Building Permits - New (Single Family)	0
Residential Building Permits - New (Multi-Family)	0
All Other Permits Issued	52
<u>CERTIFICATE OF OCCUPANCY</u>	
Commercial C of O's Issued	5
<u>FEE REVENUE</u>	
Permit Fee Revenue	\$1,600.00
Tap Fee Revenue	\$4,985.00
TOTAL:	\$6,585.00

CITY OF LIBERTY
INSPECTION AND PERMIT DEPARTMENT MONTHLY REPORT
FEBRUARY 2026

FEBRUARY 2026-COMMERCIAL

BUSINESS NAME	ADDRESS	PERMIT TYPE
AKA WIRELESS	1201 N MAIN	CERTIFICATE OF OCCUPANCY
ZANA'S TREASURES	2722 N MAIN, STE B	RESALE SHOP
WAFFLE HOUSE	1711 HWY 90	SIGN A SIGN B SIGN C SIGN D ELECTRICAL FOR SIGNS
COMCAST	3031 JEFFERSON	ELECTRICAL HUB ONLY
COMCAST	710 CROCKETT	ELECTRICAL HUB ONLY
LIBERTY COUNTY	1917 TRINITY	PLUMBING ELECTRICAL
URBAN GROVE	1501 HWY 90	CERTIFICATE OF OCCUPANCY
LIBERTY COUNTY	334 MAIN	ELECTRICAL
TRI COUNTY BEHAVIORAL	612 HWY 90	DEMOLITION
JULIE HALSTEAD	613 MAIN	REROOF
R. E. PORTABLE BUILDINGS	1007 CONFEDERATE	ELECTRICAL
SANDUNE HOLDINGS	1904 N MAIN	PLUMBING
PROMO MART	1924 HWY 90	CERTIFICATE OF OCCUPANCY
T-BIRDZ DESIGNS	820 N MAIN, STE B	CERTIFICATE OF OCCUPANCY
TRINITY VALLEY BUILDINGS	210 CROCKETT	ACCESSORY STRUCTURE A ACCESSORY STRUCTURE B

LIBERTY POLICE DEPARTMENT

- MONTHLY REPORT
- FEBRUARY 2026





CITY OF LIBERTY
POLICE DEPARTMENT

1906 LAKELAND DR.

POLICE
CITY OF LIBERTY

POLICE
CITY OF LIBERTY

911

LIBERTY POLICE DEPARTMENT

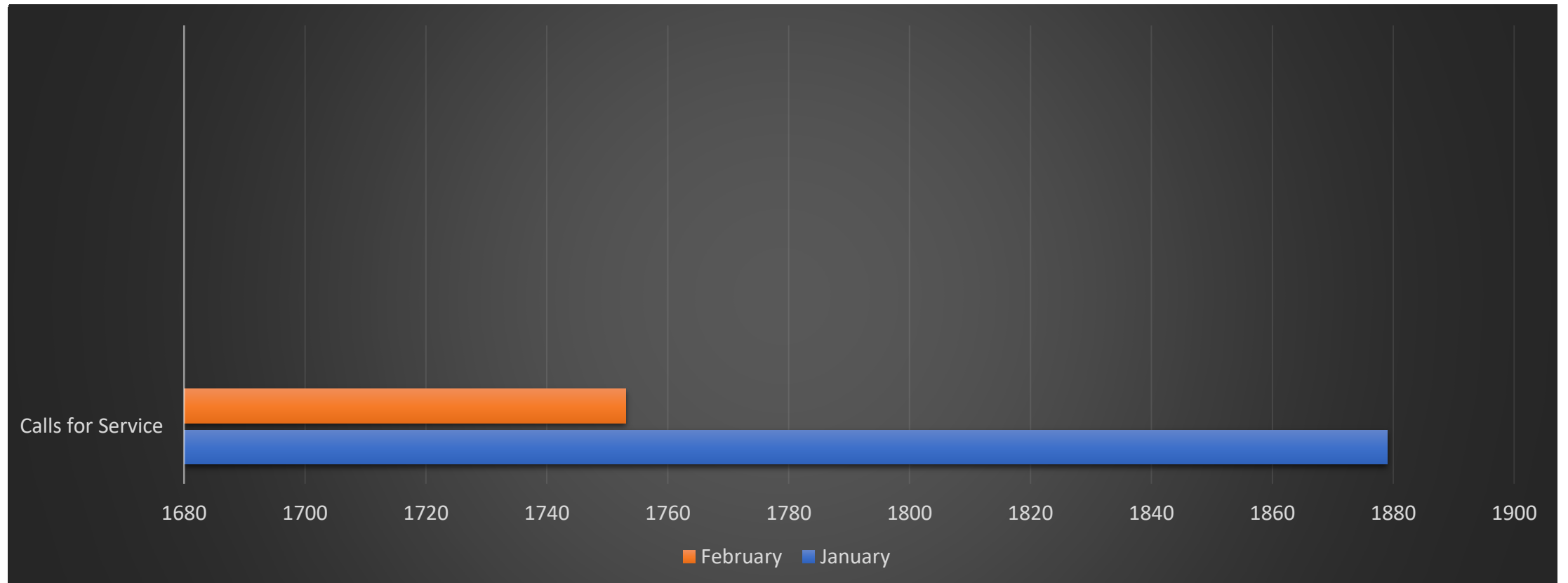
• CALLS FOR SERVICE	1753
• OFFENSES REPORTED	33
• OFFENSES CLEARED	26
• TRAFFIC CITATIONS	58
• WARNING TICKETS	133
• TRAFFIC ACCIDENTS	26
• ARRESTS	13
• ANIMALS HANDLED	27
• ALARM CALLS	44
• AMOUNT RECOVERIES	\$ 0



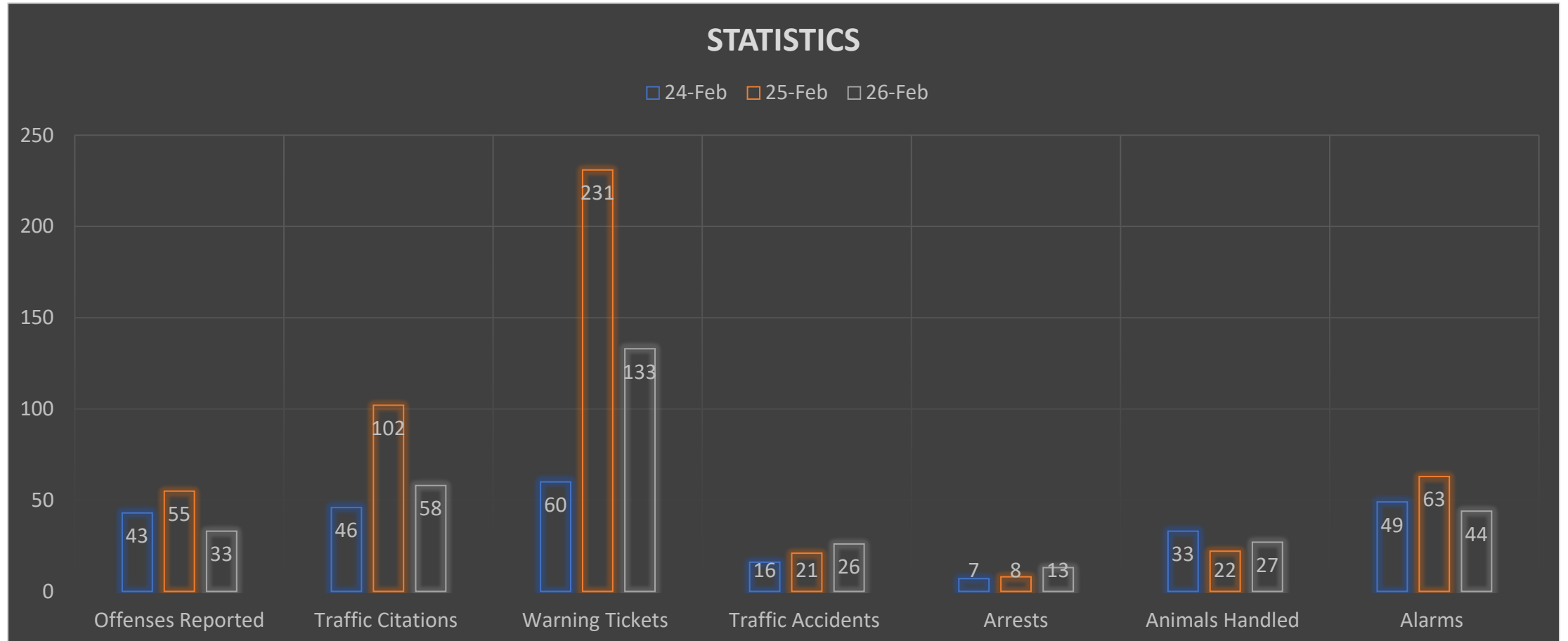
- Sgt Joshua Cummins was promoted to Assistant Chief.
- We have re-located two speed monitors to San Jacinto and Jefferson Drive.
- CID and the Command Staff are transitioning into carrying their new guns and qualified with them on February 26, 2026.



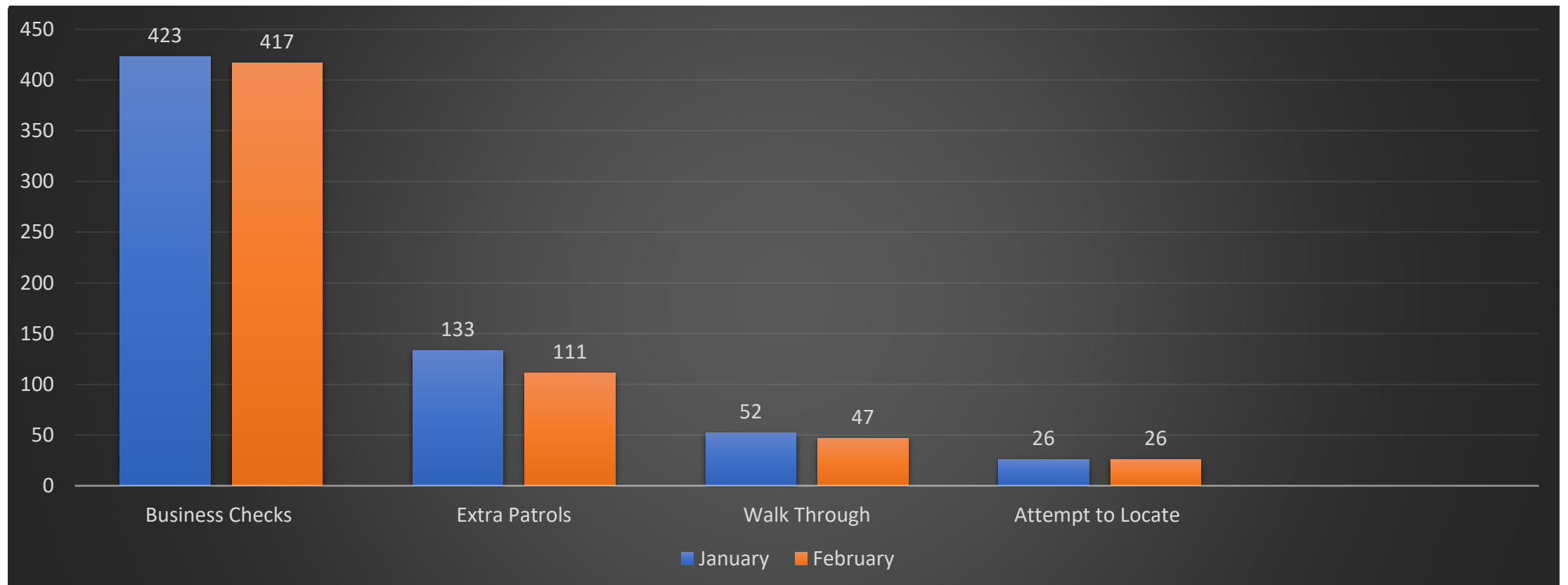
CALLS FOR SERVICE



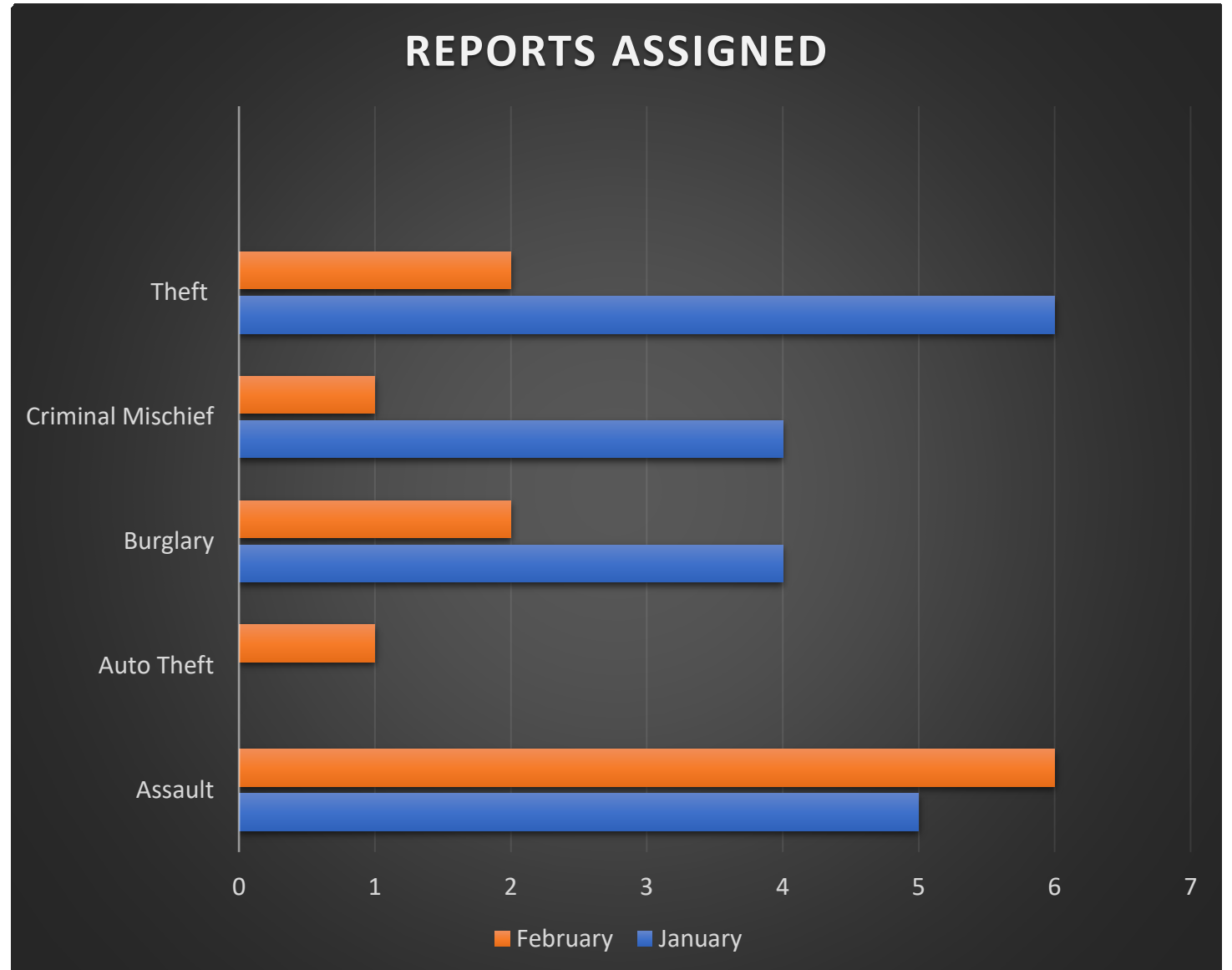
YEAR BY YEAR COMPARISON



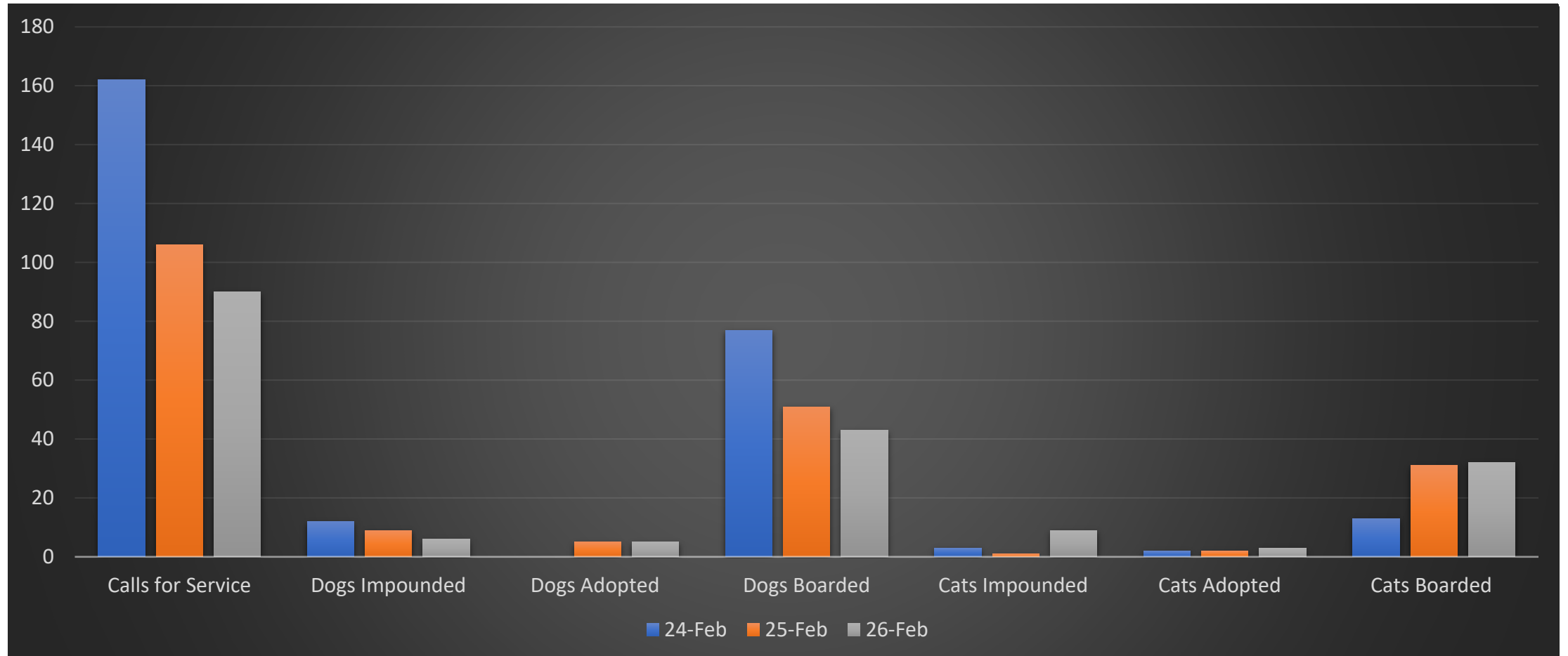
PROACTIVE POLICING



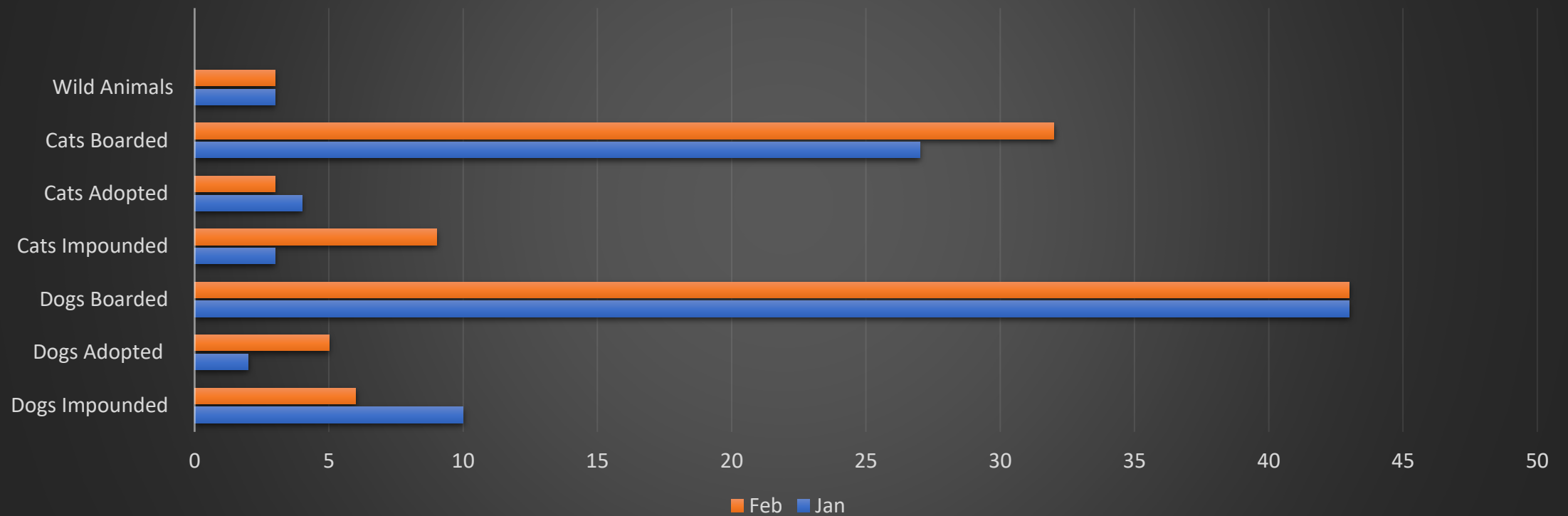
DETECTIVE DIVISION SUMMARY OF ACTIVITY



Animal Shelter Year by Year Comparison



ANIMAL SHELTER MONTHLY STATS



Basic SWAT Training

- Specialized Unit consists of
 - Assistant Chief Joshua Cummins
 - Detective Kelvin Burks
 - Officer Quinlan Brown
 - Officer Maurice Whitehurst
 - Vacancy

Officer Brown and Officer Whitehurst completed Basic SWAT Training (60 Hour Course) February 23-27, 2026.

SWAT TRAINING



COMBAT SHOOTING AND TACTICS

This is to certify that

MAURICE WHITEHURST

has completed a 60 hour

BASIC SWAT COURSE



COMBAT SHOOTING AND TACTICS

This is to certify that

QUINLAN BROWN

has completed a 60 hour

BASIC SWAT COURSE



Training for March

Dispatch Supervisor Selena Rodriguez will be attending New Supervisor Training in Corpus Christi on March 23-26, 2026

23-26 Mar.

30 Mar. – 2 Apr. 2026

Chief Ashe will be attending the TPCA 60th Conference in Corpus Christi on March 30-April 2, 2026

Assistant Chief
Joshua Cummins
was promoted on
February 17, 2026



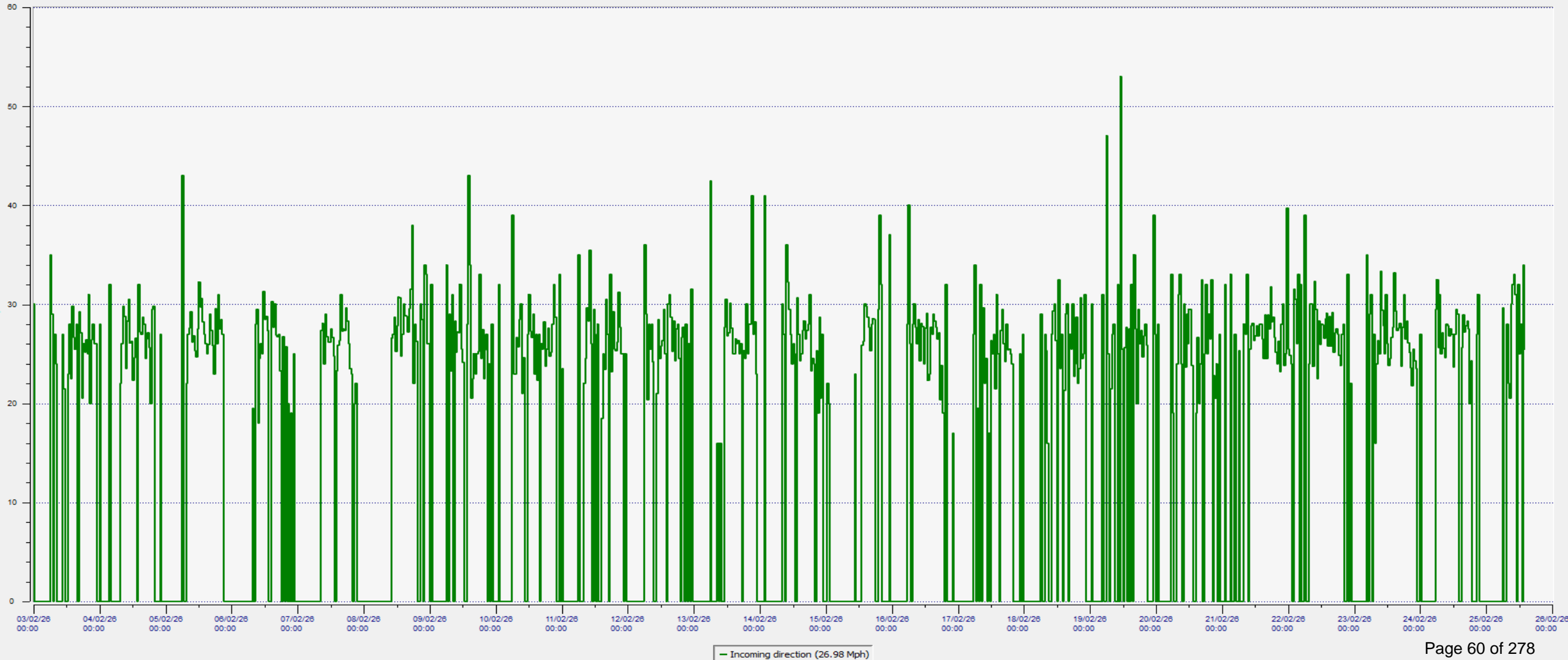
Flock Safety

- The cameras read over 350,000 unique vehicles over the 9 cameras.
- We had 1 search that was inadvertent. The officer was setting up his account and hit the search button. No license plate was listed but it did show as a search.
- We recovered a stolen vehicle out of Vidor. The suspects also had a stolen generator taken from a Beaumont food truck that was recovered and returned to the owner.
- We also had a hit for a wanted person out of Chambers County that was wanted for a felony theft and the suspect was arrested.



Speed Monitor on Layl Drive

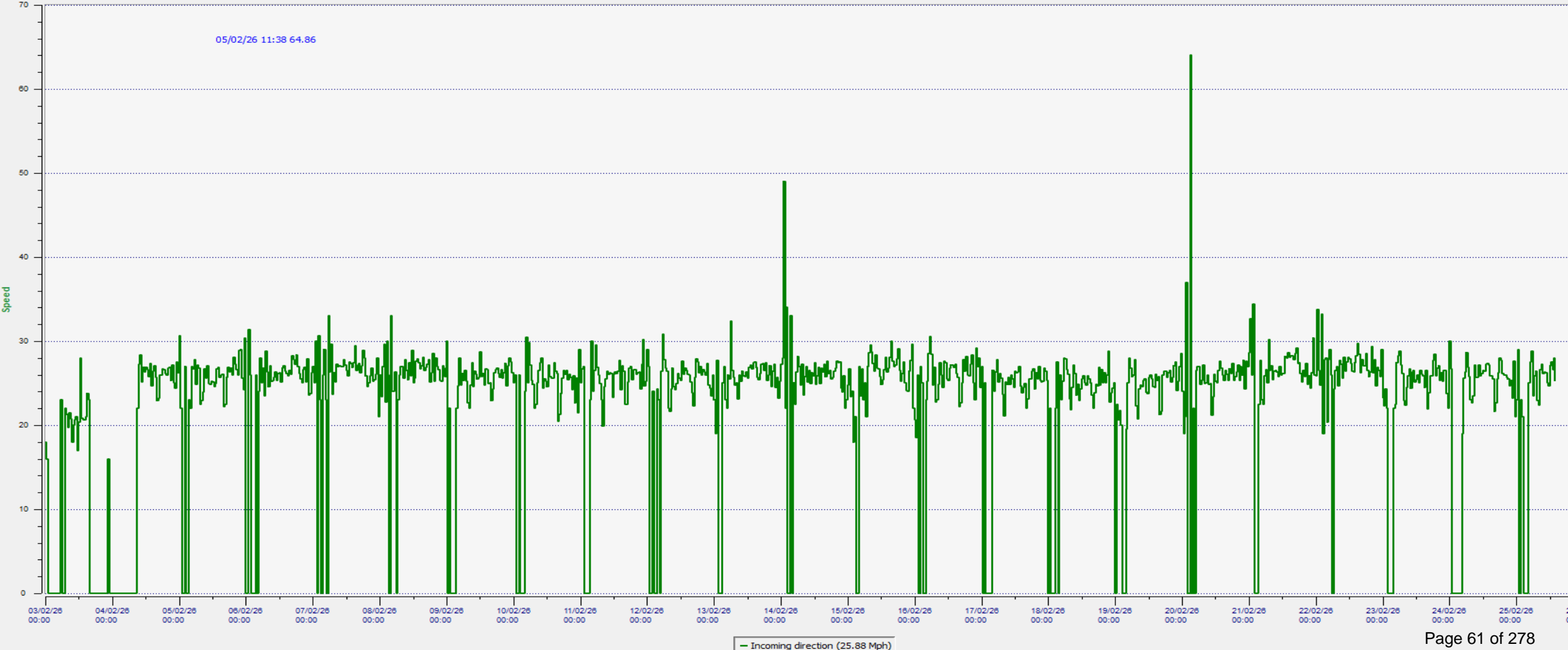
Average speeds



Speed Monitor for Jefferson Drive

Average speeds

05/02/26 11:38 64.86



TIER 2 DATA

Vehicle Traffic Violation Total: 439

Alaska Native/American Indian	3
Asian/Pacific Islander	2
Black	87
White	255
Hispanic/Latino	92

WAS SEARCH CONDUCTED?

	YES	NO
Alaska Native/American Indian	0	23
Asian/Pacific Islander	1	24
Black	15	493
White	19	1,463
Hispanic/Latino	11	582
TOTAL	46	2,585

REASON FOR SEARCH?

Consent Total: 28

Alaska Native/American Indian	0
Asian/Pacific Islander	1
Black	9
White	14
Hispanic/Latino	4

Contraband (in plain view) Total: 3

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	0
Hispanic/Latino	3

Probable Cause Total: 13

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	6
White	4
Hispanic/Latino	3

Inventory Total: 1

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	1
Hispanic/Latino	0

Incident to Arrest Total: 1

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	0
Hispanic/Latino	1

12

TIER 2 DATA

WAS CONTRABAND DISCOVERED?

	YES	NO
Alaska Native/American Indian	0	0
Asian/Pacific Islander	0	1
Black	9	6
White	15	4
Hispanic/Latino	6	5
TOTAL	30	16

Did the finding result in arrest?

	YES	NO
Alaska Native/American Indian	0	0
Asian/Pacific Islander	0	0
Black	3	6
White	11	4
Hispanic/Latino	4	2
TOTAL	18	12

DESCRIPTION OF CONTRABAND

Drugs Total: 25

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	8
White	15
Hispanic/Latino	2

Currency Total: 1

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	1
Hispanic/Latino	0

Weapons Total: 0

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	0
Hispanic/Latino	0

Alcohol Total: 7

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	3
Hispanic/Latino	4

13



TIER 2 DATA

Stolen Property Total: 1

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	1
White	0
Hispanic/Latino	0

Other Total: 0

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	0
Hispanic/Latino	0

RESULT OF THE STOP

Verbal Warning Total: 140

Alaska Native/American Indian	2
Asian/Pacific Islander	2
Black	27
White	87
Hispanic/Latino	22

Written Warning Total: 1,719

Alaska Native/American Indian	10
Asian/Pacific Islander	15
Black	319
White	1,062
Hispanic/Latino	313

Citation Total: 750

Alaska Native/American Indian	11
Asian/Pacific Islander	8
Black	160
White	322
Hispanic/Latino	249

Written Warning and Arrest Total: 18

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	1
White	10
Hispanic/Latino	7

Citation and Arrest Total: 3

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	1
White	1
Hispanic/Latino	1

Arrest Total: 1

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	0
Hispanic/Latino	1

TIER 2 DATA

ARREST BASED ON

Violation of Penal Code Total: 18

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	1
White	10
Hispanic/Latino	7

Violation of Traffic Law Total: 3

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	1
White	1
Hispanic/Latino	1

Violation of City Ordinance Total: 1

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	0
Hispanic/Latino	1

Outstanding Warrant Total: 0

Alaska Native/American Indian	0
Asian/Pacific Islander	0
Black	0
White	0
Hispanic/Latino	0

Was physical force used resulting in bodily injury during the stop?

	YES	NO
Alaska Native/American Indian	0	23
Asian/Pacific Islander	0	25
Black	0	508
White	0	1,482
Hispanic/Latino	0	593
TOTAL	0	2,631

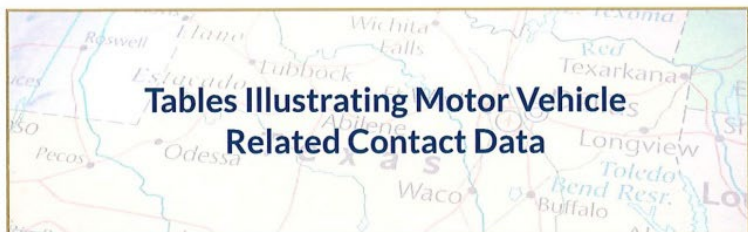


Table 1. Citations and Warnings

Race/ Ethnicity	All Contacts	Citations	Verbal Warning	Written Warning	Contact Percent	Citation Percent	Verbal Percent	Written Percent
Alaska Native/ American Indian	23	11	2	10	1%	1%	1%	1%
Asian/ Pacific Islander	25	8	2	15	1%	1%	1%	1%
Black	508	161	27	319	19%	21%	19%	19%
White	1,482	323	87	1,062	56%	43%	62%	62%
Hispanic/ Latino	593	250	22	313	23%	33%	16%	18%
TOTAL	2,631	753	140	1,719	100%	100%	100%	100%



16

Table 2. Motor Vehicle Contacts and Fair Roads Standard Comparison

Comparison of motor vehicle-related contacts with households that have vehicle access.

Race/Ethnicity	Contact Percentage	Households with Vehicle Access
Alaska Native/American Indian	1%	0%
Asian/Pacific Islander	1%	0%
Black	19%	13%
White	56%	74%
Hispanic/Latino	23%	13%
TOTAL	100%	100%

Table 3. Motor Vehicle Searches and Arrests.

Race/Ethnicity	Searches	Consent Searches	Arrests
Alaska Native/American Indian	0	0	0
Asian/Pacific Islander	1	1	0
Black	15	9	2
White	19	14	11
Hispanic/Latino	11	4	9
TOTAL	46	28	22

Table 4. Instances Where Peace Officers Used Physical Force Resulting in Bodily Injury

Instances Where Peace Officers Used Physical Force that Resulted in Bodily Injury	Arrest	Location of Stop	Reason for Stop

Table 5. Search Data

Race/Ethnicity	Searches	Contraband Found Yes	Contraband Found No	Arrests	Percent Searches	Percent Contraband Found	Percent No Contraband	Percent Arrest
Alaska Native/American Indian	0	0	0	0	0%	0%	0%	0%
Asian/Pacific Islander	1	0	1	0	2%	0%	6%	0%
Black	15	9	6	2	33%	30%	38%	9%
White	19	15	4	11	41%	50%	25%	50%
Hispanic/Latino	11	6	5	9	24%	20%	31%	41%
TOTAL	46	30	16	22	100%	100%	100%	100%

Table 6. Report on Audits.

The following table contains data regarding the number and outcome of required data audits during the period of 1/1/25-12/31/25.

Audit Data	Number of Data Audits Completed	Date of Completion	Outcome of Audit
1	1	03/01/25	Data was valid and reliable
2	1	06/01/25	Data was valid and reliable
3	1	09/01/25	Data was valid and reliable
4	1	12/01/25	Data was valid and reliable

ADDITIONAL COMMENTS:

Table 7. Instance Where Force Resulted in Bodily Injury.

Race/Ethnicity	Number	Percent
Alaska Native/American Indian	0	0%
Asian/Pacific Islander	0	0%
Black	0	0%
White	0	0%
Hispanic/Latino	0	0%
TOTAL	0	0%

Table 8. Reason for Arrests from Vehicle Contact

Race/ Ethnicity	Violation of Penal Code	Violation of Traffic Law	Violation of City Ordinance	Outstanding Warrant	Percent Penal Code	Percent Traffic Law	Percent City Ordinance	Percent Warrant
Alaska Native/ American Indian	0	0	0	0	0%	0%	0%	0%
Asian/Pacific Islander	0	0	0	0	0%	0%	0%	0%
Black	1	1	0	0	6%	33%	0%	0%
White	10	1	0	0	56%	33%	0%	0%
Hispanic/ Latino	7	1	1	0	39%	33%	100%	0%
TOTAL	18	3	1	0	100%	100%	100%	0%

Table 9. Contraband Hit Rate

Race/ Ethnicity	Searches	Contraband Found Yes	Contraband Hit Rate	Search Percent	Contraband Percent
Alaska Native/ American Indian	0	0	0%	0%	0%
Asian/ Pacific Islander	1	0	0%	2%	0%
Black	15	9	60%	33%	30%
White	19	15	79%	41%	50%
Hispanic/Latino	11	6	55%	24%	20%



Public Information Monthly Activity Report February 2026



Facebook Insights

Views:	475,610	The number of times our content was played or displayed.
Reach:	231,762	This metric counts reach from the organic distribution of our Facebook content. It also includes reach from other sources, such as tags, check-ins and Page or profile visits.
Content Interactions:	4,543	The number of likes or reactions, saves, comments, shares and replies on your content.
+Followers:	454	The number of followers our page gained over the month. That is an increase of 3.7% in one month.



LinkedIn Insights

- First post was created on March 24th
- LinkedIn will never have the social media impact of Facebook, due to the professional niche nature of the platform. However, it is one tool of many to get information out.

Impressions:	428
Reach:	260
Clicks:	50
+Followers:	3



"X" (Formerly Twitter)

We have created the account and began posting. However, X wants us to pay to receive a "verified" badge and insights at a rate of \$84-\$395/year. We do not currently see the value in that, perhaps as we grow the page that view might change.

FEBRUARY // 2026 //

PUBLIC WORKS MONTHLY REPORT

STREET DEPARTMENT

NOTES:

- Patched around town
- Patched in Raven Hill Subdivision
- Removed unwanted items from city hall
- Picked up brush from airport
- Cleaned inlets
- Repaired stop sign on Minglewood
- Picked up logs from golf course
- Repaired drain box on Lawrence
- Trimmed limbs from around stop sign
- Cleaned up intersection of Sam Houston and San Jacinto from hit water line
- Repaired storm drain separation on Main St.
- Repaired storm drain box on Webster X 2 (boring contractor hit it twice)
- Repaired storm drain pipe on Webster
- Saw cut concrete cut on Sam Houston
- Poured 10 yds. of concrete for repair by Ott Hotel
- Cleaned grates at Main A
- Started forming up cuts on Cos (there is 3)
- Sprayed herbicide on sides of jogging trail at park

STREET DEPARTMENT – CONT.

FIXING THESE STREETS

Streets:						
	Graded:					Miles
	Swept:					Hours
	Street cut repairs:				1	Each
	Curb & Gutter Repair:				7	Feet
Drainage:						
	Ditch Cleaning:					Feet
	Culvert Installation:					Feet
	Catch Basin/inlets cleaned:				687	Each
	Levee Inspection:				Yes	
	Flap Gate Debris Removal					
Spraying:						
	Herbicide:				60	Gallons
	Mosquito:					Miles
Signs:						
	Installed					Each
	Repaired/ Replaced				3	Each

PARKS DEPARTMENT

Work Completed:

Fields:

Work Performed: Picked up trash and maintained as needed. Mowed 4 times and weedeated as needed.

Restrooms:

Work Performed: Washed all restrooms twice a week and cleaned and swept as needed. Replaced toilet paper and other things as needed also. Disinfected restrooms every other day.

Concession Stands:

Work Performed: Picked up trash and debris around concession stands as needed every day. Weedeated as needed.

Splash Pad:

Work Performed. Finishing up construction of splash pad and landscaping.

Jogging Trail:

Work Performed: Picked up limbs and trash as needed also, weedeated around trees and rocks as needed. Sprayed the trail sides with weed killer throughout the park.

Playground Equipment:

Work Performed: Checked and made sure all playground equipment was in good working order. Pick up trash and other debris around them. Swept and removed leaves and other debris from around the playground.

Pocket Parks:

Work Performed: Picked up trash and other debris every day. Changed trash barrels as needed in all pocket parks. Replaced basketball nets as needed. Cut vines and other debris off fence lines that had been neglected by the contractors. Started mowing for the season.

Trees:

Work Performed: Cut up trees and picked up limbs throughout park.

Flags:

Work Performed: checked for wear and tear everyday replaced as necessary.

PARKS DEPARTMENT – CONT.**Notes:**

1. Filled holes throughout the park.
2. Picked up limbs throughout the park.
3. Cut up trees that had fallen in the park.
4. Fixed hog ruts throughout the park.
5. Filled in ruts that were made by vandals through the park.
6. Old light poles are picked up and removed from park.
7. Back flow and meter installed at splash pad.
8. Electrical and data wires installed at splash pad
9. Fencing and landscaping to be started on the week of March 4th??
10. Worked trench ditch to spread dirt evenly throughout the park.
11. Started mowing for the season throughout the city properties and parks.
12. Had pond maintenance performed 2 times. (Herbicide sprayed, fish feeders filled, and maintenance on the fountains.

WATER / WASTEWATER DEPARTMENT

MONTHLY WATER REPORT

REPAIRS COMPLETED

29	WATER REPAIRS
2	SEWER REPAIRS

LINE MAINTENANCE (CAMEL)

2829	HOURS OF OPERATION TOTAL
3500	FEET OF SEWER LINE CLEARED / CLEANED
8	MANHOLES CLEANED

WORK COMPLETED

0	MANHOLE REPAIRS
17	SEWER STOPAGES
0	WATER TAPS
0	SEWER TAPS
1	CLEANOUTS REPLACED / INSTALLED
0	METERS REPAIRED / REPROGRAMMED
4	RADIO REPLACEMENTS
3	CUSTOMER PROBLEMS / ISSUES
5	METER BOXES REPLACED
5	METER LIDS REPLACED
15	CUSTOMER REQUEST TURN ON
15	CUSTOMER REQUEST TURN OFF
8	CUT OFF SERVICE NON-PAYMENT
100	RECHECKS
4	PULLED / CHANGED METERS
392	TEXAS 811 LINE LOCATES

MISC:

AMES READINGS CHECKED DAILY
CLOSED 69 WORK ORDERS

MONTHLY OPERATIONS

2 DAILY	FREQUENCY THAT WATER WELLS ARE CHECKED
40	DISINFECTANT WATER SAMPLES THAT ARE TAKEN X 1 DAILY
9	SAMPLES FOR MONTHLY MONITORING-CHLORINE REPORT
X2/WKLY	FREQUENCY THAT LIFT-STATIONS ARE CHECKED
MONTHLY	END LINE FLUSHING

Power Outages February 2026						
Date	Location	Time Called Out	Time Power Restored	Response Time (mins)	Outage Time (mins)	Cause of Outage
1	619 Missouri	2:20 PM	3:10 PM	5	50	flipped breaker
1	504 Hwy 90	3:10 PM	4:00PM	10	50	flipped breaker
7	1409 Webster	10:00 AM	12:45 PM	9	165	broke bushing/replaced transformer (4 houses affected)
14	2606 Holly/1610 Texas	6:50 PM	8:50 PM	20	120	limb fell/ripped service down
14	2342 1/2 Park Place #103	8:57 PM	9:50 PM	10	53	tripped main breaker
15	Feather Trace/North Main Baptist	9:17 AM	10:37 AM	21	80	Blown line fuse due to wildlife
AVERAGE				13	86	

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: Sam Rayburn Municipal Power Agency - Mayor Hebert

Department: Administration

Subject: SRMPA Report

Background: The Sam Rayburn Municipal Power Agency supplies the wholesale electrical energy needs of the member cities of Liberty, Jasper and Livingston. Mayor Hebert is a Board Member of the Sam Rayburn Municipal Power Agency and desires to provide the Council and the public with updates on the Agency's projects and activities.

Funding Source:

Staff Recommendation:

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: Mayor, Council and Staff Comments

Department: Administration

Subject: Mayor, Council and Staff Comments

Background: This agenda item relates to expressions of thanks, congratulations or condolence; information regarding holiday schedules; honorary recognitions of City officials, employees or other citizens; reminders about upcoming events organized or sponsored by the City or other entity, that are scheduled to be attended by City officials or employees; inquiry of staff regarding specific factual information or existing policies.

Funding Source:

Staff Recommendation:



The City of Liberty City Council

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Regular Meeting

~ Minutes ~

April Gilliland
City Secretary
936-336-3684

Tuesday, February 10, 2026

6:00 PM

City Council Chambers

I. CALL TO ORDER

This meeting was called to order on February 10, 2026, in the City Council Chambers, 1829 Sam Houston Street, Liberty, Texas at 6:00 p.m. by Mayor John Hebert.

A.

Attendee Name	Present	Absent	Late	Arrived
Mayor John Hebert, Jr.	X			
Mayor Pro Tem Tommy Brents	X			
Council Member Ed Seymour	X			
Council Member Ross Ward	X			
Council Member Debbie Dugger	X			
Council Member Bruce Bell	X			
Council Member Nick Dennis	X			

II. INVOCATION

The invocation was given by Mr. Paul McKelvey from St. Stephen's Episcopal Church.

III. PLEDGE OF ALLEGIANCE

The Pledge to the American Flag and to the Texas Flag were led by Mayor John Hebert.

IV. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Public Comment is reserved for members of the public who would like to address the City Council regarding agenda and non-agenda items. Please be aware that, under Texas Law, the Council may not deliberate or take any action during Citizen's comments for items not on the agenda. In some situations, City Staff may be able to respond to the public comment with a factual statement or clarification. The City Council may have the item placed on a future agenda for action or refer the item to Management and Staff for study or conclusion.

Mayor Hebert welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council. Public comments were spoken by the following:

- Jackie G. Johnson - Introduction as political candidate for Liberty County Treasurer.
- Kelly Stretcher — First Liberty Bank President — Sam Houston Street parking and traffic in front of the bank.
- Trevor Limmer — Live streaming of Council Meetings.

V. PRESENTATIONS / REPORTS

A. City Manager's Report - City Manager Bryan Kendrick - Includes various updates of interest to our community.

City Manager Bryan Kendrick reported on the following updates:

- Water System Maintenance
- EMPACT engineering Geospatial Report for Electric Utility
- Roadway Addes Services
- Liberty Municipal Park
- Wayfinding

B. Department Reports

Monthly reports are submitted by departments and are attached to the agenda for the council to review and to comment on or ask questions that they may have. Council Member Ward asked if the flock cameras were installed and working. Council Member Brents asked about the Flock transparency report being placed on the website. Council Member Dugger asked about adding a page to the airport report showing the total history of the airport usage.

C. Sam Rayburn Municipal Power Agency - Mayor Hebert

Mayor Hebert, Board Member of the Sam Rayburn Municipal Power Agency, stated that the meeting held in January was a standard business meeting with nothing to report.

D. Mayor, Council and Staff Comments

Mayor Hebert thanked the Public Works Department for all their work with the fiber crews working in town. City Manager Kendrick thanked Mark Reed for his years of service as he is retiring at the end of February.

VI. CONSENT AGENDA

All consent items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

A motion was made by Council Member Brents to approve all items on the consent agenda and seconded by Council Member Dennis. The motion passed 7 to 0 with all present voting yes.

A. Minutes Approval

1. January 13, 2026

B. A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, APPROVING PARTICIPATION IN NATIONAL LIBRARY WEEK BY OFFERING A FINE FORGIVENESS WEEK FROM APRIL 20 – APRIL 25, 2026.

VII. REGULAR AGENDA

A. Regular Session

1. Discussion and Review of the Lights in Liberty 2025 Events

Council Member Dugger presented a recap of the Lights in Liberty event that occurred every Tuesday from November 18 through December 16, 2025. Mrs. Dugger talked about the events that happened each Tuesday, the lights that were installed around the city square, the community involvement in making the event happen and thanked the numerous volunteers, partnerships, businesses and committee members for all their support. Mrs. Dugger finished by stating that the planning and networking for the 2026 event will begin in late February with building to start in March.

2. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AMENDING THE MASTER FEE SCHEDULE TO REVISE FEES AND POLICIES APPLICABLE TO HANGARS AT THE LIBERTY MUNICIPAL AIRPORT; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

Update the airport section in the Master Fee Schedule
Remove

Large Hangar – City owned per month \$600.00

Deposit Equal to first month's rent

Small Hangar — City owned per month \$400.00

Deposit Equal to first month's rent

Add

Box Hangars 2 and 3 fee

Box Hangars that are shared with multiple tenants, the airport manager will assign the tenants aircraft space including a storage area along one wall. These hangars will have combo locks for tenants' access. A deposit is required equal to the first month's rent.

- Tenants' fees are based on aircraft size, determined by the airport manager. General guidelines for fees.
 1. Small Gyrocopters \$100
 2. Standard 4-seater (Cessna C172 or Piper Archer) \$195
 3. Small twins (Cessna C310 or Baron) \$295
 4. Overnight Transit parking \$35

Box Hangar for the sole use of a private party or commercial operations. Fees are negotiated with the City every calendar year, based on market value and tenants' needs (for example, additional ramp parking) along with service fees. These hangars will have a key lock managed by the City. Any alterations to these hangars shall be approved by the City and paid for by the tenant. A deposit will be negotiated as well.

- Minimum fees start at for small Box Hangar (3) \$600.

Justifications and Notes:

- *Improvements Box hangars in 2025 — repainted exterior and new internal lighting*
- *Box hangars have not received a price increase for years, possibly even over a decade.*
- *In the white paper "Airport Fees Reviews" submitted to City Council in September 2024 on page 7, the document recommended a fee structure based off aircraft size along with the findings that most airport community hangar fees are around half to three-quarters of the cost of an equivalent spaced T-hangar.*

A motion was made by Council Member Seymour to approve an ordinance amending the master fee schedule to revise fees and policies applicable to hangars at the Liberty Municipal Airport and seconded by Council Member Ward. The motion passed 7 to 0 with all present voting yes.

3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING A VARIANCE REQUEST FROM SECTION 10.02.123 OF THE CITY OF LIBERTY SUBDIVISION ORDINANCE FOR PROPERTY LOCATED AT 3109 NORTH MAIN STREET, LIBERTY, TEXAS; AND PROVIDING AN EFFECTIVE DATE.

Store Master Funding XXXIII, LLC is requesting a variance to Section 10.02.123 of the City of Liberty Subdivision Ordinance, which requires all lots to have frontage from a public street.

A motion was made by Council Member Brents to approve the resolution approving a variance request from section 1.02.123 of the City of Liberty subdivision ordinance for property located at 3109 North Main Street and seconded by Council Member Dugger. The motion passed 7 to 0 with all present voting yes.

4. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING AN AMENDMENT TO THE CITY'S EXISTING CONTRACT WITH RBC CAPITAL MARKETS, LLC TO AUTHORIZE REPRESENTATION AND FINANCIAL ADVISORY SERVICES RELATED TO PUBLIC IMPROVEMENT DISTRICTS (PIDs); AUTHORIZING EXECUTION OF THE AMENDMENT; AND PROVIDING AN EFFECTIVE DATE.

The City of Liberty has previously entered a contract with RBC Capital Markets, LLC ("RBC") for municipal financial advisory and related services; and RBC is currently assisting the City in connection with the establishment and financing of a Public Improvement District for a new development within the City. The City desires to amend and clarify its existing contract with RBC to expressly authorize RBC to represent the City and provide financial advisory, structuring, underwriting, and related services for Public Improvement Districts (PIDs), including services already being performed.

A motion was made by Council Member Dugger to approve a resolution approving an amendment to the City's existing contract with RBC Capital Markets, LLC to authorize representation and financial advisory services related to public improvement districts and seconded by Council Member Dennis. The motion passed 6 to 0 to 1 with all present voting yes and Council Member Ward Abstaining.

5. Conduct a public hearing regarding the levy of the special assessments within Liberty Ranch Public Improvement District

At 6:55 p.m., Mayor Hebert opened the Public Hearing regarding the levy of the special assessments within Liberty Ranch Public Improvement District. Mayor Hebert closed the Public Hearing at 6:59 p.m.

6. AN ORDINANCE LEVYING SPECIAL ASSESSMENTS FOR, AND APPORTIONING THE COSTS OF, CERTAIN IMPROVEMENTS TO PROPERTY IN AND FOR THE LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT; FIXING A CHARGE AND LIEN AGAINST ALL PROPERTIES WITHIN THE DISTRICT, AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTION OF SUCH ASSESSMENTS; MAKING A FINDING OF SPECIAL BENEFIT TO PROPERTY IN THE DISTRICT AND THE REAL AND TRUE OWNERS THEREOF; APPROVING A SERVICE AND ASSESSMENT PLAN; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

A motion was made by Council Member Bell to approve an ordinance levying special assessments for, and apportioning the costs of, certain improvements to property in and for the Liberty Ranch Public Improvement District and seconded by Council Member Dennis. The motion passed 6 to 0 to 1 with all present voting yes, Council Member Ward abstaining.

7. **AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF LIBERTY, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026 (LIBERTY RANCH PUBLIC IMPROVEMENT DISTRICT)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A COMPLETION AGREEMENT; AN OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT, A FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE.**

A motion was made by Council Member Dennis to approve an ordinance authorizing the issuance of the City of Liberty, Texas special assessment revenue bonds for Liberty Ranch Public Improvement District and seconded by Council Member Dugger. The motion passed 6 to 0 to 1 with all present voting yes, Council Member Ward abstaining.

8. **A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, RATIFYING THE LIBERTY COMMUNITY DEVELOPMENT CORPORATION'S EXPENDITURE OF FUNDS FOR JULY 3, 2026, INDEPENDENCE DAY FIREWORKS SHOW.**

In their FY2026 budget, LCDC approved \$23,000 to be used towards the July 3rd fireworks show. This expenditure was ratified by City Council at their September 9, 2025, meeting approving the FY2026 Budget.

On January 20, 2026, LCDC approved an additional \$3,565 to be used for the July 3, 2026, fireworks show due to a price increase from Pyro Shows, the city's vendor since 2019.

The additional expenditure now needs to be ratified by City Council.

A motion was made by Council Member Brents to approve a resolution ratifying the Liberty Community Development Corporation's expenditure of funds for the July 3, 2026, firework show and seconded by Council Member Bell. The motion passed 7 to 0 with all present voting yes.

9. **A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AUTHORIZING THE CITY MANAGER TO SUBMIT A GRANT APPLICATION FOR THE FY2027 RIFLE RESISTANT BODY ARMOR GRANT PROGRAM FUNDED BY THE TEXAS GOVERNOR'S OFFICE.**

The Texas Governor's Office is accepting applications for the FY2027 Rifle Resistant Body Armor Grant Program until February 12, 2026. Applicants for the Grant must submit a fully executed resolution with their application. Projects must begin on or after September 1, 2026, and may not exceed a 12-month project period.

A motion was made by Council Member Brents to approve a resolution authorizing the city manager to submit a grant application for the FY 2027 rifle resistant body armor grant program and seconded by Council Member Ward. The motion passed 7 to 0 with all present voting yes.

10. **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS ORDERING A GENERAL ELECTION TO BE HELD ON THE 2ND DAY OF MAY 2026**

FOR THE PURPOSE OF ELECTING A MAYOR AND THREE COUNCIL MEMBERS; AUTHORIZING A JOINT ELECTION AGREEMENT AND ELECTION SERVICES CONTRACT BY AND BETWEEN THE CITY OF LIBERTY, THE LIBERTY INDEPENDENT SCHOOL DISTRICT, ANY OTHER CONTRACTING ENTITIES AND THE LIBERTY COUNTY CLERK OFFICE; PROVIDING FOR EARLY VOTING; PROVIDING FOR PUBLICATION AND NOTICE OF ELECTION; ESTABLISHING OTHER PROCEDURES FOR CONDUCT OF THE ELECTION; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

This Ordinance calls for an election to be held on May 2, 2026, for the purpose of electing a mayor and three (3) City Council Members. Those Council Members whose terms expire in May are: Mayor John Hebert and Council Members Tommy Brents, Ed Seymour and Ross Ward.

Additionally, City Council is requested to authorize the Mayor to execute an Election Services Contract with the Liberty County Elections Officer.

A motion was made by Council Member Dennis to approve an ordinance ordering a general election to be held on the 2nd day of may 2026 for the purpose of electing a mayor and three council members and seconded by Council Member Seymour. The motion passed 7 to 0 with all present voting yes.

11. AN ORDINANCE OF THE CITY COUNCIL OF LIBERTY, TEXAS, AUTHORIZING PARTICIPATION WITH OTHER ENTERGY SERVICE AREA CITIES IN MATTERS CONCERNING ENTERGY TEXAS, INC. AT THE PUBLIC UTILITY COMMISSION OF TEXAS IN 2026; AUTHORIZING THE HIRING OF LAWYERS AND RATE EXPERTS; AUTHORIZING THE CITY'S PARTICIPATION TO THE FULL EXTENT PERMITTED BY LAW AT THE PUBLIC UTILITY COMMISSION OF TEXAS; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; AND DECLARING AN EFFECTIVE DATE.

It is once again time to authorize municipal participation in regulatory rate proceedings involving Entergy Texas, Inc. ("ETI" or "Company") before the Public Utility Commission of Texas ("PUCT" or "Commission").

In 2025, the Steering Committee participated in several different types of rate proceedings that ETI initiated with the Commission, summarized below:

- Application of Entergy Texas, Inc. to Amend Its Certificate of Convenience and Necessity to Construct a Portfolio of Dispatchable Generation Resources. ETI's application for approval to construct the Legend Power Station and the Lone Star Power Station was approved on December 9, 2025. Together, these plants will add 1207 MW of capacity to serve ETI's customers by mid-2028. In its order, the Commission found that ETI did not adequately evaluate lower-cost alternatives in its planning process. To protect customers from the risk of the projects going over budget, the Commission imposed a cost cap of \$1.6024 billion for the Legend Power Station and \$771.5 billion for the Lone Star Power Station.
- Application of Entergy Texas, Inc. to Amend Its Certificate of Convenience and Necessity to Construct a Portfolio of Renewable Generation Resources. ETI withdrew its application for approval to construct two solar facilities and will not go forward with these projects.
- Application of Entergy Texas, Inc. for Approval of a Resiliency Plan. In January 2025, the Commission approved Phase I of ETI's "Texas Future Ready Resiliency Plan," a comprehensive set of resiliency measures that are intended to improve service reliability

for customers and to mitigate system restoration costs after extreme weather events.¹ The projects approved for Phase I are expected to cost approximately \$137 million, but ETI is deferring recovery of these costs until a future proceeding. ETI must file a resiliency plan report annually starting May 1, 2026.

- Application of Entergy Texas, Inc. for Authority to Reconcile Fuel and Purchased Power Costs. ETI requested to reconcile the fuel and purchased power expenses it incurred between April 1, 2022, and March 31, 2024. No objections were raised and the application was approved as filed. Pursuant to the Commission's final order, the Company's under-recovery balance of approximately \$30 million will be carried forward to the next fuel reconciliation proceeding. As such, rates were not impacted.
- Application of Entergy Texas, Inc. to Adjust its Energy Efficiency Cost Recovery Factor. The Energy Efficiency Cost Recovery Rider ("EECRF") recovers costs related to ETI's energy efficiency programs. This rider is adjusted annually with the updated rate going into effect on January 1 of each year. The parties reached a settlement agreement that made small adjustments to the Company's request with a negligible impact on the proposed rates. The Commission approved the settlement agreement on December 12, 2025.
- ETI filed applications to recover costs related to its distribution system (Distribution Cost Recovery Factor or "DCRF") and its transmission system (Transmission Cost Recovery Factor or "TCRF"). The DCRF applications were uncontested by the Commission Staff and intervening parties and were approved by the Commission. The TCRF application is still pending, but as we do not anticipate any major issues, we expect a final order to be issued in early 2026. The DCRF and TCRF are subject to true-up to prevent the Company from over recovering its expenses.

Looking forward to 2026, we will continue to participate in the currently pending TCRF proceedings. In addition, several other rate proceedings may be initiated this year:

- ETI's Orange County Advanced Power Station ("OCAPS") is on track to start serving customers in summer of 2026. When the Commission approved the OCAPS project in 2023, the cost was projected to be at least \$1.58 billion and possibly as much as \$2.5 billion. We anticipate that the Company will file an application for a Generation Cost Recovery Rider ("GCRR"), which will allow for recovery of plant investment costs as soon as OCAPS goes into service. Like the TCRF and DCRF, the GCRR is an interim cost recovery mechanism that is subject to true-up in the next base rate case.
- By statute, electric utilities must reconcile fuel and purchased power costs at least once every two years.² ETI's last fuel reconciliation case was filed in 2024, so ETI is expected to file its next fuel reconciliation case this year.
- The Company is likely to file an additional TCRF and up to two DCRF applications for interim cost recovery of investments made to its transmission and distribution systems.
- The Company is also expected to file its annual application to amend its Energy Efficiency Cost Recovery Factor in May 2026.
- ETI is not required to file its next base rate case until August 2027, but it could opt to file in 2026 instead.

The continued support of each of the Cities in the Steering Committee has been instrumental in the successful regulation of ETI and in maintaining reasonable rates for customers within the Cities. We look forward to each City's continued participation with the Steering Committee in the regulatory process.

A motion was made by Council Member Brents to approve an ordinance authorizing participation with other Entergy service area cities in matters concerning Entergy Texas, inc. and seconded by Council Member Dennis. The motion passed 7 to 0 with all present voting yes.

- 12. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, VACATING AND ABANDONING A PORTION OF UNIMPROVED RIGHT-OF-WAY LOCATED BETWEEN BLOCKS 87 AND 88 OF THE CITY OF LIBERTY, LIBERTY TOWN EAST LEAGUE, ABSTRACT NO. 359; FINDING THAT SUCH RIGHT-OF-WAY IS NO LONGER NEEDED FOR PUBLIC USE; AUTHORIZING THE RESERVATION OF UTILITY EASEMENTS, IF ANY; AND PROVIDING AN EFFECTIVE DATE.**

The City of Liberty, Texas, as a city incorporated and operating under the laws of the State of Texas, has the authority under Chapters 43, 282, 253, and 272 of the Local Government Code and section 311.008 of the Transportation Code, as amended, to vacate, abandon and close municipal rights-of-way, or streets, by ordinance, when such action is in the best interest of the city and serves a public purpose. The City of Liberty holds title to certain unimproved public right-of-way located between Blocks 87 and 88 of the City of Liberty, as shown on the map or plat recorded in Volume 1, Page 137 of the Map Records of Liberty County, Texas. The subject tract is more particularly described as:

Being a tract or parcel containing 0.3679 of an acre (16,025 square feet) of land, situated in the Liberty Town East League, Abstract No. 359, Liberty County, Texas, being a portion of a 55.5-foot unimproved right-of-way between Blocks 88 and 87 as shown on the map or plat of the City of Liberty recorded in Volume 1, Page 137 of the Map Records of Liberty County, Texas.

The City Council finds that the described right-of-way is unimproved, is not currently used for public travel, and is no longer necessary for present or future public street purposes. The abandonment of such right-of-way will not adversely affect public interest, and any necessary utility interests may be preserved through reservation of easements.

A motion was made by Council Member Brents to approve an ordinance vacating and abandoning a portion of the unimproved right-of-way and seconded by Council Member Seymour. The motion passed 7 to 0 with all present voting yes.

- 13. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE SALE OF CERTAIN ABANDONED RIGHT-OF-WAY TO APPLIED COATING AND CLEANING TECHNOLOGY LLC FOR THE PURCHASE PRICE OF \$77,400.00; AUTHORIZING THE MAYOR TO EXECUTE A QUITCLAIM DEED AND RELATED DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.**

An Ordinance approved on February 10, 2026, the City Council of the City of Liberty vacated and abandoned a certain tract of unimproved right-of-way containing 0.3679 acre (16,025 square feet) situated in the Liberty Town East League, Abstract No. 359, Liberty County, Texas, being a portion of a 55.5-foot unimproved right-of-way between Blocks 87 and 88 of the City of Liberty. The property is no longer needed for public street purposes, and the City has reserved any necessary utility easements. Applied Coating and Cleaning Technology LLC has offered to purchase the City's interest in the property for the sum of Seventy-Seven Thousand Four Hundred Dollars (\$77,400.00).

A motion was made by Council Member Brents to approve a resolution approving the sale of certain abandoned right of way to Applied Coating and Cleaning Technology LLC and seconded by Council Member Dennis. The motion passed 7 to 0 with all present voting yes.

- 14. Discussion and Possible Action related to broadcast of public meetings of the City Council over the Internet in compliance with the City of Liberty's discretion under Government Code Chapter 551.128.**

Texas Government Code §551.128 permits, but does not require, municipalities below certain population thresholds to broadcast open meetings over the Internet. Mandatory live-streaming and online archiving requirements apply to home-rule municipalities with populations of 50,000 or more. The City of Liberty does not currently meet this threshold and is therefore in full compliance with the Open Meetings Act through existing notice, access, and in-person meeting practices.

Staff have evaluated the option of voluntarily implementing live-streaming and online archiving of City Council meetings in advance of any statutory requirement. While our commitment to transparency lends itself to citing increased public access and convenience as potential benefits, at the same time early adoption presents several concerns related to operational, legal, and governance considerations that warrant careful review.

First, the creation of meeting recordings establishes a new category of public records. Of course, once recordings exist, they are subject to records retention schedules, public information requests, and potential litigation discovery. This creates an ongoing administrative and legal obligation that does not currently exist and may increase staff workload, response times, and exposure to claims or complaints regarding perceived selective retention, technical failures, or alleged omissions. Even minor technical issues—such as audio dropouts or incomplete recordings— have resulted in public complaints and legal scrutiny for other cities.

Second, live streaming materially alters the dynamics of public meetings. Experience in other municipalities has shown that the presence of cameras can encourage performative behavior, lengthen meetings, and shift focus from efficient deliberation to messaging for a remote audience. This may reduce candid discussion among elected officials, particularly on complex or sensitive matters, and can unintentionally discourage productive dialogue. Over time, these effects may impact meeting efficiency, staff morale, and overall governance effectiveness.

Third, voluntary streaming creates a public expectation of uninterrupted service. Once the City begins live broadcasting meetings, residents will reasonably expect consistent availability for every meeting. Technical failures, staffing limitations, weather-related disruptions, or vendor outages, while understandable, nonetheless lead to public criticism, complaints, and reputational risk. These expectations arise even though the City is not legally obligated to provide the service at this time.

Fourth, early implementation introduces a recurring financial commitment without a corresponding legal requirement. Annual subscription costs, potential equipment upgrades over time as technology changes, staff training related to those changes, and ongoing oversight represent a permanent operational expense. Deferring implementation until legally required allows the city to align costs with compliance needs rather than voluntarily assuming a long-term obligation ahead of necessity.

Fifth, staff's greatest concern associated with voluntary live-streaming and archiving of City Council meetings is the increased potential for misuse by bad actors. Once meetings are recorded and made available online, content from other cities has been selectively clipped, edited, and redistributed outside its original context. Short excerpts, facial expressions, or incomplete statements have been circulated on social media or other platforms in ways that misrepresent the intent of elected officials or staff, inflame public sentiment, or advance personal or political agendas unrelated to the City's actual business. Unlike in-person attendance, online recordings can be rapidly and repeatedly shared, often without accompanying explanation or procedural context. This dynamic can incentivize individuals to provoke reactions, prolong discussion, or bait officials into statements that can later be taken out of context. Over time, this behavior may distort public discourse, increase hostility toward

staff and council members, and undermine constructive civic engagement. It's worth noting that smaller cities are often more vulnerable to the disproportionate impact of bad actors, as limited staff capacity means that even a few individuals engaging in persistent misuse can consume a significant share of available public resources.

Finally, staff notes that the City already provides meaningful public access to meetings through physical attendance, published agendas, and compliance with all Open Meetings Act requirements. Residents currently have the ability to observe deliberations firsthand, participate in public comment, and stay informed without the City assuming additional risk or cost.

After discussion of live-streaming, it is the consensus that it should be made available and city staff will look at all software options and cost to begin live-streaming Council meetings.

A motion was made by Council Member Seymour to table the item until the March 10, 2026, meeting for city staff to complete their inquiries and seconded by Council Member Bell. The motion passed 4 to 3.

15. Discussion and possible action related to traffic patterns on Sam Houston Street in Downtown.

It has been brought to the Council's attention that the one-way streets on the North (Trinity St.) and South (Sam Houston St.) sides of the Court House have hazardous traffic patterns. People tend to go the wrong way down the one-way streets. It is suggested that a traffic study be done to see how this can be fixed.

A motion was made by Council Member Seymour to table the agenda item until further study on traffic patterns can be done and seconded by Council Member Bell. The motion passed 7 to 0 with all present voting yes.

B. Executive Session

At 8:01 p.m., Mayor Hebert closed the open meeting and opened the Executive Session as authorized by Title 5, Chapter 551 of the Texas Government Code.

1. **Texas Government Code §551.071 - Private Consultation with Attorney**
Discussion with attorney regarding contemplated/pending litigation and/or regarding matters protected by attorney/client privilege.
2. **Texas Government Code §551.072 - Deliberation Regarding Real Property**
Discussion regarding real property.
3. **Texas Government Code §551.074 - Personnel Matters.**
To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.
 - City Manager Evaluation
4. **Texas Government Code §551.087 - Deliberation Regarding Economic Development Negotiations.**
Discussion regarding economic development negotiations.

C. Reconvene into Regular Session

At 10:02 p.m., Mayor Hebert closed the Executive Session and reconvened the open meeting.

1. Consider and take possible action on legal matters discussed in the executive session.

No action was taken.

- 2. Consider and take possible action on real estate matters discussed in the executive session.

A motion was made by Council Member Bell to approve the purchase of land on the north end of town as discussed in executive session and seconded by Council Member Ward. The motion passed 7 to 0 with all present voting yes.

- 3. Consider and take possible action on personnel matters discussed in the executive session.
 - City Manager

No action was taken.

- 4. Consider and take possible action on economic development matters discussed in the executive session.

No action was taken.

VIII. ADJOURNMENT

A. Motion To: Adjourn

With no further business to discuss, Mayor Hebert adjourned the meeting at 10:03 p.m.

John Hebert, Jr., Mayor

ATTEST:

April Gilliland, City Secretary

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING A CONSTRUCTION VARIANCE FOR THE CHLORINE ROOM AT THE NEW WATER PLANT

Department: Administration

Subject: Strand Engineering is currently finalizing the design for the chlorine room associated with the City's new water well facility. During the design review process, a question has arisen regarding the applicability of the City's building code requirements related to fire suppression systems for areas containing stored pressurized tanks.

Under a strict interpretation of the code, the installation of an automatic sprinkler system within the chlorine room could be required. However, based on the nature of the facility and the materials involved, staff believes that the installation of a sprinkler system in this specific application may not be appropriate and could potentially create operational and safety concerns.

Public Works Director Russell Crawley has reviewed the proposed design and notes that, in his experience, chlorine storage rooms at municipal water facilities typically do not contain sprinkler systems. One of the primary concerns is the interaction between chlorine gas and metal components used in traditional fire suppression systems. Chlorine is highly corrosive, and prolonged exposure could degrade sprinkler piping and components over time, potentially leading to system failure when needed.

Additionally, if water from a sprinkler system were introduced into the chlorine environment, it could react with chlorine gas to form hypochlorous and hydrochloric acids, creating a corrosive and hazardous condition within the room.

The chlorine room itself is designed as a hardened space constructed primarily of concrete, with minimal combustible materials present. As a result, the fire load within the room is extremely limited. Staff also notes that the City's existing water treatment and well sites that contain chlorine systems do not include sprinkler systems in their chlorine storage rooms.

Fire Chief Brian Hurst has reviewed the request and has indicated that he has no objections to the variance.

Background:

Funding Source:

Staff Recommendation:

Given the corrosive environment associated with chlorine storage, the minimal combustible materials within the room, and the operational concerns related to installing a sprinkler system in this environment, staff recommends that City Council approve a variance from the City’s building code requirement for fire suppression systems in this specific chlorine room at the new water well facility.

Approval of this variance will allow the project to proceed with a design that aligns with common municipal water utility practices while maintaining operational safety.



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/20266:00 PM

Department: Administration
Category: Action Item

Resolution

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING A CONSTRUCTION VARIANCE FOR THE CHLORINE ROOM AT THE NEW WATER PLANT

WHEREAS, Strand Engineering is currently finalizing the design for the chlorine room associated with the City’s new water well facility; and

WHEREAS, during the design review process it was determined that the City’s building code requires the installation of a fire suppression system for areas containing stored pressurized tanks (such as the chlorine room); and

WHEREAS, based on the nature of the facility and the materials involved, staff believes that the installation of a sprinkler system in this particular application may not be appropriate and could potentially create operational and safety concerns; and

WHEREAS, the City Council finds that it is in the best interest of the City to grant a variance to the City’s building regulations in this instance making it so that a fire suppression system does not have to be installed in the chlorine room at the new water well facility.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, THAT:

Section 1. Ratification and Approval. The City Council hereby approves a variance to the City’s building regulations making it so that a fire suppression system does not have to be installed in the chlorine room at the new water well facility.

Section 2. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED AND APPROVED this ____ day of _____, 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AWARDING THE BID FOR THE 2026 ANNUAL SUBSTATION MAINTENANCE TO DASHIELL CORPORATION.

Department: Administration

Subject: 2026 Annual Substation Maintenance

Background: On February 5, 2026, only one bid was received for the 2026 Annual Substation Maintenance from Dashiell, and it was in the amount of \$87,879.00. Last year, one bid was received for substation maintenance. The amount for the bid submitted last year was \$93,857.00. The contract last year was also awarded to Dashiell. A copy of the bid tab is enclosed.

Funding Source: Electric Fund

Staff Recommendation: Staff recommends approval of the resolution awarding the 2026 Substation Maintenance Bid to Dashiell.



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026:00 PM

Department: Administration
Category: Resolution

Resolution

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AWARDING THE BID FOR THE 2026 ANNUAL SUBSTATION MAINTENANCE TO DASHIELL CORPORATION.

WHEREAS, on February 5, 2026, only one (1) bid was received for the 2026 Annual Substation Maintenance from Dashiell Corporation in the amount of \$87,879.00; and

WHEREAS, last year, one (1) bid was received for substation maintenance in the amount of \$93,857.00; and

WHEREAS, last year's contract was also awarded to Dashiell Corporation, and City Staff recommends awarding the 2026 Annual Substation Maintenance to Dashiell Corporation in the amount of \$87,879.00.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Liberty, Texas, hereby awards the bid for the 2026 Annual Substation Maintenance to Dashiell Corporation in the amount of \$87,879.00.

PASSED AND APPROVED this ____ day of March 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

RECORD OF BID OPENING ATTENDANCE ROSTER
FOR
FY 2026 ANNUAL SUBSTATION INSPECTION AND MAINTENANCE
FOR THE
CITY OF LIBERTY, TX

Prepared by:
DELTA CONSULTING PROJ. NO. 155.062B
FEBRUARY 5, 2026 - 2:00 P.M.

NAME	COMPANY	PHONE NO.	E-MAIL
1.	<i>Jared Taylor</i>	<i>Delta Consulting</i>	<i>318-471-2829 j.taylor@deltafaces.com</i>
2.	<i>Mark Reed</i>	<i>COL</i>	<i>936-336-2910 mreed@cityofliberty.org</i>
3.	<i>Dale Pitts</i>	<i>COL</i>	<i>936-346-9990 dpitts@cityofliberty.org</i>
4.	<i>April Billiland</i>	<i>COL</i>	<i>936-334-7304 abilliland@cityofliberty.org</i>
5.	<i>RUSSEN CONSULTING</i>	<i>COL</i>	<i>936-336-2910 RUSSEN@cityofliberty.org</i>
6.			
7.			
8.			
9.			
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11.			
12.			
13.			
14.			



Delta Consulting, Inc.

PROFESSIONAL ENGINEERS & LAND SURVEYORS
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JAROD B. TAYLOR
R. L. NOWLIN, P.E.
MICHAEL W. HILTON, P.E.

DEREK KYLE HOWARD, P.L.S.
BRANDON C. THORNTON, P.L.S.

February 25, 2026

Ms. April Gilliland
City of Liberty, TX
1829 Sam Houston St
Liberty, Texas 77575

Re: 2026 Annual Substation
Maintenance
Bid Opening Review
Delta Consulting No. 155.062

Dear Ms. Gilliland:

Please find attached the results of the Bid Opening held on February 5, 2026 for the above referenced project. We are sending a copy of the bid from Dashiell Corporation along with the Record of Bid Opening form.

The results of the Bid Opening are as follows:

1. Dashiell	\$87,879.00
-------------	-------------

We reviewed the submitted bid and are including the Bid Tabulation. We have clarified and confirmed with the low-bidder, Dashiell Corporation, that their final price is as submitted. We are recommending approval of the Low-bidder, **Dashiell Corporation**, to be awarded the contract for the **2026 Annual Substation Maintenance** in the amount of **\$87,879.00**.

Thank you again for the opportunity to provide our services to the Agency. If you have any questions, please do not hesitate to contact us.

Very truly yours,

Delta Consulting, INC.
Jarod B. Taylor

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AUTHORIZING ADVANCE FUNDING AGREEMENT FOR LOCAL GOVERNMENT MAINTENANCE OF RAILROAD APPROACHES (OFF-SYSTEM).

Department: Administration

Subject: TxDOT has identified that the highway-rail grade crossings within the City of Liberty require upgrades to bring the crossing approaches into compliance with current federal and state regulatory standards. TxDOT will design and construct the improvements and is in the final steps of securing the funding for the project.

Upon completion, TxDOT will transfer ownership of the installed roadway signage, sign supports, and pavement markings located on locally owned roadways to the City at no cost. As part of this process, the City is required to enter into an Advance Funding Agreement for Local Government Maintenance of Railroad Crossing Approaches (Off-System), which formalizes the City's responsibility to maintain the installed signage and pavement markings in accordance with City standards and the Texas Manual on Uniform Traffic Control Devices (TMUTCD).

There is no financial contribution required from the City for construction of the project. The City's obligation is limited to ongoing maintenance of the signage and pavement markings following project completion.

Background:

Funding Source:

Staff Recommendation: Approve the resolution authorizing execution of the Advance Funding Agreement with TxDOT.



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026 6:00 PM

Department: Administration
Category: Resolution

Resolution

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, AUTHORIZING ADVANCE FUNDING AGREEMENT FOR LOCAL GOVERNMENT MAINTENANCE OF RAILROAD APPROACHES (OFF-SYSTEM).

WHEREAS, the Texas Department of Transportation (TxDOT) has identified the highway-rail grade crossings located on RAILROAD, as located as shown on the attachment within the jurisdiction of the City of Liberty; and

WHEREAS, TxDOT has initiated a project and will seek funding for the project to bring the highway-grade crossing approaches into compliance with Federal and State regulatory standards; and

WHEREAS, at the completion of the project, the City of Liberty shall receive from TxDOT at no cost, the installed roadway signage and pavement markings that were installed on locally owned roadways and facilities as a part of the project, as locally owned facilities; and

WHEREAS, after accepting the installed roadway signage and pavement markings as locally owned facilities, the City of Liberty agrees to maintain the roadway signage and pavement markings to the standards of the City of Liberty and in compliance with the Texas Manual on Uniform Traffic Control Devices (TMUTCD).

WHEREAS, the City of Liberty authorizes an Advance Funding Agreement for Local Government Maintenance of Railroad Crossing Approaches (Off-System) with the Texas Department of Transportation for the City of Liberty to maintain the installed roadway signs, sign supports, and pavement markings to the standards of the City of Liberty. The authorized representative of the City of Liberty is authorized to execute all documents necessary to complete this transaction.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS:

That the City Council authorizes an Advance Funding Agreement with the State of Texas for the maintenance of roadway signage and pavement markings for the highway-rail grade crossing(s) as located as shown in the attached.

The Mayor is authorized to execute all documents necessary to complete this transaction.

That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED this ___ day of March 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z0011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

STATE OF TEXAS §

COUNTY OF TRAVIS §

**ADVANCE FUNDING AGREEMENT FOR
LOCAL GOVERNMENT MAINTENANCE OF
RAILROAD PAVEMENT MARKINGS AND SIGNS
(OFF-SYSTEM)**

THIS AGREEMENT is made by and between the State of Texas (“State”), acting by and through the Texas Department of Transportation (“**TxDOT**”), and the City of Liberty, acting by and through its duly authorized officials (“**Local Government**”).

WITNESSETH

WHEREAS, 23 U.S.C. § 302 provides that a state desiring to avail itself of the provisions of Title 23 of the United States Code shall have a department of transportation with adequate powers to discharge to the duties required by Title 23.; and,

WHEREAS, 23 U.S.C. § 106 and the Stewardship and Oversight Agreement between the Federal Highway Administration (“**FHWA**”) and TxDOT provide that TxDOT must provide adequate oversight of any sub-recipients.; and,

WHEREAS, 23 U.S.C. § 130 (“**Section 130**”) provides for the federal funding of construction of projects for the elimination of hazards of railway-highway crossings; and,

WHEREAS, TxDOT has identified Union Pacific Railroad (“**Railroad(s)**”) highway-rail grade crossing(s) in the City of Liberty, that is located as shown in Attachment A; and

WHEREAS, TxDOT has initiated a **Section 130 project** with the Railroad(s) to bring the highway-grade crossing into compliance with federal, state, and industry regulatory standards; and

WHEREAS, Transportation Code, §201.209 allows TxDOT to enter into an agreement with the Local Government; and,

WHEREAS, providing adequate oversight, as it relates to a **Section 130 project**, requires TxDOT to gain a commitment from the Local Government that it will maintain signs and pavement markings installed or upgraded on a Local Government facility as part of a **Section 130 project**; and,

WHEREAS, the Local Government desires a **Section 130 project** within its jurisdiction consisting of upgrade and installation of traffic signage and pavement markings (“**Section 130 Project**”) and understands that the **Section 130 Project** will upgrade or install new signs and pavement markings, which are identified and provided in Attachment B, that the Local Government will be responsible for maintaining; and

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Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

WHEREAS, the Governing Body of the Local Government has approved entering into this agreement by resolution, ordinance, or commissioners court order dated **{select date here.}**, which is attached to this agreement as Attachment C.

WHEREAS, TxDOT has determined that such participation is in the best interest of the citizens of the State;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, to be by them respectively kept and performed as hereinafter set forth, it is agreed as follows:

AGREEMENT

1. Period of the Agreement

This agreement becomes effective when signed by the last party whose signing makes the agreement fully executed. This agreement shall remain in effect unless terminated as provided below.

2. Scope of Work

Upon completion of the **Section 130 Project**, the Local Government will fund and maintain the items as listed in Attachment B in accordance with applicable standards of the Local Government and in compliance with the TMUTCD.

3. Termination of this Agreement

This agreement shall remain in effect unless:

- A. The agreement is terminated in writing with the mutual consent of the parties;
- B. The agreement is terminated by one party because of a breach, in which case any cost incurred because of the breach shall be paid by the breaching party; or

4. Amendments

Amendments to this agreement due to changes in the character of the work, terms of the agreement, or responsibilities of the parties relating to the Project may be enacted through a mutually agreed upon, written amendment.

5. Remedies

This agreement shall not be considered as specifying the exclusive remedy for any agreement default, but all remedies existing at law and in equity may be availed of by either party to this agreement and shall be cumulative.

6. Compliance with Accessibility Standards

The Local Government shall ensure that maintenance is in compliance with standards issued or approved by the Texas Department of Licensing and Regulation (“**TDLR**”) as meeting or consistent with minimum accessibility requirements of the Americans with Disabilities Act (P.L. 101-336) (ADA).

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7. Notice

All notices to either party by the other required under this agreement shall be delivered personally or sent by certified or U.S. mail, postage prepaid, addressed to such party at the following addresses:

Local Government:	State:
TITLE OF RECIPIANT	Director of Contract Services
LOCAL GOVERNMENT	Texas Department of Transportation
ADDRESS	125 E. 11 th Street
CITY, STATE ZIP	Austin, Texas 78701

All notices shall be deemed given on the date so delivered or so deposited in the mail, unless otherwise provided by this agreement. Either party may change the above address by sending written notice of the change to the other party. Either party may request in writing that such notices shall be delivered personally or by certified U.S. mail and such request shall be honored and carried out by the other party.

8. Legal Construction

This document does not convey any real property interests. In case one or more of the provisions contained in this agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions and this agreement shall be construed as if it did not contain the invalid, illegal or unenforceable provision.

9. Responsibilities of the Parties

The State and the Local Government agree that neither party is an agent, servant, or employee of the other party, and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

10. Compliance with Laws

The parties shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this agreement. When required, the Local Government shall furnish the State with satisfactory proof of this compliance.

11. Sole Agreement

This agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings or written or oral agreements respecting the agreement's subject matter.

12. State Auditor

The state auditor may conduct an audit or investigation of any entity receiving funds from the State directly under the contract or indirectly through a subcontract under the contract. Acceptance of funds directly under the contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an

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audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

13. Signatory Warranty

Each signatory warrants that the signatory has necessary authority to execute this agreement on behalf of the entity represented.

Each party is signing this agreement on the date stated under that party's signature.

THE LOCAL GOVERNMENT

Signature

Typed or Printed Name

Title

Date

THE STATE OF TEXAS

Signature

Typed or Printed Name

Title

Date

CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

Attachment A
LOCATION MAP SHOWING PROJECT

DOT 762762H



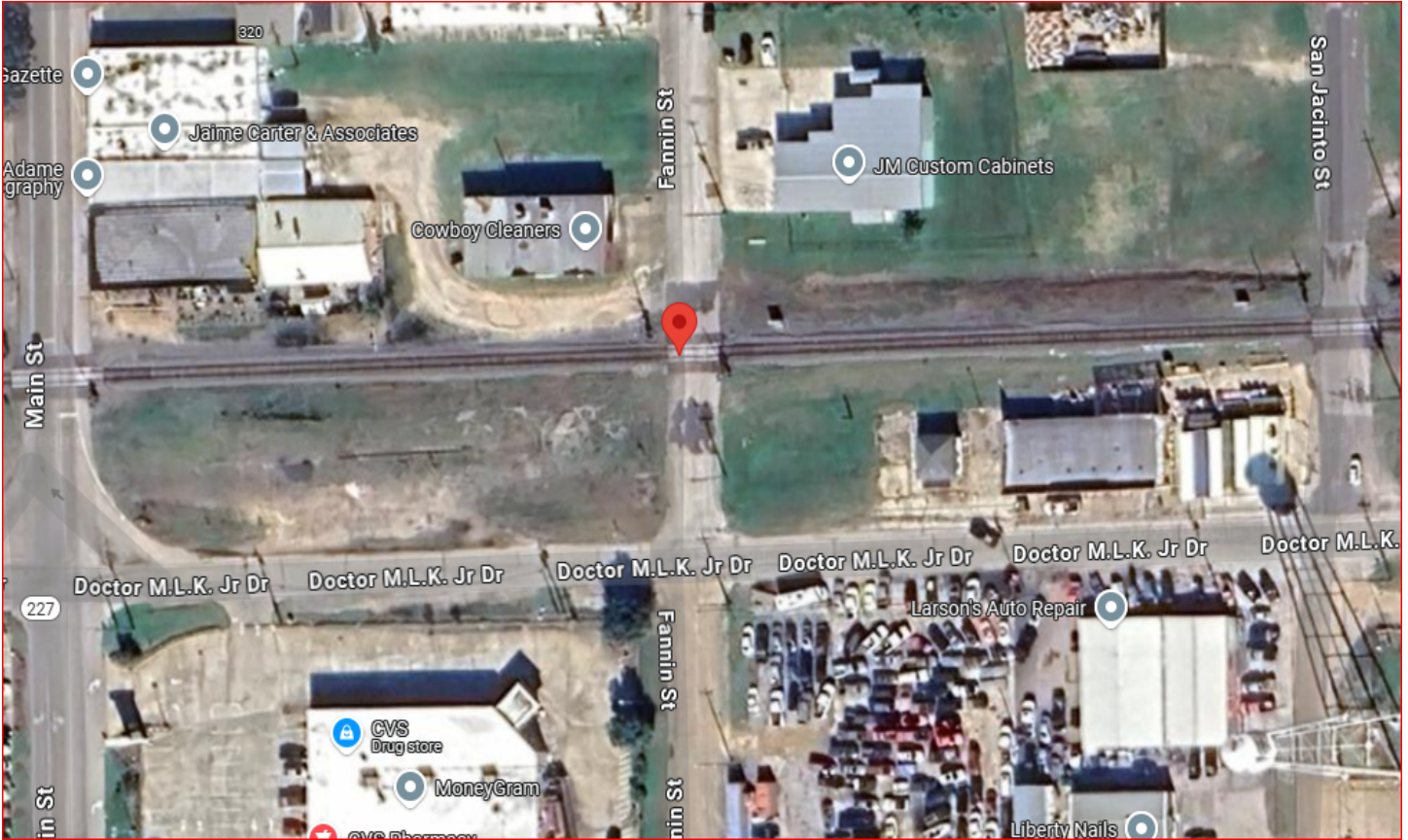
CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

DOT 762763P



CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

DOT 762764W



CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

DOT 762766K



CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

DOT 762767S



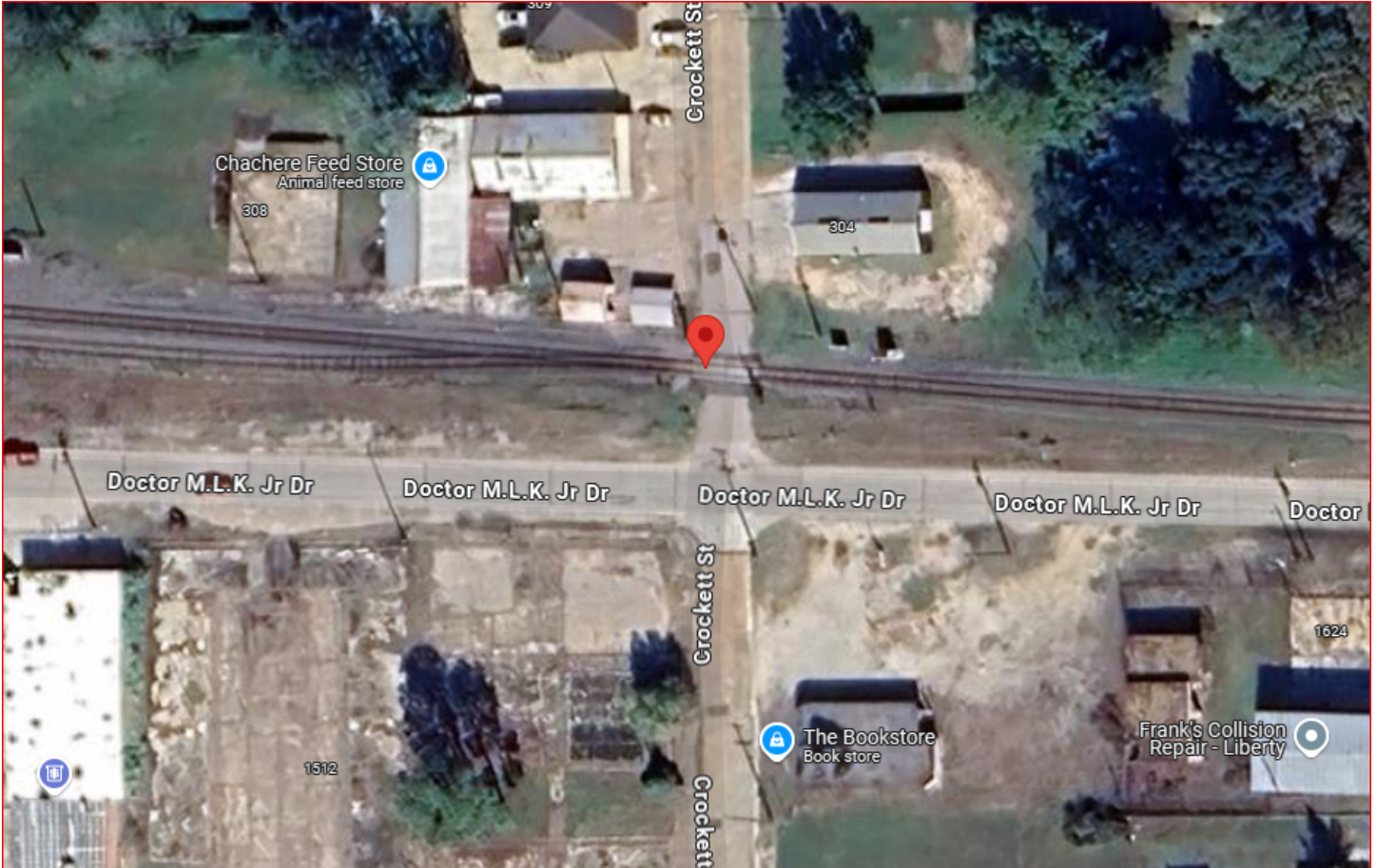
CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

DOT 762768Y



CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

DOT 762769F



CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

DOT 762770A



CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

DOT 762771G



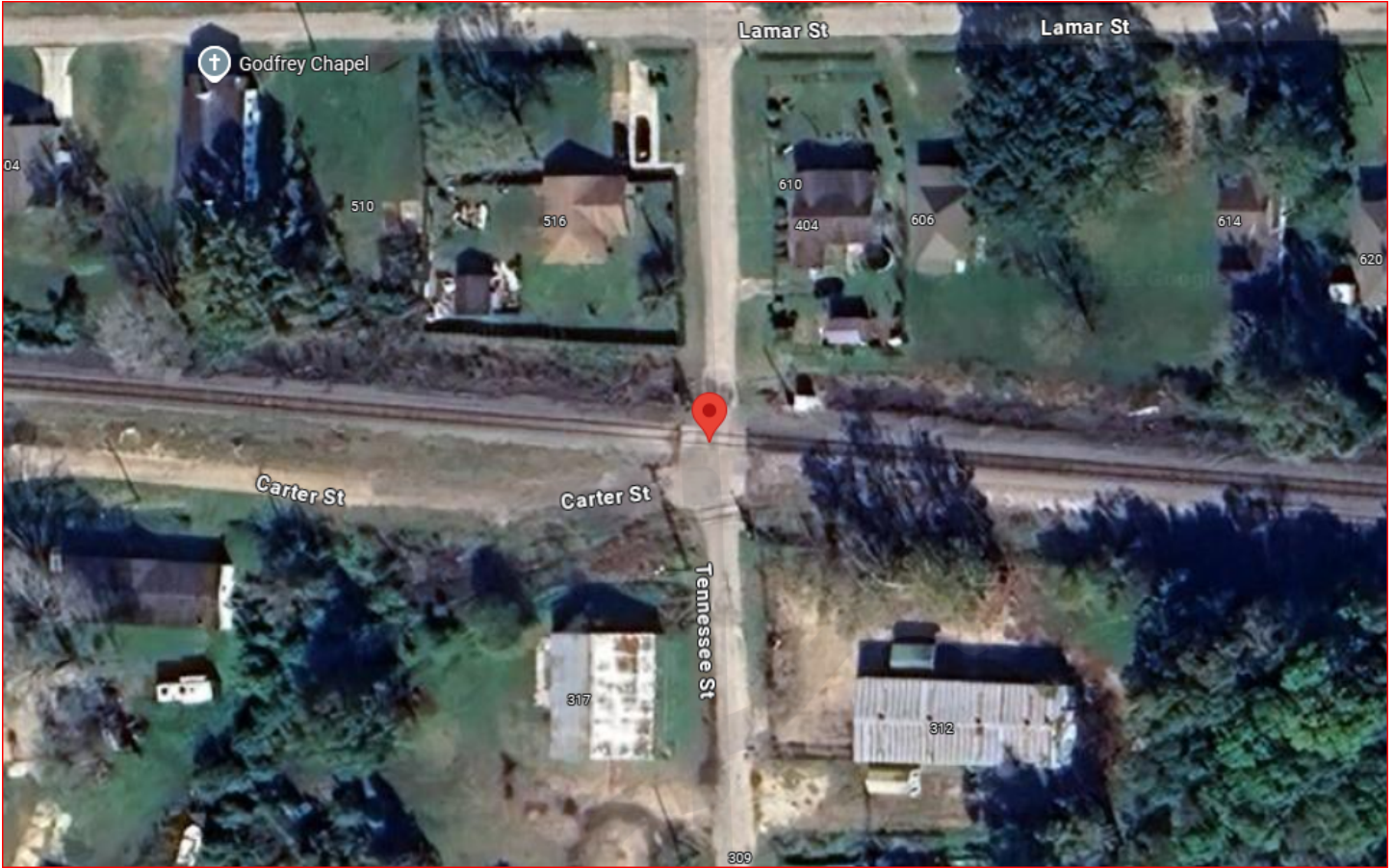
CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

DOT 762772N



CCSJ #	0920-00-180		
AFA CSJs	0920-00-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

DOT 762782U



CCSJ #	0920-00-180		
AFA CSJs	0920-0-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

**ATTACHMENT B
SCOPE OF WORK**

- The State or its Contractor to furnish, install and/or replace the appropriate pavement markings on roadway approaches to highway rail-grade crossings in accordance with the Texas Manual on Uniform Traffic Control Devices (TMUTCD) and the attached standard sheets.
- The State or its Contractor to furnish, install and/or replace the appropriate signs on roadway approaches to highway rail-grade crossings and/or parallel roadways within 100 feet of the highway rail-grade crossing, as required, in accordance with the TMUTCD and the Standard Highway Signs Design Manual (SHSD).
- The State to provide traffic control in accordance with the guidelines in the TMUTCD and the attached standard sheets for the installation of signage and/or pavement markings.
- The City to maintain pavement markings and advance warning signs under their jurisdiction in accordance with the TMUTCD and as shown on the attached standard sheets.

Location List:

DOT	Railroad	Crossing Street	DOT	Railroad	Crossing Street
762762H	UPRR	Independence Street	762763P	UPRR	San Jacinto Street
762764W	UPRR	Fannin Street	762766K	UPRR	Travis Street
762767S	UPRR	Milam Street	762768Y	UPRR	Austin Street
762769F	UPRR	Crockett Street	762770A	UPRR	Bowie Street
762771G	UPRR	Louisiana Street	762772N	UPRR	Alabama Street
762782U	UPRR	Tennessee Street			

CCSJ #	0920-00-180		
AFA CSJs	0920-0-180		
District #	20	AFA ID	Z00011554
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Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

NOTES

A1: Center of RR next to center of rail. 12' minimum, 15' typical.

A2: Tip of gate to center of rail. 12' minimum, 15' typical.

B: Center of gate to center of rail. 12' minimum, 15' typical.

C: Center of gate to center of rail. 12' minimum, 15' typical.

D: Near edge of detectable warning surface to nearest rail. 12' minimum.

E: Edge of detectable warning surface to nearest rail. 12' minimum.

F: Edge of gate to center of centerline. 8' minimum.

G: Edge of gate to center of centerline. 8' minimum.

H: Edge of gate to center of centerline. 8' minimum.

I: Edge of gate to center of centerline. 8' minimum.

J: Edge of gate to center of centerline. 8' minimum.

K: Edge of gate to center of centerline. 8' minimum.

L: Edge of gate to center of centerline. 8' minimum.

M: Edge of gate to center of centerline. 8' minimum.

N: Edge of gate to center of centerline. 8' minimum.

O: Edge of gate to center of centerline. 8' minimum.

P: Edge of gate to center of centerline. 8' minimum.

Q: Edge of gate to center of centerline. 8' minimum.

R: Edge of gate to center of centerline. 8' minimum.

S: Edge of gate to center of centerline. 8' minimum.

T: Edge of gate to center of centerline. 8' minimum.

U: Edge of gate to center of centerline. 8' minimum.

V: Edge of gate to center of centerline. 8' minimum.

W: Edge of gate to center of centerline. 8' minimum.

X: Edge of gate to center of centerline. 8' minimum.

Y: Edge of gate to center of centerline. 8' minimum.

Z: Edge of gate to center of centerline. 8' minimum.

GENERAL NOTES

1. Signs shall be non-reflectable to quality as a Buller Zone Supplemental Safety Measure (SSM). Signs shall be used on roadways where speed does not exceed 40 mph. See PM22 and PM23 standard sheets.

2. Raised pavement markers may be used to supplement striping. See PM22 and PM23 standard sheets.

3. Minimum line cross-section shall be 1/2" x 1/2" x 1/2".

4. Longitudinal edge striping may be continued thru existing striping. Illustration may also be considered for nighttime use.

5. See S&P standard sheets for sign mounting details.

6. For sign and pavement marking details, see the following sheets:

7. See S&P standard sheets for sign mounting details.

TABLE 1

Approach	Minimum	Maximum
25'	25'	100'
30'	30'	100'
35'	35'	100'
40'	40'	100'
45'	45'	100'
50'	50'	100'
55'	55'	100'
60'	60'	100'
65'	65'	100'
70'	70'	100'
75'	75'	100'

CROSSING SURFACE CROSS SECTION

DISCLAIMER

This drawing is prepared in accordance with the latest edition of the Manual for Uniform Traffic Control Devices for Streets and Highways (MUTCD) and the City of Liberty Standard Specifications for Road and Bridge Construction. It is intended for use as a guide only and does not constitute a contract. The contractor shall be responsible for all details not shown on this drawing.

NOTES

T: Tip of gate to edge of curb. 12' minimum for Buller Zone. 15' minimum for other locations.

U: Near edge of detectable warning surface to nearest rail. 12' minimum.

V: Edge of gate to center of centerline. 8' minimum.

W: Edge of gate to center of centerline. 8' minimum.

X: Edge of gate to center of centerline. 8' minimum.

Y: Edge of gate to center of centerline. 8' minimum.

Z: Edge of gate to center of centerline. 8' minimum.

DETAIL A

ONE-WAY STREET WITH CURB

DETAIL B

TWO LANES, TWO-WAY

DETAIL C

TWO-WAY, MULTIPLE LANES EACH DIRECTION

CCSJ #	0920-00-180		
AFA CSJs	0920-0-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		

GENERAL NOTES

1. Railroad crossing, to include advance traffic control devices, tracks, and EMERGENCY NOTIFICATION (E-113) signs, shall be placed 117 feet from 1
2. LOW GROUND CLEARANCE (R10-3) signs may be relocated further
3. Location of crossing to provide advance warning of alternate route, shall be modified as needed for 411 roadway geometry.
4. Table 1 placement distances may vary per the Placement of Warning
5. Signs (R10-3) to determine placement of STOP AHEAD (R10-11) and YIELD (R10-12) signs shall be placed 117 feet from the crossing.
6. Do not stop on tracks. (R10-1) signs installed when potential for vehicles stopping on tracks is significant as determined by sealing vehicles stopping on slip lanes and block type of track.
7. Stop and pavement marking details for tracks (SSB) manual for

TABLE 1

Approach Speed (mph)	Sign Placement (feet)
25	100
35	150
45	200
55	250
65	300
75	350
85	400
95	450
105	500
115	550
125	600
135	650
145	700
155	750
165	800
175	850

PATHWAY CROSSING

PASSIVE CROSSING

NOTE

1. STOP or YIELD sign may also be installed to the left of the crossing.
2. A 7' white rectangular sign shall be installed on front and back of crosswalk sign post.
3. See the Crosswalk Assembly with YIELD or STOP signs for further details about sign marking, or components.

NOTE

This design shows a four-way stop intersection. Traffic control devices (stop signs or other traffic control devices) shall be installed at the intersection location.

Stop lights (if "A" <100')

GRADE CROSSING NEAR A PARALLEL STREET

NOTE

- "A" <100': See Table 1. Place pavement markings and sign on approach side of crossing from Table 1. Stop sign markings within intersection.
- "B": See Table 1. Place pavement markings and sign on approach side of crossing from Table 1. Stop sign markings within intersection.
- "C": See Table 1. GRADE CROSSING AND INTERSECTION ADVANCE WARNING (R10-2, R10-3, R10-4) signs should only be installed at the intersection and not road crossing, if needed, see Table 1.

T-INTERSECTION

NOTE

For T-intersections, advance warning signs and advance warning signs should be placed on the approach side of the intersection and rear of intersection and rear of intersection advance warning (R10-3) signs should be placed on roadway parallel with the approach side.

NOTE

Sign Table 1, if sufficient space available.

RAILROAD CROSSING DETAILS SIGNING & STRIPING

State Department of Transportation

RAILROAD CROSSING DETAILS SIGNING & STRIPING

RCO (2) - 22

DATE: 08/02/2022 11:22 AM

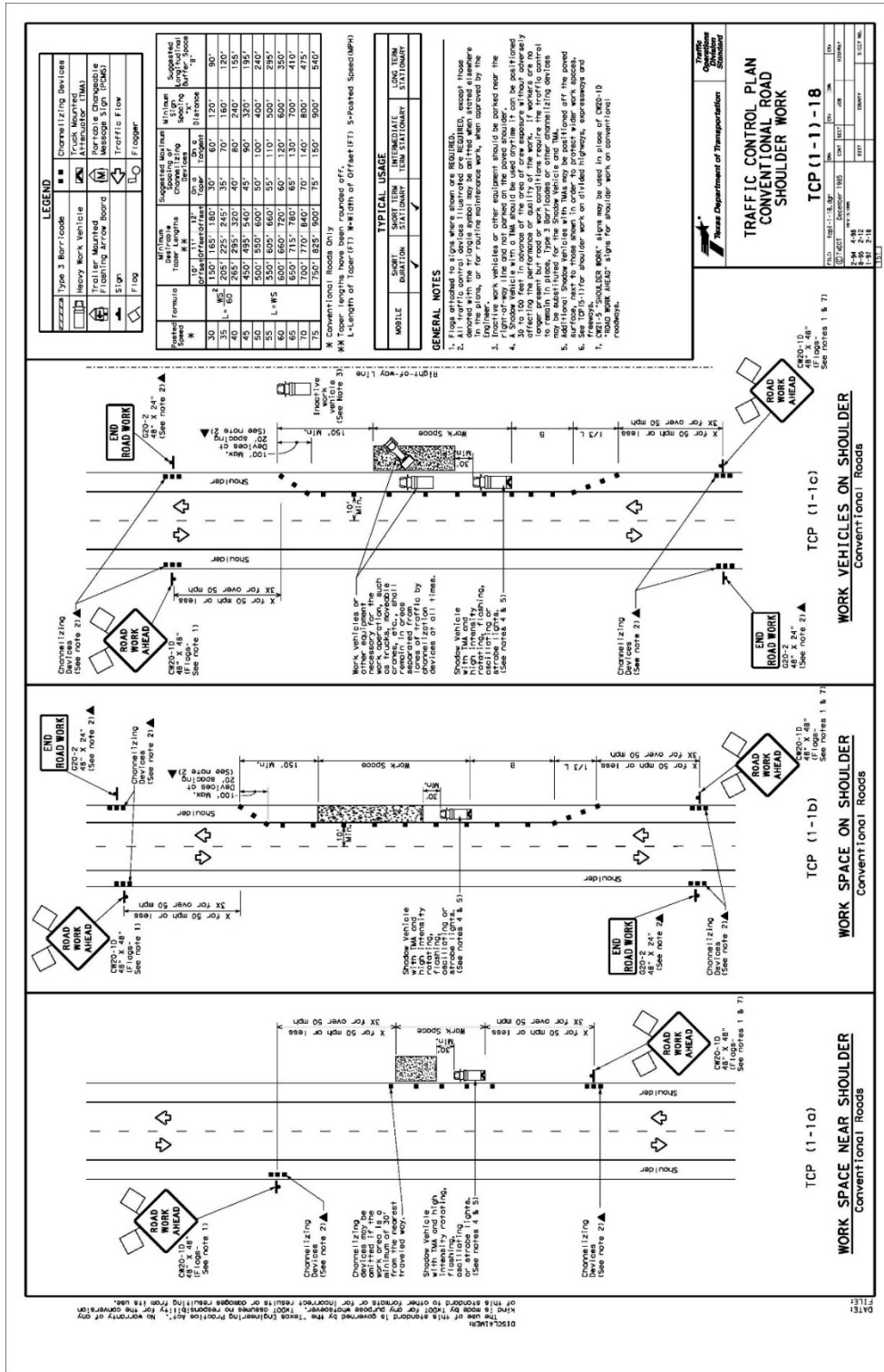
BY: [Signature]

PROJECT: [Signature]

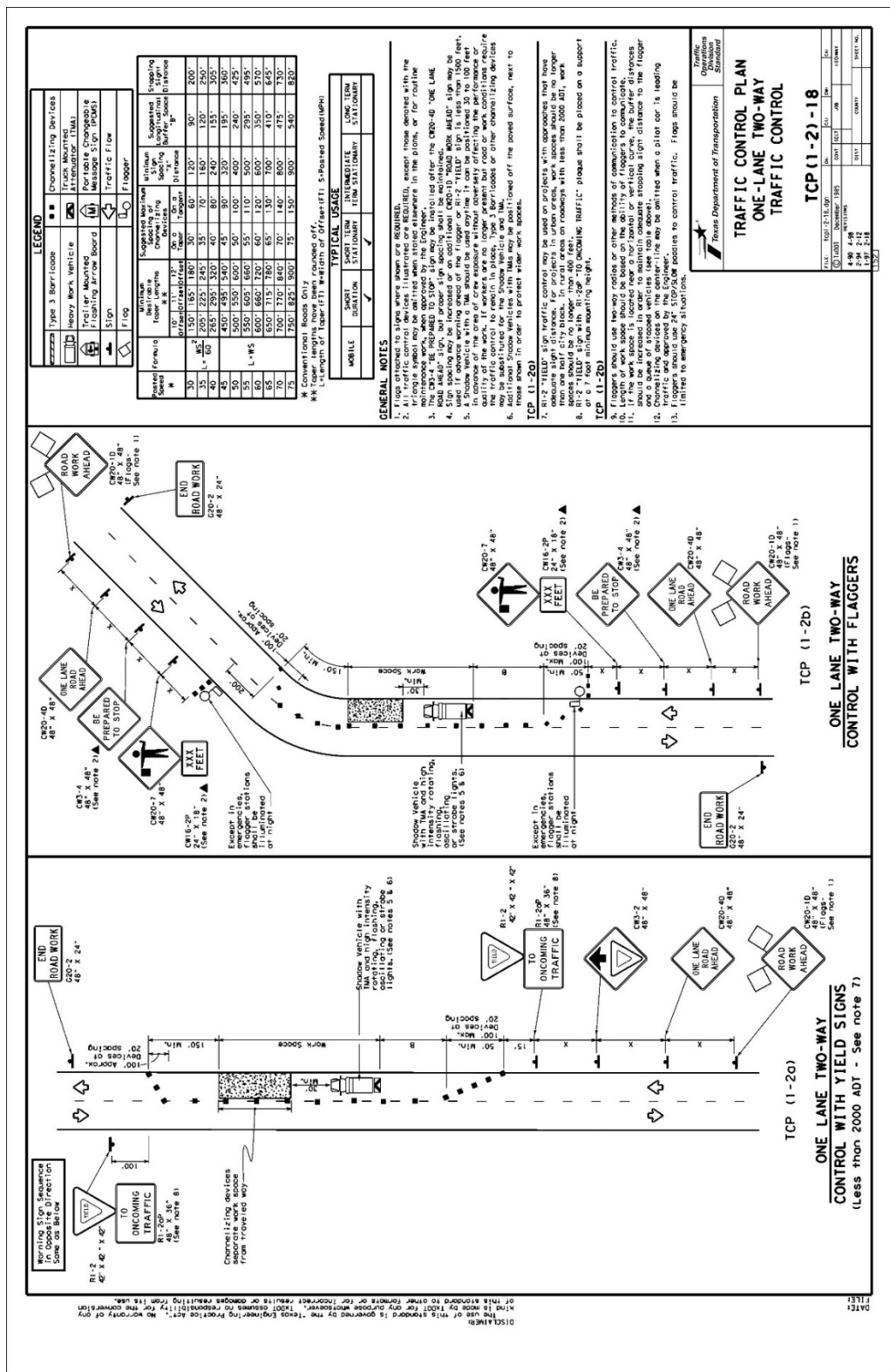
SCALE: 1" = 20'

11-22

CCSJ #	0920-00-180		
AFA CSJs	0920-0-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		



CCSJ #	0920-00-180		
AFA CSJs	0920-0-180		
District #	20	AFA ID	Z00011554
Code Chart 64 #	24600 CITY OF LIBERTY		
Project Name	FY25 RR-OFF SYSTEM-Signs & Striping		



CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: Continue Discussion and Possible Action related to broadcast of public meetings of the City Council over the Internet in compliance with the City of Liberty's discretion under Government Code Chapter 551.128

Department: Administration

Subject: Staff has completed the necessary groundwork to begin streaming City Council meetings. We have established the City's YouTube page, completed the preliminary audio/visual and IT setup, and are now ready to move into the testing phase. Staff recommends that we conduct a technical test during the April 14, 2026 Council Meeting and then report back to Council on the results. Our goal is to ensure the system functions properly before formally promoting live streaming, as we want to resolve any potential technical issues prior to a public launch.

Background: Texas Government Code §551.128 permits, but does not require, municipalities below certain population thresholds to broadcast open meetings over the Internet. Mandatory live streaming and online archiving requirements apply to home-rule municipalities with populations of 50,000 or more. The City of Liberty does not currently meet this threshold and is therefore in full compliance with the Open Meetings Act through existing notice, access, and in-person meeting practices.

Funding Source:

Staff Recommendation:

Sec. 551.128. INTERNET BROADCAST OF OPEN MEETING. (a) In this section, "Internet" means the largest nonproprietary cooperative public computer network, popularly known as the Internet.

(b) Except as provided by Subsection (b-1) and subject to the requirements of this section, a governmental body may broadcast an open meeting over the Internet.

(b-1) A transit authority or department subject to Chapter [451](#), [452](#), [453](#), or [460](#), Transportation Code, an elected school district board of trustees for a school district that has a student enrollment of 10,000 or more, an elected governing body of a home-rule municipality that has a population of 50,000 or more, or a county commissioners court for a county that has a population of 125,000 or more shall:

(1) make a video and audio recording of reasonable quality of each:

(A) regularly scheduled open meeting that is not a work session or a special called meeting; and

(B) open meeting that is a work session or special called meeting if:

(i) the governmental body is an elected school district board of trustees for a school district that has a student enrollment of 10,000 or more; and

(ii) at the work session or special called meeting, the board of trustees votes on any matter or allows public comment or testimony; and

(2) make available an archived copy of the video and audio recording of each meeting described by Subdivision (1) on the Internet.

(b-2) A governmental body described by Subsection (b-1) may make available the archived recording of a meeting required by Subsection (b-1) on an existing Internet site, including a publicly accessible video-sharing or social networking site. The governmental body is not required to establish a separate Internet site and provide access to archived recordings of meetings from that site.

(b-3) A governmental body described by Subsection (b-1) that maintains an Internet site shall make available on that site, in a conspicuous manner:

(1) the archived recording of each meeting to which Subsection (b-1) applies; or

(2) an accessible link to the archived recording of each such meeting.

(b-4) A governmental body described by Subsection (b-1) shall:

(1) make the archived recording of each meeting to which Subsection (b-1) applies available on the Internet not later than seven days after the date the recording was made; and

(2) maintain the archived recording on the Internet for not less than two years after the date the recording was first made available.

(b-5) A governmental body described by Subsection (b-1) is exempt from the requirements of Subsections (b-2) and (b-4) if the governmental body's failure to make the required recording of a meeting available is the result of a catastrophe, as defined by Section [551.0411](#), or a technical breakdown. Following a catastrophe or breakdown, a governmental body must make all reasonable efforts to make the required recording available in a timely manner.

(b-6) A governmental body described by Subsection (b-1) may broadcast a regularly scheduled open meeting of the body on television.

(c) Except as provided by Subsection (b-2), a governmental body that broadcasts a meeting over the Internet shall establish an Internet site and provide access to the broadcast from that site. The governmental body shall provide on the Internet site the same notice of the meeting that the governmental body is required to post under Subchapter C. The notice on the Internet must be posted within the time required for posting notice under Subchapter C.

Added by Acts 1999, 76th Leg., ch. 100, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 681 (H.B. [283](#)), Sec. 1, eff. January 1, 2016.

Acts 2017, 85th Leg., R.S., Ch. 1147 (H.B. [523](#)), Sec. 1, eff. September 1, 2017.

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: Discussion and possible action on wayfinding and branding presentation from Merje Designs

Department: Administration

Subject:

Background:

Funding Source:

Staff Recommendation:

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, ACCEPTING THE FISCAL YEAR 2024-2025 ANNUAL AUDIT REPORT AS PRESENTED BY BROOKS WATSON & CO., P.C., LLC.

Department: Finance

Subject: Annual Audit Fiscal Year 2024-2025

Background: Texas Local Government Code 103.001 requires that a municipality shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. An audit will check the accuracy of records, compliance with accounting methods, and the soundness of financial practices, including internal controls.

Funding Source: NA

Staff Recommendation: Staff recommends approval of the resolution accepting the Fiscal Year 2024-2025 Annual Audit.



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026 6:00 PM

Department: Finance
Category: Resolution

Resolution

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, ACCEPTING THE FISCAL YEAR 2024-2025 ANNUAL AUDIT REPORT AS PRESENTED BY BROOKS WATSON & CO., P.C., LLC.

WHEREAS, Texas Local Government Code § 103.001 requires that a municipality shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit; and

WHEREAS, an audit will check the accuracy of records, compliance with accounting methods, and the soundness of financial practices, including internal controls; and

WHEREAS, Brooks Watson & Co., P.C., LLC, has prepared the City of Liberty's Annual Audit Report for the Fiscal Year 2024-2025.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Liberty, Texas hereby accepts the Fiscal Year 2024-2025 Annual Audit Report as presented by Brooks Watson & Co., P.C., LLC.

PASSED AND APPROVED this 10th day of March 2026

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

ANNUAL FINANCIAL REPORT

of the

City of Liberty, Texas

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



City of Liberty, Texas

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September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Liberty, Texas (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Liberty, Texas, as of September 30, 2025, and the respective changes in financial position, and cashflows where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and 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 City of Liberty, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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'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.E. to the financial statements, due to the recognition of GASB 101, *Compensated Absences*, the City restated beginning net position for governmental activities, water and wastewater fund, and business-type activities. Our opinion is not modified with respect to this matter.

Other Matters

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, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 City of Liberty, 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.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements, the supplemental schedules, and the schedule of expenditures of federal awards are 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 **January 30, 2026** on our consideration of the City'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 the City's 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's internal control over financial reporting and compliance.

Brooks Watson & Co.

Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
January 30, 2026

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

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City of Liberty, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

As management of the City of Liberty, 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. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current-year results with those of the prior year, and discusses the positive and negative aspects of that comparison. GASB Statement No. 34 establishes the content of the minimum requirements for the MD&A. Please read the MD&A in conjunction with the City's financial statements, which follow this section.

The annual financial report is presented as compliant with the financial reporting model in effect pursuant to GASB Statement No. 34. This financial reporting model requires governments to present certain basic financial statements as well as an MD&A and certain other Required Supplementary Information (RSI). The basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2025 by \$126,835,126. Of this amount, \$40,905,256 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$9,499,171. The majority of the City's net position is invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported combined ending fund balances of \$9,793,363 at September 30, 2025, a decrease of \$1,116,597 from the prior fiscal year; this includes an increase of \$490,124 in the general fund, an increase of \$680,702 in the debt service fund, a decrease of \$2,525,261 in the capital projects fund and an increase of \$213,991 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$3,043,679 or 23% of total general fund expenditures.

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.

City of Liberty, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

Government-Wide Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include administration, recreation and leisure, economic development/tourism, public health/safety, public works, airport, golf course, and business and support services. The business-type activities of the City include electric, water and wastewater and solid waste operations.

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

The government-wide financial statements can be found on pages 22-27 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

City of Liberty, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2025

statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The City maintains sixteen 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, capital projects, debt service fund, HMPG Flood Wall and Levee, and American Rescue Plan fund, which are considered to be 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, and certain special revenue funds. A budgetary comparison statement has been provided for the general fund. The City did not adopt a budget for the major special revenue funds for the current year ending September 30, 2025.

The basic governmental fund financial statements can be found on pages 28-37 of this report.

Proprietary Funds

The City's proprietary funds are all enterprise funds. *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 electric, water/wastewater, and solid waste utility operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, 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.

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 electric fund, water/wastewater fund, and solid waste fund, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 38-43 of this report.

City of Liberty, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

Component Unit

The City maintains the accounting and financial statements for one component unit. The Liberty Community Development Corporation is a discretely presented component unit and 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 45-79 of this report.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund and major special revenue funds, a schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System. RSI can be found after the basic financial statements.

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 Liberty, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by \$126,835,126 as of September 30, 2025, in the primary government.

The largest portion of the City's net position, \$79,934,076 reflects its investments in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Liberty, Texas's net position of \$5,995,794 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$40,905,256 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Liberty, Texas is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

City of Liberty, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

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	\$ 12,084,683	\$ 49,542,567	\$ 61,627,250	\$ 16,343,083	\$ 42,187,103	\$ 58,530,186
Internal balances	565,376	(565,376)	-	331,450	(331,450)	-
Long-term assets	58,407,356	31,467,917	89,875,273	56,733,927	31,302,186	88,036,113
Total Assets	71,057,415	80,445,108	151,502,523	73,408,460	73,157,839	146,566,299
Deferred Outflows	617,000	67,542	684,542	739,648	82,835	822,483
Current liabilities	3,912,959	2,585,538	6,498,497	6,007,352	2,602,360	8,609,712
Long-term liabilities	9,535,388	8,902,600	18,437,988	11,734,150	9,568,103	21,302,253
Total Liabilities	13,448,347	11,488,138	24,936,485	17,741,502	12,170,463	29,911,965
Deferred Inflows	379,572	35,882	415,454	131,892	8,970	140,862
Net Position:						
Net investment in capital assets	49,126,497	30,807,579	79,934,076	44,781,683	30,642,914	75,424,597
Restricted	5,878,393	117,401	5,995,794	7,707,301	113,942	7,821,243
Unrestricted	2,841,606	38,063,650	40,905,256	3,785,730	30,304,385	34,090,115
Total Net Position	\$ 57,846,496	\$ 68,988,630	\$ 126,835,126	\$ 56,274,714	\$ 61,061,241	\$ 117,335,955

Current and other assets for governmental activities decreased by \$4,258,400 due to declining cash balances and nonrecurring grant receivables in the prior year. Current and other assets for business-type activities increased \$7,355,464 primarily due to greater cash/investments balances, resulting from an operating surplus and nonrecurring intergovernmental funds received in the current year. Long-term assets for governmental activities increased \$1,673,429 primarily due to ongoing fire station renovations, street rehabilitation projects, and lighting upgrades for the City's ballpark fields during the year. Current liabilities for governmental activities decreased by \$2,094,393 due to nonrecurring grants received in advance related to the American Rescue plan in the prior year. Long-term liabilities for governmental activities decreased \$2,198,762 primarily due to a decrease in the City's net pension liability, and current year debt principal payments. In addition, the City had two leases forgiven in the current year.

City of Liberty, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

Statement of Activities:

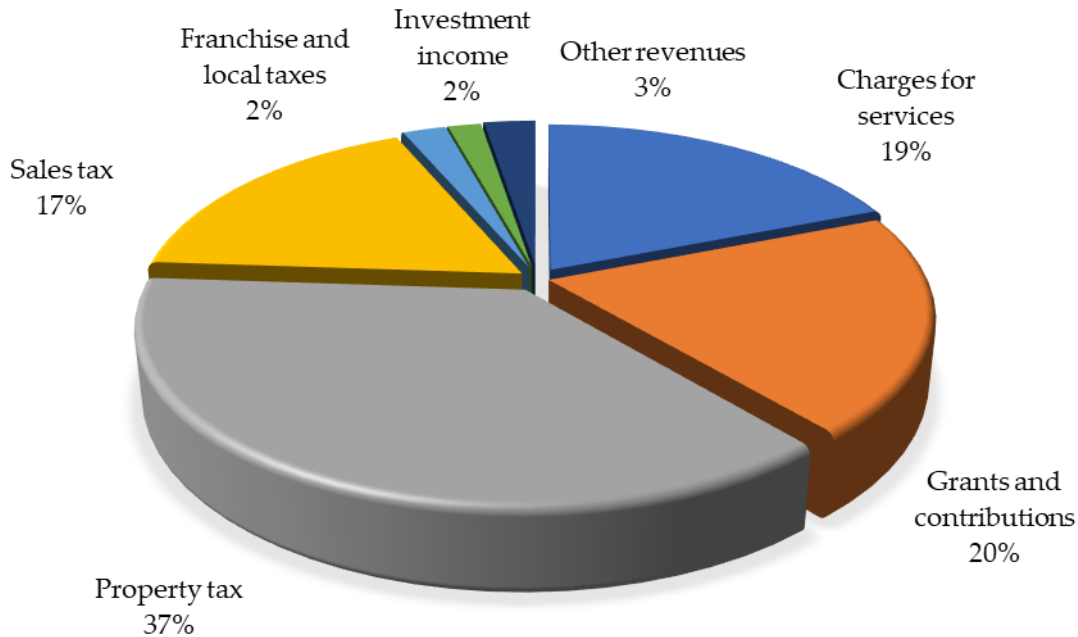
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 2,830,539	\$ 18,448,689	\$ 21,279,228	\$ 2,546,045	\$ 17,356,222	\$ 19,902,267
Operating grants	69,379	-	69,379	29,770	-	29,770
Capital grants	2,870,765	7,142,376	10,013,141	6,272,409	-	6,272,409
General revenues:						
Property tax	5,548,778	-	5,548,778	5,531,869	-	5,531,869
Sales tax	2,597,948	-	2,597,948	2,445,113	-	2,445,113
Franchise & local taxes	324,381	-	324,381	327,879	-	327,879
Investment income	250,526	1,698,469	1,948,995	403,629	1,995,100	2,398,729
Other revenues	385,983	-	385,983	401,128	-	401,128
Total Revenues	14,878,299	27,289,534	42,167,833	17,957,842	19,351,322	37,309,164
Expenses						
Administration	1,402,923	-	1,402,923	1,303,107	-	1,303,107
Public health and safety	7,489,311	-	7,489,311	6,404,086	-	6,404,086
Public works	3,089,967	-	3,089,967	2,838,150	-	2,838,150
Recreation and leisure	1,328,623	-	1,328,623	1,159,981	-	1,159,981
Econ. Dev/tourism	68,238	-	68,238	144,219	-	144,219
Airport operations	548,036	-	548,036	480,069	-	480,069
Golf course	1,251,964	-	1,251,964	1,123,230	-	1,123,230
Bus. & support services	1,554,511	-	1,554,511	2,133,173	-	2,133,173
Int. & fiscal charges	144,875	344,700	489,575	199,115	362,132	561,247
Electric	-	11,565,265	11,565,265	-	10,614,377	10,614,377
Water and wastewater	-	3,207,241	3,207,241	-	2,879,041	2,879,041
Solid waste	-	673,008	673,008	-	647,508	647,508
Total Expenses	16,878,448	15,790,214	32,668,662	15,785,130	14,503,058	30,288,188
Change in Net Position						
Before Transfers	(2,000,149)	11,499,320	9,499,171	2,172,712	4,848,264	7,020,976
Transfers	3,571,931	(3,571,931)	-	7,027,220	(7,027,220)	-
Total	3,571,931	(3,571,931)	-	7,027,220	(7,027,220)	-
Change in Net Position	1,571,782	7,927,389	9,499,171	9,199,932	(2,178,956)	7,020,976
Beginning Net Position	56,274,714	61,061,241	117,335,955	47,074,782	63,240,197	110,314,979
Ending Net Position	\$ 57,846,496	\$ 68,988,630	\$ 126,835,126	\$ 56,274,714	\$ 61,061,241	\$ 117,335,955

City of Liberty, 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

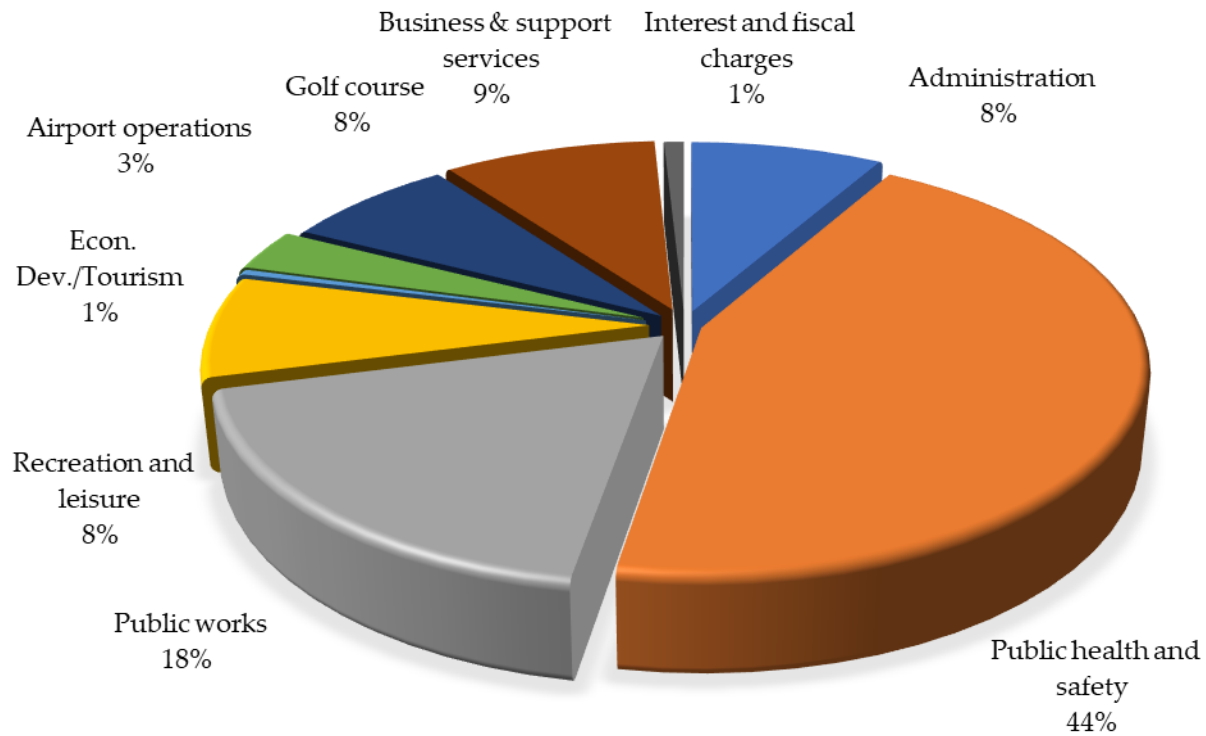


For the year ended September 30, 2025, revenues from governmental activities totaled \$14,878,299. Property tax and grants/contributions are the City's largest general revenue sources. Overall revenue decreased by \$3,079,543 or 17% from the prior year. Charges for services increased by \$284,494 or 11% primarily due to greater golf course usage compared to the prior year. Capital and operating grants decreased by \$3,362,035 or 53% primarily due to nonrecurring capital grants from the Texas Department of Housing and Community Affairs for fire station #2 received in the prior year. Sales tax revenues increased by \$152,835 or 6% due to City growth and greater consumption of goods in the current year. Investment income decreased by \$153,103 or 38% primarily due to lower interest-bearing accounts and declining interest rates over the course of the year. All other revenues remained relatively stable when compared to the previous year.

City of Liberty, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

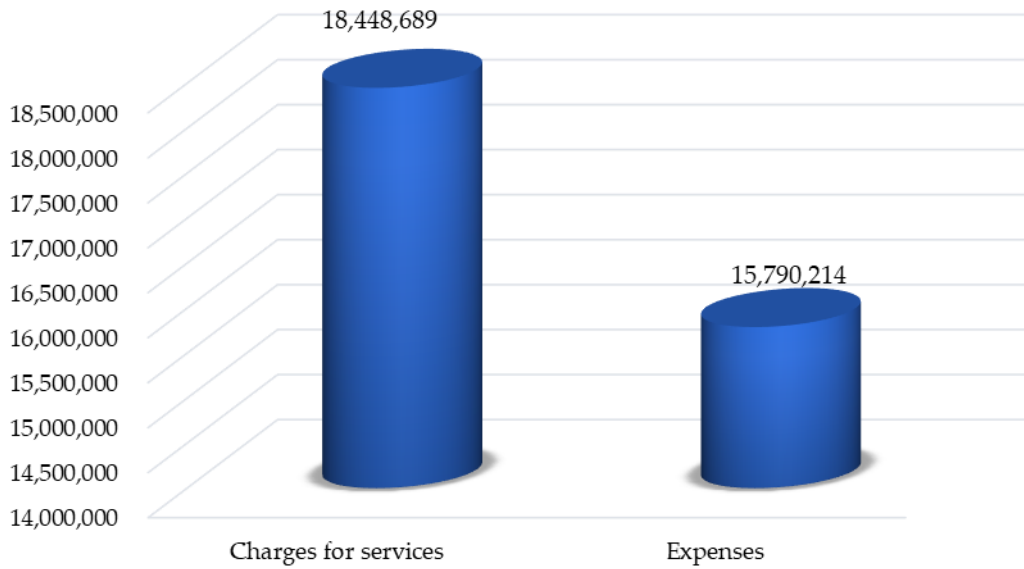


For the year ended September 30, 2025, expenses for governmental activities totaled \$16,878,448. This represents an increase of \$1,093,318 or 7% from the prior year. The City's largest functional expense is public health and safety totaling \$7,489,311 which is an increase of \$1,085,225 or 17%. The increase is due to greater personnel costs, nonrecurring software and equipment maintenance, and greater depreciation expense in the current year. Administration expenses increased by \$99,816 or 8% primarily due to nonrecurring personnel costs, resulting from payouts to employees that left during the current year. Public works and recreation and leisure expenses increased by \$251,817 or 9% and \$168,642 or 15%, respectively, primarily due to greater asset depreciation, increased personnel costs, and nonrecurring maintenance expenses in the current year. Economic development/tourism expenses decreased by \$75,981 or 53% due to nonrecurring special event related expenses in the prior year. Airport operation expenses increased by \$67,967 or 14% primarily due to greater fuel and maintenance costs in the current year. Golf course expenses increased by \$128,734 or 11% primarily due to greater golf course usage in the current year. Business and support services decreased by \$578,662 or 27% primarily as a result of nonrecurring clean-up expenses and disaster relief services incurred during the aftermath of Hurricane Beryl in the prior year. Interest and fiscal charges decreased by \$54,240 or 37% which is consistent with the decrease in long-term debt, resulting from outstanding balances approaching maturity. All other governmental activities expenses remained relatively consistent with the prior year.

City of Liberty, 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 \$18,448,689. This represents an increase of \$1,092,467 and 6% from the previous year primarily due to an increase in electricity and garbage consumption in the current year.

Total business-type activity expenses increased by \$1,287,156 or 9% to a total of \$15,790,214. Electric expenses totaled \$11,565,265, while water/wastewater and solid waste utility operations totaled \$3,551,941 (includes interest and fiscal charges) and \$673,008, respectively. Water/wastewater increased by \$328,200 or 11% primarily due to nonrecurring lift station, sewer line, plant, and equipment maintenance in the current year. Solid waste-related expenses remained consistent with the prior 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 balances of \$9,793,363, a decrease of \$1,116,597 in comparison with the prior year. Approximately 30% of this amount, \$2,897,955, constitutes *unassigned fund balance*, which is available for spending at the government's

City of Liberty, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

discretion. The remainder of the fund balance is either *nonspendable, restricted, or committed* to indicate that it is 1) not in spendable form \$71,874, 2) restricted for particular purposes \$5,878,393, or 3) assigned for \$945,141.

As of the end of the year the general fund reflected a total fund balance of \$3,694,004. Of this, \$68,702 is considered not in spendable form, \$21,332 is restricted, \$560,291 is assigned, and \$3,043,679 is unassigned. General fund balance increased by \$490,124 during the current year primarily as a result revenues and transfers into the fund exceeding expenditures.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$3,043,679 is 23% of total general fund expenditures.

The debt service fund had an ending fund balance of \$3,535,358 at September 30, 2025, an increase of \$680,702 primarily due to current year property taxes and investment income exceeding the required debt service payments for the year. During the year, the fund recorded total principal and interest payments totaling \$1,419,530, property tax revenue of \$2,005,356 and investment income of \$94,876.

The capital projects fund had an ending fund balance of \$0 at September 30, 2025, a decrease of \$2,525,261 when compared to the prior year. This decrease is primarily due to capital outlay expenditures exceeding intergovernmental revenues and other financing sources.

The HMPG flood wall and levee fund had an ending fund balance of \$1,589,942, an increase of \$23,847 primarily due to current year intergovernmental revenues and no offsetting expenditures.

The American Rescue Plan fund had an ending fund balance of \$0, and no change in fund balance for the year. The is due to grant expenditures equaling grant proceeds recognized in the current year.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the City's largest proprietary fund, the electric fund, totaled \$42,728,703. Unrestricted net position at the close of the fiscal year for all proprietary funds amounted to \$38,063,650, a decrease of \$7,759,265 over the previous year. Total investment in capital assets, net of related debt was \$30,807,579, and capital assets, net of depreciation totaled \$31,467,917.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted revenues of \$7,716,796 were less than actual revenues of \$9,825,236, resulting in a total positive revenue variance of \$2,108,440. All actual revenues were greater than the budgeted amounts, with the exception of, franchise taxes, licenses and permits, and investment income. Total budgeted expenditures of \$12,741,040 were less than actual expenditures of \$13,164,585, resulting in a total negative expenditure variance of \$423,545. All departmental expenditures were greater than the budgeted amounts, with the exception of municipal court, animal control, streets, parks and recreation,

City of Liberty, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2025

inspection, and capital outlay. Expenditures exceeded appropriations at the legal level of control by \$423,545.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$58,358,443 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested \$31,467,917 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure.

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

- Fire station #2 renovations totaling \$1,010,840.
- City wide street rehab project for \$1,493,495.
- Began work on the Liberty Municipal Park Project for \$210,553.
- Built a wildlife exclusion fence at the airport for \$145,000.
- Installed lighting at the City Park ballfields for \$1,018,990.
- Purchased a Chevy police vehicle for \$138,181.
- Purchased a freightliner for \$276,005.
- Purchased three Ford vehicles totaling \$228,472.
- Made improvements to EMS vehicles totaling \$156,895.
- Purchased radios for \$251,853.
- Purchased two mowers totaling \$40,213.
- Purchased golf course equipment totaling \$53,116.
- Continued work on the new water plant for \$166,200.
- Made improvements to the Forrest Hill water plant for \$473,967.
- Installed a water well on Highway 146 for \$114,777.
- Replaced fire hydrants for \$421,700.
- Purchased a dump truck for \$109,897.
- Purchased equipment for water wells totaling \$48,254.
- Purchased two pumps for lift stations totaling \$28,800.
- Installed a Kiosk for the utility department for \$30,863.
- Purchased electrical utility equipment totaling \$42,510.

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

LONG-TERM DEBT

The City's outstanding bonds, notes payable, lease liabilities, and certificates of obligation, net of all premiums and discounts, decreased by \$1,978,369 from the prior year. The total bonds and certificates of obligation payable at the close of the fiscal year was \$18,252,180, net of all premiums and discounts. Of this amount, \$17,225,000 (excluding unamortized premium/discount) comprises of bonded debt

City of Liberty, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2025

backed by the full faith and credit of the City, and the remaining represents bonds secured solely by self-supporting activities.

More detailed information about the City's long-term liabilities is presented in note IV.E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The property values, as certified on the 2025 tax roll, total \$950,586,510, reflecting a 3.95% increase over the 2024 property values. The total adjusted values of taxable property for the 2024 tax year were \$773,420,640, while the adjusted values for the 2025 tax year are \$803,911,320, representing a 3.95% increase over the previous tax year. These values include properties under protest and those with tax ceilings. This reflects an increase of \$30,490,680 over the 2024 total taxable value. Additionally, the tax ceiling increased by 5.1%, or \$7,214,776, compared to 2024. The fiscal year 2026 budget also includes revenue from the industrial district agreement (IDA), executed in 2019 between Moss Bluff Hub Partners, Inc., and the city. The anticipated revenue from the IDA for fiscal year 2026 is \$515,000.

Sales and use taxes and property taxes are the largest revenue sources in the general fund, representing 18.5% and 22.3%, respectively. The fiscal year 2026 sales and use taxes reflect a 15.5% increase, while property taxes show a 9.25% increase in total general fund revenue compared to the fiscal year 2025 budget. The fiscal year 2026 budget anticipates growth in sales tax revenue and in property tax revenue over the fiscal year 2025 budget.

The administration is proposing a tax rate at the voter approval rate (VAR) of \$0.5838 for fiscal year 2026. The current tax rate of \$0.5917 per \$100 of assessed value will decrease to \$0.5838 per \$100 of assessed value. For fiscal year 2026 \$0.3930 (M&O) will be allocated to the general fund, while \$0.1908 (I&S) will be apportioned to debt service. Although the proposed M&O rate for fiscal year 2026 decreases by \$0.0079, there is an increase in the proposed M&O over the 2025 NNR, resulting in an average additional cost of \$58.90 per year for homestead property owners.

The 2026 budget includes the addition of six positions in the parks department. Additionally, a 10% increase in healthcare costs for employees and dependents is incorporated into the budget for all full-time employees. The city will continue to cover the cost of employee-only insurance. Dependent coverage costs will be shared between the city and employees on a 55%/45% basis, respectively. Additionally, a minimum 4% wage increase for all employees is included in this year's budget.

The fiscal year 2026 general fund budget is balanced, with revenues and expenditures totaling \$14,137,202, reflecting a 16% increase over the fiscal year 2025 budget.

The water/wastewater department is responsible for the production and sale of potable water for domestic and industrial use, fire protection, the collection and treatment of wastewater to protect public health and the environment, and the maintenance of water and wastewater infrastructure.

City of Liberty, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

The fiscal year 2026 water/wastewater budget anticipates \$6,149,672 million in revenues and expenditures. Water and wastewater revenues include an 8% increase, as recommended in the utility rate study and previously approved by the City Council. The majority of the additional 8% in revenues will be transferred toward the 2022 certificates of obligation issued for water and wastewater system improvements. The rate study indicates that an 8% increase in water/wastewater rates will be required for at least the next two years to fund various water and wastewater projects in the capital improvement program.

The electric department is the largest department in the city's organization in terms of revenues and expenditure. The fiscal year 2025 budget includes revenues and expenditures of \$13,980 million, representing an increase of \$1.5 million compared to the fiscal year 2025 budget. The ongoing volatility in natural gas prices significantly impacts the revenues and expenditures of this fund. The electric fund also provides the largest transfer to the general fund among all enterprise funds, with a budgeted transfer of \$1.575 million.

The solid waste fund is considered a pass-through fund, and city council has voted to combine this fund in with the general fund for future reporting and add the solid waste fund balance to the general funds fund balance. The solid waste collection and disposal services are contracted to a private company. This fund also covers the "Shred It" and "E-Waste" recycling programs. Anticipated revenues and expenditures in this fund total \$960,500. The city's contract with its waste hauler includes a rate increase of 2% for residential customers and 5% for industrial customers.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Financial Department.

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BASIC FINANCIAL STATEMENTS

City of Liberty, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 10,394,783	\$ 33,520,330	\$ 43,915,113
Investments	-	12,288,933	12,288,933
Receivables, net	1,618,026	2,716,315	4,334,341
Due from primary government	-	-	-
Internal balances	565,376	(565,376)	-
Inventories	71,874	1,016,989	1,088,863
Total Current Assets	12,650,059	48,977,191	61,627,250
Noncurrent assets:			
Lease receivable	48,913	-	48,913
Capital assets:			
Non-depreciable	2,714,715	2,534,216	5,248,931
Net depreciable capital assets	55,643,728	28,933,701	84,577,429
Total Noncurrent Assets	58,407,356	31,467,917	89,875,273
Total Assets	71,057,415	80,445,108	151,502,523
<u>Deferred Outflows of Resources</u>			
Pension outflows	617,000	67,542	684,542
Total Deferred Outflows of Resources	617,000	67,542	684,542

**Component
Unit**

**Liberty
CDC**

\$ 3,144,061

-

204,788

2,488

-

-

3,351,337

-

-

-

-

3,351,337

-

-

City of Liberty, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$ 1,174,581	\$ 1,173,182	\$ 2,347,763
Accrued liabilities	-	31,565	31,565
Due to component unit	-	2,488	2,488
Deposits payable	-	761,483	761,483
Grants received in advance	1,017,370	-	1,017,370
Compensated absences, current	384,934	32,574	417,508
Accrued interest payable	15,868	29,246	45,114
Long-term debt due in one year	1,320,206	555,000	1,875,206
	3,912,959	2,585,538	6,498,497
Noncurrent liabilities:			
Net pension liability	1,350,715	147,860	1,498,575
Compensated absences, noncurrent	275,000	24,233	299,233
Long-term debt due in more than one year	7,909,673	8,730,507	16,640,180
Total Noncurrent Liabilities	9,535,388	8,902,600	18,437,988
Total Liabilities	13,448,347	11,488,138	24,936,485
<u>Deferred Inflows of Resources</u>			
Pension inflows	327,779	35,882	363,661
Lease related	51,793	-	51,793
Total Deferred Inflows of Resources	379,572	35,882	415,454
<u>Net Position</u>			
Net investment in capital assets	49,126,497	30,807,579	79,934,076
Restricted for:			
Debt service	3,568,567	117,401	3,685,968
Public education	89,856	-	89,856
Public safety	28,863	-	28,863
Golf course	20,188	-	20,188
Tourism	184,600	-	184,600
Library	396,377	-	396,377
Capital projects	1,589,942	-	1,589,942
Community development	-	-	-
Unrestricted	2,841,606	38,063,650	40,905,256
Total Net Position	\$ 57,846,496	\$ 68,988,630	\$ 126,835,126

See Notes to Financial Statements.

**Component
Unit**

**Liberty
CDC**

\$ -

-

-

-

-

-

9,627

165,000

174,627

-

-

1,577,749

1,577,749

1,752,376

-

-

-

(1,742,750)

87,597

-

-

-

-

-

3,254,114

-

\$ 1,598,961

City of Liberty, 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				
Administration	\$ 1,402,923	\$ -	\$ -	\$ -
Public health and safety	7,489,311	1,699,338	69,379	1,027,287
Public works	3,089,967	85,554	-	570,304
Recreation and leisure	1,328,623	18,272	-	-
Economic development/tourism	68,238	-	-	1,020,210
Airport operations	548,036	321,954	-	179,564
Golf course	1,251,964	705,421	-	73,400
Business & support services	1,554,511	-	-	-
Interest and fiscal charges	144,875	-	-	-
Total Governmental Activities	16,878,448	2,830,539	69,379	2,870,765
Business-Type Activities				
Electric	11,565,265	11,812,303	7,000,000	-
Water and wastewater	3,551,941	5,757,679	-	142,376
Solid waste	673,008	878,707	-	-
Total Business-Type Activities	15,790,214	18,448,689	7,000,000	142,376
Total Primary Government	\$ 32,668,662	\$ 21,279,228	\$ 7,069,379	\$ 3,013,141
Component Units				
CDC	841,935	-	-	-
Total Component Units	\$ 841,935	\$ -	\$ -	\$ -

General Revenues:

- Taxes
 - Property taxes
 - Sales taxes
 - Franchise and local taxes
- Other revenues
- Investment income
- Transfers

Total General Revenues and Transfers

Change in Net Position

- Beginning Net Position (as previously presented)
- New Accounting Standard - GASB 101
- Beginning 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	Liberty CDC
\$ (1,402,923)	\$ -	\$ (1,402,923)	\$ -
(4,693,307)	-	(4,693,307)	-
(2,434,109)	-	(2,434,109)	-
(1,310,351)	-	(1,310,351)	-
951,972	-	951,972	-
(46,518)	-	(46,518)	-
(473,143)	-	(473,143)	-
(1,554,511)	-	(1,554,511)	-
(144,875)	-	(144,875)	-
<u>(11,107,765)</u>	<u>-</u>	<u>(11,107,765)</u>	<u>-</u>
-	7,247,038	7,247,038	-
-	2,348,114	2,348,114	-
-	205,699	205,699	-
-	9,800,851	9,800,851	-
<u>(11,107,765)</u>	<u>9,800,851</u>	<u>(1,306,914)</u>	<u>-</u>
			<u>(841,935)</u>
			<u>(841,935)</u>
5,548,778	-	5,548,778	-
2,597,948	-	2,597,948	1,297,360
324,381	-	324,381	-
385,983	-	385,983	5,000
250,526	1,698,469	1,948,995	85,599
3,571,931	(3,571,931)	-	-
<u>12,679,547</u>	<u>(1,873,462)</u>	<u>10,806,085</u>	<u>1,387,959</u>
1,571,782	7,927,389	9,499,171	546,024
56,406,485	61,067,438	117,473,923	1,052,937
(131,771)	(6,197)	(137,968)	-
56,274,714	61,061,241	117,335,955	1,052,937
<u>\$ 57,846,496</u>	<u>\$ 68,988,630</u>	<u>\$ 126,835,126</u>	<u>\$ 1,598,961</u>

City of Liberty, Texas
BALANCE SHEET
GOVERNMENTAL FUNDS (Page 1 of 2)
September 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>HMPG Flood Wall & Levee</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 2,894,462	\$ 3,510,352	\$ -	\$ 1,589,942
Accounts receivable, net	1,300,327	243,022	18,116	-
Due from other funds	464,443	25,745	505,144	-
Inventories	68,702	-	-	-
Total Assets	\$ 4,727,934	\$ 3,779,119	\$ 523,260	\$ 1,589,942
<u>Liabilities</u>				
Accounts payable	607,458	739	489,982	-
Grants received in advance	-	-	-	-
Due to other funds	25,745	-	15,162	-
Total Liabilities	633,203	739	505,144	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	400,727	243,022	-	-
Lease related	-	-	-	-
Unavailable revenue - grants	-	-	18,116	-
Total Deferred Inflows of Resources	400,727	243,022	18,116	-
<u>Fund Balances</u>				
Nonspendable:				
Inventories	68,702	-	-	-
Restricted for:				
Debt service	-	3,535,358	-	-
Public education	-	-	-	-
Public safety	21,332	-	-	-
Golf course	-	-	-	-
Tourism	-	-	-	-
Library	-	-	-	-
Capital projects	-	-	-	1,589,942
Assigned	560,291	-	-	-
Unassigned	3,043,679	-	-	-
Total Fund Balances	3,694,004	3,535,358	-	1,589,942
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,727,934	\$ 3,779,119	\$ 523,260	\$ 1,589,942

See Notes to Financial Statements.

American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,286,381	\$ 1,113,646	\$ 10,394,783
-	105,474	1,666,939
-	16,276	1,011,608
-	3,172	71,874
<u>\$ 1,286,381</u>	<u>\$ 1,238,568</u>	<u>\$ 13,145,204</u>
-	76,402	1,174,581
1,017,370	-	1,017,370
269,011	136,314	446,232
<u>1,286,381</u>	<u>212,716</u>	<u>2,638,183</u>
-	-	643,749
-	51,793	51,793
-	-	18,116
<u>-</u>	<u>51,793</u>	<u>713,658</u>
-	3,172	71,874
-	33,209	3,568,567
-	89,856	89,856
-	7,531	28,863
-	20,188	20,188
-	184,600	184,600
-	396,377	396,377
-	-	1,589,942
-	384,850	945,141
-	(145,724)	2,897,955
<u>-</u>	<u>974,059</u>	<u>9,793,363</u>
<u>\$ 1,286,381</u>	<u>\$ 1,238,568</u>	<u>\$ 13,145,204</u>

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City of Liberty, Texas

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

September 30, 2025

Fund Balances - Total Governmental Funds	\$ 9,793,363
 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	2,714,715
Capital assets - net depreciable	55,643,728
 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Pension inflows	661,865
 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 (revenues) until that time	
Pension inflows	(327,779)
 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 (expense/ expenditures) until then	
Pension outflows	617,000
 Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(15,868)
Deferred charges:	
Bond premium	(696,673)
Net pension liability	(1,350,715)
Compensated absences	(659,934)
Non-current liabilities due in one year	(1,320,206)
Non-current liabilities due in more than one year	(7,213,000)
Net Position of Governmental Activities	\$ 57,846,496

See Notes to Financial Statements.

City of Liberty, 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	Capital Projects	HMPG Flood Wall & Levee
<u>Revenues</u>				
Property tax	\$ 3,618,436	\$ 2,005,356	\$ -	\$ -
Sales tax	2,597,948	-	-	-
Franchise and local taxes	218,537	-	-	-
License and permits	85,554	-	-	-
Intergovernmental	1,089,589	-	1,027,287	23,847
Charges for services	1,494,826	-	-	-
Fines and forfeitures	218,372	-	-	-
Investment income	131,905	94,876	-	-
Other revenue	355,899	-	-	-
Rents and royalties	14,170	-	-	-
Total Revenues	9,825,236	2,100,232	1,027,287	23,847
<u>Expenditures</u>				
Current:				
General government	1,365,402	-	-	-
Fire/EMS	3,574,571	-	-	-
Police	3,362,482	-	-	-
Municipal court	186,690	-	-	-
Animal control	165,960	-	-	-
Streets	761,772	-	-	-
Parks and recreation	1,125,462	-	-	-
Tourism	-	-	-	-
Airport	-	-	-	-
Golf course	-	-	-	-
Inspection	263,286	-	-	-
Business and support services	1,573,626	-	-	-
Debt service:				
Principal	3,999	1,200,000	-	-
Interest and fiscal charges	684	219,530	-	-
Capital outlay	780,651	-	4,347,670	-
Total Expenditures	13,164,585	1,419,530	4,347,670	-

American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 5,623,792
-	-	2,597,948
-	105,844	324,381
-	-	85,554
1,288,839	462,013	3,891,575
-	1,031,787	2,526,613
-	-	218,372
-	23,745	250,526
-	13,539	369,438
-	84,743	98,913
<u>1,288,839</u>	<u>1,721,671</u>	<u>15,987,112</u>
-	-	1,365,402
-	-	3,574,571
-	49,119	3,411,601
-	-	186,690
-	-	165,960
-	171,492	933,264
-	-	1,125,462
-	68,238	68,238
-	463,838	463,838
-	906,271	906,271
-	-	263,286
-	-	1,573,626
-	68,263	1,272,262
-	11,419	231,633
-	5,215	5,133,536
<u>-</u>	<u>1,743,855</u>	<u>20,675,640</u>

City of Liberty, 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	Capital Projects	HMPG Flood Wall & Levee
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,339,349)	\$ 680,702	\$ (3,320,383)	\$ 23,847
<u>Other Financing Sources (Uses)</u>				
Transfers in	4,071,473	-	1,868,538	-
Transfers (out)	(242,000)	-	(1,073,416)	-
Total Other Financing Sources (Uses)	3,829,473	-	795,122	-
Net Change in Fund Balances	490,124	680,702	(2,525,261)	23,847
Beginning fund balances	3,203,880	2,854,656	2,525,261	1,566,095
Ending Fund Balances	\$ 3,694,004	\$ 3,535,358	\$ -	\$ 1,589,942

See Notes to Financial Statements.

American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,288,839	\$ (22,184)	\$ (4,688,528)
-	242,000	6,182,011
<u>(1,288,839)</u>	<u>(5,825)</u>	<u>(2,610,080)</u>
<u>(1,288,839)</u>	<u>236,175</u>	<u>3,571,931</u>
-	213,991	(1,116,597)
-	760,068	10,909,960
<u>\$ -</u>	<u>\$ 974,059</u>	<u>\$ 9,793,363</u>

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City of Liberty, 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	\$ (1,116,597)
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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	5,398,209
Depreciation expense	(3,575,503)
Adjustment for capital asset disposals	(149,277)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,026,445)
--	-------------

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.

Compensated absences	4,644
Accrued interest	3,568
Pension expense	610,822

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.

Amortization of premium	83,190
Principal payments	1,339,171
Change in Net Position of Governmental Activities	\$ 1,571,782

See Notes to Financial Statements.

City of Liberty, Texas
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (Page 1 of 2)
September 30, 2025

	<u>Electric</u>	<u>Water and Wastewater</u>	<u>Solid Waste</u>	<u>Total</u>
<u>Assets</u>				
<u>Current Assets</u>				
Cash and cash equivalents	\$ 17,008,898	\$ 16,226,252	\$ 285,180	\$ 33,520,330
Investments	12,288,933	-	-	12,288,933
Accounts receivable, net	1,864,429	731,749	120,137	2,716,315
Inventories	892,785	124,204	-	1,016,989
Total Current Assets	<u>32,055,045</u>	<u>17,082,205</u>	<u>405,317</u>	<u>49,542,567</u>
<u>Noncurrent Assets</u>				
Capital assets:				
Non-depreciable	-	2,534,216	-	2,534,216
Net depreciable capital assets	12,881,789	16,051,912	-	28,933,701
Total Noncurrent Assets	<u>12,881,789</u>	<u>18,586,128</u>	<u>-</u>	<u>31,467,917</u>
Total Assets	<u>44,936,834</u>	<u>35,668,333</u>	<u>405,317</u>	<u>81,010,484</u>
<u>Deferred Outflows of Resources</u>				
Pension outflows	6,262	61,280	-	67,542
Total Deferred Outflows of Resources	<u>6,262</u>	<u>61,280</u>	<u>-</u>	<u>67,542</u>

See Notes to Financial Statements.

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

	<u>Electric</u>	<u>Water and Wastewater</u>	<u>Solid Waste</u>	<u>Total</u>
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accounts payable	\$ 1,003,535	\$ 114,334	\$ 55,313	\$ 1,173,182
Accrued liabilities	533	31,032	-	31,565
Customer deposits	695,475	65,838	170	761,483
Compensated absences, current	-	32,574	-	32,574
Due to component unit	-	-	2,488	2,488
Due to other funds	497,814	64,176	3,386	565,376
Long-term debt, current	-	555,000	-	555,000
Accrued interest	-	29,246	-	29,246
Total Current Liabilities	<u>2,197,357</u>	<u>892,200</u>	<u>61,357</u>	<u>3,150,914</u>
<u>Noncurrent Liabilities</u>				
Compensated absences, noncurrent	-	24,233	-	24,233
Long-term debt, noncurrent	-	8,730,507	-	8,730,507
Net pension liability	13,709	134,151	-	147,860
Total Liabilities	<u>2,211,066</u>	<u>9,781,091</u>	<u>61,357</u>	<u>12,053,514</u>
<u>Deferred Inflows of Resources</u>				
Pension inflows	3,327	32,555	-	35,882
Total Deferred Inflows of Resources	<u>3,327</u>	<u>32,555</u>	<u>-</u>	<u>35,882</u>
<u>Net Position</u>				
Net investment in capital assets	12,881,789	17,925,790	-	30,807,579
Restricted for:				
Debt service	117,401	-	-	117,401
Unrestricted	29,729,513	7,990,177	343,960	38,063,650
Total Net Position	<u>\$ 42,728,703</u>	<u>\$ 25,915,967</u>	<u>\$ 343,960</u>	<u>\$ 68,988,630</u>

See Notes to Financial Statements.

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City of Liberty, Texas

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

For the Year Ended September 30, 2025

	Electric	Water and Wastewater	Solid Waste	Total
<u>Operating Revenues</u>				
Charges for services, net	\$ 11,457,236	\$ 5,757,679	\$ 878,707	\$ 18,093,622
Late fees and penalties	276,740	-	-	276,740
Total Operating Revenues	11,812,303	5,757,679	878,707	18,448,689
<u>Operating Expenses</u>				
Power purchases, net	8,099,327	-	-	8,099,327
Personnel costs	47,992	764,973	672,110	1,485,075
Distribution supplies and contracts	802	159,889	898	161,589
Maintenance and repairs	1,869,571	795,909	-	2,665,480
Other charges and services	92,416	639,754	-	732,170
General operations	834,676	91,332	-	926,008
Depreciation	620,481	755,384	-	1,375,865
Total Operating Expenses	11,565,265	3,207,241	673,008	15,445,514
Operating Income (Loss)	247,038	2,550,438	205,699	3,003,175
<u>Nonoperating Revenues (Expenses)</u>				
Investment income	1,153,526	544,943	-	1,698,469
Intergovernmental	7,000,000	142,376	-	7,142,376
Interest expense	-	(344,700)	-	(344,700)
Total Nonoperating Revenues (Expenses)	8,153,526	342,619	-	8,496,145
Income Before Transfers	8,400,564	2,893,057	205,699	11,499,320
<u>Transfers</u>				
Transfers in	375,000	1,073,416	-	1,448,416
Transfers (out)	(2,574,617)	(2,191,030)	(254,700)	(5,020,347)
Total Transfers	(2,199,617)	(1,117,614)	(254,700)	(3,571,931)
Change in Net Position	6,200,947	1,775,443	(49,001)	7,927,389
Beg. net position, as previously reported	36,527,756	24,146,721	392,961	61,067,438
New Accounting Standard - GASB 101	-	(6,197)	-	(6,197)
Beg. net position, as adjusted	36,527,756	24,140,524	392,961	61,061,241
Ending Net Position	\$ 42,728,703	\$ 25,915,967	\$ 343,960	\$ 68,988,630

See Notes to Financial Statements.

City of Liberty, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 1 of 2)
For the Year Ended September 30, 2025

	<u>Electric</u>	<u>Water and Wastewater</u>	<u>Solid Waste</u>	<u>Total</u>
<u>Cash Flows from Operating Activities</u>				
Payments to employees	\$ (69,624)	\$ (818,210)	\$ (664,535)	\$ (1,552,369)
Payments to suppliers	(11,226,991)	(1,685,889)	(898)	(12,913,778)
Receipts from customers	11,786,920	5,726,810	875,639	18,389,369
Net Cash Provided (Used) by Operating Activities	490,305	3,222,711	210,206	3,923,222
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers in	375,000	1,073,416	-	1,448,416
Transfers (out)	(2,574,617)	(2,191,030)	(254,700)	(5,020,347)
Net Cash (Used) by Noncapital Financing Activities	(2,199,617)	(1,117,614)	(254,700)	(3,571,931)
<u>Cash Flows from Capital and Related Financing Activities</u>				
Purchase of capital assets	(52,797)	(1,488,799)	-	(1,541,596)
Interest paid on capital debt	-	(360,708)	-	(360,708)
Principal paid on capital debt	-	(540,000)	-	(540,000)
Intergovernmental	7,000,000	142,376	-	7,142,376
Net Cash Provided (Used) by Capital and Related Financing Activities	6,947,203	(2,247,131)	-	4,700,072
<u>Cash Flows from Investing Activities</u>				
Sale (purchase) of investments	917,636	-	-	917,636
Interest on investments	1,153,526	544,943	-	1,698,469
Net Cash Provided (Used) by Investing Activities	2,071,162	544,943	-	2,616,105
Net Increase (Decrease) in Cash and Cash Equivalents	7,309,053	402,909	(44,494)	7,667,468
Beginning cash and cash equivalents	9,699,845	15,823,343	329,674	25,852,862
Ending Cash and Cash Equivalents	\$ 17,008,898	\$ 16,226,252	\$ 285,180	\$ 33,520,330

See Notes to Financial Statements.

City of Liberty, Texas
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended September 30, 2025

	<u>Electric</u>	<u>Water and Wastewater</u>	<u>Solid Waste</u>	<u>Total</u>
<u>Reconciliation of Operating Income</u>				
<u>(Loss) to Net Cash Provided (Used) by</u>				
<u>Operating Activities</u>				
Operating Income (Loss)	\$ 247,038	\$ 2,550,438	\$ 205,699	\$ 3,003,175
Adjustments to reconcile operating income (loss) to net cash provided (used):				
Depreciation	620,481	755,384	-	1,375,865
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Accounts receivable	(66,752)	(39,694)	(3,063)	(109,509)
Due from other funds	233,643	-	-	233,643
Inventory	(490,892)	(5,231)	-	(496,123)
Increase (Decrease) in:				
Accounts payable	(71,009)	6,246	1,701	(63,062)
Accrued liabilities	(1,941)	3,083	-	1,142
Due to other funds	-	(3,103)	3,386	283
Due to component unit	-	-	2,488	2,488
Compensated absences	(17,883)	14,098	-	(3,785)
Deferred outflows - pension	162	15,131	-	15,293
Deferred inflows - pension	2,632	24,280	-	26,912
Net pension liability	(6,543)	(106,746)	-	(113,289)
Customer deposits	41,369	8,825	(5)	50,189
Net Cash Provided (Used) by				
Operating Activities	\$ 490,305	\$ 3,222,711	\$ 210,206	\$ 3,923,222

See Notes to Financial Statements.

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City of Liberty, Texas
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Liberty, Texas (the “City”) is a Home Rule City which operates under a City Charter adopted by the voters in 1958. The Charter provides for a Council – Manager form of government comprised of a mayor and six council members. It is the Council’s responsibility to appoint a City Manager who is the chief administrative and executive officer of the City.

The City’s major operations include public safety, fire protection, emergency medical services, parks and recreation, library, and general administrative services. Additionally, the City operates utility funds for the provision of utilities, including electric, water and wastewater, and solid waste services.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) applicable to government units. The following is a summary of the more 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. All fiduciary activities are reported only in the fund financial statements. *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

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

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

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

Discretely Presented Component Units

Liberty Community Development Corporation

The Liberty Community Development Corporation (the "CDC"), is a non-profit industrial development corporation whose purpose is to promote economic development within the City of Liberty. Due to the control and financial dependence exerted by the City over the Corporation, that entity is considered a component unit of the City for financial reporting purposes, and its financial activity is included in the accompanying financial statements as a special revenue fund. The Corporation is funded by a one-half (1/2) cent sales tax which became effective as of October 1995. During 2014, LCDC issued \$3.2 million of sales tax revenue bonds for a street construction project.

Discretely presented is appropriate because the District's Board is not substantially the same as the City. Separate unaudited financial statements are available by contacting the City's finance department.

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 which is shown in a separate column 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 where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, recreation and leisure, business and support services, and community development.

Debt Service Fund

The City accounts for the accumulation of financial resources for the payments of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the debt service fund is restricted exclusively for debt service expenditures.

Capital Projects Fund

The City's capital projects fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

HMPG Flood Wall and Levee Fund

The HMPG Flood Wall Levee fund is used to account for revenues and grant expenditures related to funds received through the federal grants for hazard mitigation.

American Rescue Plan Fund

The American Rescue Plan fund is used to account for revenues and grant expenditures related to funds received through the federal government's COVID-19 response.

The government reports the following major enterprise funds:

Electric Fund

Electricity services provided by the City are accounted for in the utility fund. Activities of the fund include administration, operation and maintenance of the electric system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for outstanding debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

Water and Wastewater Fund

This fund accounts for the administration, operation and maintenance of the City's water system and wastewater treatment facility.

Solid Waste Fund

The solid waste fund accounts for the administration, operation and maintenance of the solid waste department.

Additionally, the government reports the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. These funds consist of the police seizures, airport, hotel-motel/tourism, golf course, CDBG Harvey recovery, Liberty Ranch PID, municipal library trust, library memorial, public education and government cable, CDBG LAYL Drive, and police pre seizure.

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

City of Liberty, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2025

such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

Proprietary, pension and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Custodial funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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

1. Deposits and Investments

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

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools
- SEC registered, no load money market mutual funds

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

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

component unit/primary government.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

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

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories of supplies are reported at cost using the first-in/first-out method. The City does not maintain significant inventories of materials and supplies in the governmental fund types, except for street department materials. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

5. Restricted Assets

Certain proceeds of enterprise fund certificates of obligation and funds reserved for capital projects are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

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 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 Liberty, Texas

NOTES TO THE 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.

Asset Description	Estimated Useful Life
Infrastructure	15 - 40 years
Buildings and improvements	15 - 40 years
System	15 - 40 years
Vehicles	5 - 7 years
Heavy equipment	5 - 10 years
Office equipment	3 - 5 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 / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position 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 three items that qualify for reporting in this category. One example 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 position 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 property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. 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 and accrued compensated absences.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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 effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

The net pension liability is included within long term debt. This liability is valued using an actuarial model and represents the difference between the plan fiduciary net position and the net pension liability consistent with GASB statement no. 68. The portion of this liability presented as a current liability is based on actuarial calculations for estimated future payments of benefits and refunds over the twelve months following yearend.

Assets acquired under the terms of capital 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, capital 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.

9. Leases

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

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease 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.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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 generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable 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 asset 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.

Lessor: The City is a lessor for a noncancellable lease of a cell tower. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

10. Pensions

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

11. 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.

12. 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.

13. 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

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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.

14. Estimates

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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

City employees are entitled to certain compensated absences based on the length of their employment. Sick leave may be carried from one year to the next year. Employees with more than five years of service with the City will be paid for unused sick leave upon separation of employment. The amount of leave is based on their length of service with the maximum amount paid between 20 days and 60 days. Compensation for vacation time may be carried from one year to the next year. Employees will be paid for unused vacation time up to two times their annual vacation days upon separation of employment. Unused accrued vacation in excess of these days will not be reimbursed. Additionally, employees can accumulate up to 40 hours per year in compensation time to be used as time off from work. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements.

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 utility fund, golf course fund, and storm water utility funds are charges to customers for sales and services. The utility 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 nonoperating 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 Liberty, Texas

NOTES TO THE 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 (GAAP) for the general, police seizure, airport, hotel/motel tax, golf course, debt service, and capital projects, and enterprise funds. 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 City Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without City Council approval. Appropriations lapse at the end of the year.

A. Expenditures Exceeding Appropriations

During the year ended September 30, 2025, general fund expenditures exceeded appropriations at the legal level of control by \$423,545.

B. Deficit Fund Balance

As of September 30, 2025, the CDBG Harvey recovery fund and CDBG LAYL Drive fund had a deficit fund balance of \$90,021, and \$55,703, respectively. These deficits will be resolved through future collections and/or transfers from other funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - State statutes require that all deposits in financial institutions be 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. The City’s deposits were fully insured or collateralized as required by the state statutes at September 30, 2025.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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

Investment Type	Value	Weighted Average Maturity (Years)
External pools - TexPool	\$ 500,000	0.12
Treasury bills - Governmental activities (cash equivalents)	820,938	0.14
Treasury bills - Business-Type activities	6,557,213	0.36
Certificates of deposit	5,731,720	0.45
Certificates of deposit (cash equivalents)	1,163,573	0.00
Equities - EFT (cash equivalents)	91,732	0.00
Total value	\$ 14,865,176	
Portfolio weighted average maturity		0.34

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

Investment Type	Value	Weighted Average Maturity (Years)
External pools - TexPool	\$ 500,000	0.12
Total value	\$ 500,000	
Portfolio weighted average maturity		0.12

Interest rate risk: In compliance with the City's Investment Policy, as of September 30, 2025, the City minimized the interest rate risk, related to current events market turmoil in the portfolio by: limiting the effective duration of security types not to exceed two years with the exception of securities purchases related to reserve funds; structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act; and investing operating funds primarily in short-term securities, money market mutual funds, 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, all of the City's purchased investments in US treasury fixed income securities are rated AAA+ by Moody's.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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 safekeeping 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.

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.

The following table sets forth by level, within the fair value hierarchy, the City’s fair value measurements at September 30, 2025:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Treasury Bills	\$ 7,378,151	\$ 7,378,151	\$ -	\$ -
Equities - EFT	91,732	91,732	-	-
Total Assets at fair value	\$ 7,469,883	\$ 7,469,883	\$ -	\$ -

City of Liberty, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2025

C. Receivables

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Governmental Activities Total</u>
Property taxes	\$ 790,862	\$ 494,858	\$ -	\$ -	\$ 1,285,720
Sales tax	409,577	-	-	-	409,577
Franchise taxes	31,852	-	-	-	31,852
Hotel/motel	-	-	-	26,580	26,580
Intergovernmental	2,684	-	-	-	2,684
Lease related	-	-	-	51,793	51,793
Grant	451,309	-	18,116	21,080	490,505
Other	4,179	-	-	6,021	10,200
Allowance	(390,136)	(251,836)	-	-	(641,972)
Total	\$ 1,300,327	\$ 243,022	\$ 18,116	\$ 105,474	\$ 1,666,939

	<u>Electric</u>	<u>Water & Wastewater</u>	<u>Solid Waste</u>	<u>Business-Type Activities Total</u>
Electric services	\$ 1,871,375	\$ -	\$ -	\$ 1,871,375
Water & wastewater	-	737,279	-	737,279
Solid waste	-	-	120,137	120,137
Allowance	(6,946)	(5,530)	-	(12,476)
Total	\$ 1,864,429	\$ 731,749	\$ 120,137	\$ 2,716,315

2. The following comprise receivable balances of the discretely presented component unit at year end:

	<u>CDC</u>
Sales taxes	\$ 204,788
Total	\$ 204,788

3. The City is the lessor of a contract in which the City receives lease payments from TCH Holdings for the use of land and an airport hangar. The lease commenced on June 1, 2024, with a term of 360 months. Annual lease payments of \$2,880 will be paid through September 30, 2054. The initial lease payment is due on January 1, 2025. As of September 30, 2025, the lease receivable and offsetting deferred inflows amounted to \$51,793, respectively.

City of Liberty, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2025

The annual principal and interest payments to be received are as follows:

Year ending September 30,	Governmental Activities	
	Principal	Interest (4%)
2025	\$ 2,880	\$ -
2026	923	1,956
2027	961	1,920
2028	999	1,881
2029	1,039	1,841
Thereafter	44,991	27,008
	<u>\$ 51,793</u>	<u>\$ 34,606</u>

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	\$ 1,508,940	\$ 15,000	\$ -	\$ 1,523,940
Construction in progress	6,877,380	2,961,860	(8,648,465)	1,190,775
Total capital assets not being depreciated	<u>8,386,320</u>	<u>2,976,860</u>	<u>(8,648,465)</u>	<u>2,714,715</u>
Capital assets, being depreciated:				
Buildings and improvements	21,686,189	1,088,915	6,381,187	29,156,291
Infrastructure	77,661,087	-	2,267,278	79,928,365
Vehicles	4,869,131	878,466	(42,394)	5,705,203
Furniture and equipment	6,322,608	453,968	(42,761)	6,733,815
Right-to-use asset	506,813	-	(157,900)	348,913
Total capital assets being depreciated	<u>111,045,828</u>	<u>2,421,349</u>	<u>8,405,410</u>	<u>121,872,587</u>
Less accumulated depreciation				
Buildings and improvements	9,433,355	659,914	-	10,093,269
Infrastructure	45,016,349	1,961,726	-	46,978,075
Vehicles	3,075,027	501,413	(33,915)	3,542,525
Furniture and equipment	5,161,805	449,365	(8,753)	5,602,417
Right-to-use asset	60,598	3,085	(51,110)	12,573
Total accumulated depreciation	<u>62,747,134</u>	<u>3,575,503</u>	<u>(93,778)</u>	<u>66,228,859</u>
Net capital assets being depreciated	48,298,694	(1,154,154)	8,499,188	55,643,728
Total Capital Assets	<u>\$ 56,685,014</u>	<u>\$ 1,822,706</u>	<u>\$ (149,277)</u>	<u>\$ 58,358,443</u>

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

Depreciation was charged to governmental functions as follows:

General government	\$	96,477
Public safety		724,321
Public works		1,952,801
Recreation and leisure		322,000
Golf course		127,837
Airport		345,693
Business and support services		6,374
Total Governmental Activities Depreciation Expense	\$	<u>3,575,503</u>

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 2,568	\$ -	\$ -	\$ 2,568
Construction in progress	2,203,084	838,254	(509,690)	2,531,648
Total capital assets not being depreciated	<u>2,205,652</u>	<u>838,254</u>	<u>(509,690)</u>	<u>2,534,216</u>
Capital assets, being depreciated:				
Buildings and improvements	849,482	-	-	849,482
System improvements	44,842,700	421,700	509,690	45,774,090
Vehicles	494,734	109,896	-	604,630
Furniture and equipment	9,686,988	171,746	-	9,858,734
Total capital assets being depreciated	<u>55,873,904</u>	<u>703,342</u>	<u>509,690</u>	<u>57,086,936</u>
Less accumulated depreciation				
Buildings and improvements	321,446	20,454	-	341,900
System improvements	23,327,329	1,034,061	-	24,361,390
Vehicles	414,246	48,446	-	462,692
Furniture and equipment	2,714,349	272,904	-	2,987,253
Total accumulated depreciation	<u>26,777,370</u>	<u>1,375,865</u>	<u>-</u>	<u>28,153,235</u>
Net capital assets being depreciated	29,096,534	(672,523)	509,690	28,933,701
Total Capital Assets	\$ <u>31,302,186</u>	\$ <u>165,731</u>	\$ <u>-</u>	\$ <u>31,467,917</u>

Depreciation was charged to business-type activities as follows:

Water and wastewater	\$	755,384
Electric		620,481
Total Business-type Activities Depreciation Expense	\$	<u>1,375,865</u>

City of Liberty, Texas

NOTES TO THE 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 golf course fund to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
General Obligation Refunding Bonds	\$ 4,440,000	\$ -	\$ (830,000)	\$ 3,610,000	\$ 865,000
Certificate of Obligation Bonds	5,030,000	-	(370,000)	4,660,000	380,000
Premiums	779,863	-	(83,190)	696,673	-
Total Bonds Payable	10,249,863	-	(1,283,190)	8,966,673	1,245,000
Leases	402,377	-	(139,171)	263,206	75,206
Total Governmental Activities	\$ 10,652,240	\$ -	\$ (1,422,361)	\$ 9,229,879	\$ 1,320,206
				\$ 7,909,673	
Business-Type Activities:					
Certificate of Obligation Bonds	\$ 9,125,000	\$ -	\$ (355,000)	\$ 8,770,000	\$ 370,000
Revenue Bonds	370,000	-	(185,000)	185,000	185,000
Discounts	(7,297)	-	3,648	(3,649)	-
Premiums	353,812	-	(19,656)	334,156	-
Total Bonds Payable	9,841,515	-	(556,008)	9,285,507	555,000
Total Business-Type Activities	\$ 9,841,515	\$ -	\$ (556,008)	\$ 9,285,507	\$ 555,000
				\$ 8,730,507	
Component Unit Activities (CDC):					
Sales Tax Bonds	\$ 1,895,000	\$ -	\$ (160,000)	\$ 1,735,000	\$ 165,000
Premiums	8,718	-	(969)	7,749	-
Total Component Unit Activities	\$ 1,903,718	\$ -	\$ (160,969)	\$ 1,742,749	\$ 165,000
				\$ 1,577,749	

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

General obligation bonds and certificates are serviced by the debt service fund. The amount of long-term debt that can be incurred by the City is not limited by state statute or the City's Home Rule Charter. The only limitation would be the overall tax rate limitation of \$2.50 per \$100 assessed valuation. Bond covenants for the general obligation bonds and certificates of obligation require the City to levy a tax sufficient to pay the current interest and principal of the debt. During the current year, the City was in compliance with these bond covenants.

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.

City of Liberty, Texas
NOTES TO THE 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
General Obligation Bonds:			
\$6,740,000 General Obligation Refunding Bond, Series 2020, due in installments through 2032, interest at 4.0%	\$ 3,610,000	\$ -	\$ 3,610,000
Total General Obligation Bonds	\$ 3,610,000	\$ -	\$ 3,610,000
Certificates of Obligation:			
\$7,655,000 Certificates of Obligation, Series 2016, due in annual installments through 2036, interest at 2.1%	\$ 4,660,000	\$ -	\$ 4,660,000
\$9,605,000 Certificates of Obligation, Series 2022, due in annual installments through 2042, interest at 2.1%	-	8,770,000	8,770,000
Total Certificates of Obligation	\$ 4,660,000	\$ 8,770,000	\$ 13,430,000
Revenue Bonds:			
\$900,000 Utility Revenue Bond, Series 2016A, due in installments through 2026, interest at 1.5%	\$ -	\$ 90,000	\$ 90,000
\$915,000 Utility Revenue Bond, Series 2016B, due in installments through 2026, interest at 1.5%	-	95,000	95,000
Total Revenue Bonds	\$ -	\$ 185,000	\$ 185,000
Less deferred amounts:			
Premiums/discounts	\$ 696,673	\$ 330,507	\$ 1,027,180
Total Deferred Amounts	696,673	330,507	1,027,180
Lease Liabilities:			
\$506,812 lease payables to Wells Fargo Equipment, due in monthly installments through 2029, interest at 4%	248,275	-	248,275
\$21,261 lease payable to Ricoh for copiers, due in monthly installments of \$390 through Feb 2029, interest at 4%	14,931	-	14,931
Total Leases Liabilities	263,206	-	263,206
Total Debt	\$ 9,229,879	\$ 9,285,507	\$ 18,515,386

City of Liberty, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2025

	Component Unit Activities
Sales Tax Bonds:	
\$3,215,000 Sales Tax Bonds, Series 2014, due in annual installments through 2036, interest at 3.0%	\$ 1,735,000
Total Sales Tax Bonds	\$ 1,735,000
 Less deferred amounts:	
Premiums	\$ 7,749
Total Deferred Amounts	\$ 7,749
Total Debt	\$ 1,742,749

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

Certificates of Obligations

Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 380,000	\$ 93,680	\$ 370,000	\$ 343,400
2027	390,000	85,785	380,000	328,400
2028	395,000	77,543	400,000	312,800
2029	405,000	69,143	415,000	296,500
2030	415,000	60,533	430,000	279,600
2031-2035	2,205,000	167,003	2,430,000	1,119,600
2036-2040	470,000	4,935	2,980,000	580,600
2041-2042	-	-	1,365,000	55,100
Total	\$ 4,660,000	\$ 558,622	\$ 8,770,000	\$ 3,316,000

City of Liberty, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2025

General Obligation Refunding Bonds

Year Ending,	Governmental Activities	
	Principal	Interest
2026	\$ 865,000	\$ 86,525
2027	880,000	64,750
2028	910,000	42,300
2029	420,000	22,350
2030	430,000	9,600
2031-2032	105,000	3,225
Total	\$ 3,610,000	\$ 228,750

Revenue Bonds

Year Ending September 30,	Business-Type Activities	
	Principal	Interest
2026	\$ 185,000	\$ 845
Total	\$ 185,000	\$ 845

Revenue Bonds

Year Ending September 30,	Component Unit Activities	
	Principal	Interest
2026	\$ 165,000	\$ 67,313
2027	170,000	61,025
2028	175,000	54,125
2029	185,000	46,925
2030	190,000	39,425
2031-2034	850,000	73,699
Total	\$ 1,735,000	\$ 342,512

City of Liberty, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2025

The annual requirements to amortize lease liabilities outstanding at year end were as follows:

Year ending September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 75,206	\$ 9,159
2027	78,270	6,095
2028	81,458	2,907
2029	28,272	239
Total	\$ 263,206	\$ 18,400

The following is an analysis of equipment leased under a lease as of September 30, 2025:

	Governmental Activities
Equipment (87 golf carts & copier)	\$ 348,913
(Less) accumulated depreciation	(12,573)
Total	\$ 336,340

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

F. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and enterprise funds to liquidate compensated absences.

	Beginning Balance	Additions	(Reductions)	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 664,578	\$ 389,232	\$ (393,876)	\$ 659,934	\$ 384,934
Total Governmental Activities	\$ 664,578	\$ 389,232	\$ (393,876)	\$ 659,934	\$ 384,934
Long-term Liabilities Due in More than One Year				\$ 275,000	
Business-Type Activities:					
Compensated Absences	\$ 60,592	\$ 39,760	\$ (43,545)	\$ 56,807	\$ 32,574
Total Business-Type Activities	\$ 60,592	\$ 39,760	\$ (43,545)	\$ 56,807	\$ 32,574
Long-term Liabilities Due in More than One Year				\$ 24,233	

G. Interfund Transactions

The compositions of interfund due to/from balances as of the year ended September 30, 2025 were as follows:

Due to (Payable):	Due From (Receivable):				Total
	General	Debt Service	Capital Projects	Nonmajor Governmental	
General	\$ -	\$ 25,745	\$ -	\$ -	\$ 25,745
Capital projects	15,162	-	-	-	15,162
American Rescue	-	-	269,011	-	269,011
Nonmajor govt.	120,038	-	-	16,276	136,314
Electricity	261,681	-	236,133	-	497,814
Water & Wastewater	64,176	-	-	-	64,176
Solid Waste	3,386	-	-	-	3,386
Total	\$ 464,443	\$ 25,745	\$ 505,144	\$ 16,276	\$ 1,011,608

City of Liberty, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2025

The amounts payable relate to temporary loans for operating and capital activities that will be replenished in the subsequent year.

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

<u>Transfers In:</u>	<u>Transfers (Out):</u>							<u>Total</u>
	<u>General</u>	<u>American Rescue Plan</u>	<u>Capital Projects</u>	<u>Electric</u>	<u>Water & Wastewater</u>	<u>Solid Waste</u>	<u>Nonmajor Govt.</u>	
General	\$ -	\$ -	\$ -	\$ 1,994,918	\$ 1,816,030	\$ 254,700	\$ 5,825	\$ 4,071,473
Capital projects	-	1,288,839	-	579,699	-	-	-	1,868,538
Electric	-	-	-	-	375,000	-	-	375,000
Water/Wastewater	-	-	1,073,416	-	-	-	-	1,073,416
Nonmajor govt.	242,000	-	-	-	-	-	-	242,000
Total	\$ 242,000	\$ 1,288,839	\$ 1,073,416	\$ 2,574,617	\$ 2,191,030	\$ 254,700	\$ 5,825	\$ 7,630,427

Transfers between the primary government and the component unit during the 2025 year were as follows:

<u>Transfer In:</u>	<u>Transfers (Out):</u>	
	<u>CDC</u>	<u>Total</u>
General	\$ 175,500	\$ 175,500
Airport	50,000	50,000
Golf course	73,400	73,400
Capital projects	145,000	145,000
Total	\$ 443,900	\$ 443,900

Transfers between the primary government funds were primarily to support debt service requirements and operation of funds. In addition, the CDC transferred \$704,205 to the primary government for various operating expenses. These transfers are presented as expenses and intergovernmental revenue in the CDC and primary government, respectively.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

H. Fund Equity

The City records restrictions to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures due to internal assignments. The following is a list of restricted/assigned fund balances:

	Assigned Fund Balance	Restricted Fund Balance
Debt service	\$ -	\$ 3,568,567
Public education	-	89,856 *
Public safety	-	28,863 *
Tourism	-	184,600
Library	-	396,377
Golf course	-	20,188
Capital projects	96,180	1,589,942
Fixed asset replacement	464,111	-
Airport	384,850	-
Total	\$ 945,141	\$ 5,878,393

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of losses related to torts; theft, damage, or destruction of assets; errors and omission; injuries to employees or others; and natural disasters. The City's primary risk management activity is to maintain various types of insurance coverage to cover any significant losses that might be incurred.

The City is contingently liable with respect to claims or litigation arising from the ordinary course of operations. The settlement of such claims would require budget appropriations of future revenues. City officials have asserted that they have no significant pending or threatened litigation or claims against the City that would have a material adverse effect on the financial position of the City. Federal and State funds received during the current year and prior years through various grant programs are subject to audit by the applicable agencies. The City does not anticipate any substantial disallowance of project costs for any of the projects.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

B. Contingent Liabilities

The City is involved in lawsuits with other parties from time to time. While the ultimate result of these matters cannot be predicted with certainty, the City does not expect them to have a materially adverse effect on the basic financial statements.

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.

C. Contracts/Agreements

Electric System

The City owns and operates a municipal electric distribution system for the benefit of its citizens. The electric distribution system consists of distribution lines, two substations (which are owned and operated by Sam Rayburn Municipal Power Agency ("SRMPA") and interconnected transmission lines of Entergy Gulf States, which supply power to the City's system. The City furnishes electric service to its customers solely within its City limits.

The City is one of three voting members (consisting of the cities of Liberty, Livingston, and Jasper, Texas) of the SRMPA. The SRMPA is a political subdivision of the State of Texas and is governed by a board of six directors, two of which are appointed by each member City. SRMPA is considered to be a joint venture with no equity interest.

SRMPA was formed to undertake the planning, financing, development, acquisition, and operation of projects for the generation and transmission of electric power to supply the present and future needs of the member cities and the Vinton (Louisiana) Public Power Agency ("VPPA"). Each participant is required by contract with SRMPA, to purchase its electrical requirements from SRMPA, and to pay liabilities under such contract as an operating and maintenance expense to its electrical system. SRMPA is required to establish rates for electric power to the participants sufficient to pay all debt service requirements (including funding of required reserves), all operating and maintenance costs of repairs and improvements. The City, as a participant, is required to establish rates to its customers sufficient to meet its obligations to

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

SRMPA under the exclusive power sales contract. On September 19, 2012, the Agency issued \$108,940,000 of Power Supply System Revenue Refunding Bonds, the Series 2012 Bonds, and defeased all of the Agency's outstanding Series 2002 Bonds.

The Agency and VPPA began concept development of a separate wholesale power enterprise called the "Cambridge Project" prior to 2010. The Cambridge Project is distinct and separate from the Agency's primary wholesale power supply mission serving its three member cities, although the project compliments the Agency's performance. The Agency's revenues, funds, and accounts established under the participant agreement are not comingled with Cambridge Project accounts and are not available to the Cambridge Project enterprise. The Cambridge Project is independent from the Agency's existing operations that secure the Agency's payment obligations to holders of the 2012 Bonds. During Fiscal Years 2010 and 2011, the Agency and VPPA were engaged in discussions with Entergy operating companies regarding additional power supply and purchase arrangements that became effective in early Fiscal Year 2012 on December 1, 2011. The new power supply contractual arrangements enabled the Cambridge Project to obtain four new wholesale loads and provide the Agency with firm power supply for the next 25 years to serve its three Member cities. The four wholesale loads are two large oil refineries, a chemical company and Entergy Texas Inc. The two oil refineries and the chemical companies are served through VPPA. The Cambridge Project supplements the existing Agency Systems and the VPPA Systems under the original power supply agreement. In addition to the aforementioned wholesale loads, the Cambridge Project includes additional power supply resources consisting of generation from third parties and power supply purchases from Entergy Gulf States Louisiana LLC and from EWO Marketing, Inc ("EWOM"). The power purchase agreement with EWOM is referred to as the Supplemental Requirements Power Supply Agreement (SRPSA) and, in addition to serving wholesale loads of the Cambridge Project, it assures an energy supply to the Agency beyond the 2021 termination of the RPSA to 2035 and provides that, if the Agency has load growth above the anticipated rate, EWOM will provide service for such load. Should any of the Cambridge Project contractual arrangements be terminated, all Cambridge contracts will terminate and the Agency and VPPA Systems will revert to their original condition with wholesale energy provided under the RPSA for the Agency to serve its participating Member cities.

Joint Operating Agreement – Port of Liberty

Commencing in 1968, the City of Liberty entered into a joint operating agreement with the Chambers-Liberty Counties Navigation District (the "District") which established certain terms with respect to the operation of the Port of Liberty (the "Port"). The Port facilities were constructed on land owned jointly by the City and the District, and the board of commissioners of the Port are appointed jointly by the City and the District, but neither entity can unilaterally appoint a majority of the board. The board of the Port is responsible for selection of management, development of a budget, and for continuing operations of the Port. The City does

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

not account for revenues or expenditures for Port activities. The Port of Liberty has separate audited financial statements which may be obtained by contacting Port officials.

D. Pension Plans

Texas Municipal Retirement Systems

Plan Description

The City of Liberty participates as one of 938 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 annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com.

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

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.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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	0%	0%
Annuity increase (to retirees)	0% of CPI repeating	0% of CPI repeating

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	65
Inactive employees entitled to but not yet receiving benefits	155
Active employees	100
Total	320

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 Liberty were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Liberty were 14.66% and 13.75% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$937,311, and were equal to the required contributions.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

Net Pension Liability

The City's Net Pension Liability (NPL) 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 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
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 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 over the period ending December 31, 2022. The assumptions 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 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

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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 Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Real Return	12.0%	8.0%
Real Estate	12.0%	7.6%
Absolute Return	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 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 employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net	Total Net Pension Liability
Balance at 12/31/23	\$ 20,108,926	\$ 17,515,912	\$ 2,593,014
Changes for the year:			
Service cost	789,659	-	789,659
Interest	1,346,534	-	1,346,534
Change in benefit terms	-	-	-
Difference between expected and actual experience	(53,366)	-	(53,366)
Changes of assumptions	-	-	-
Contributions – employer	-	926,111	(926,111)
Contributions – employee	-	442,209	(442,209)
Net investment income	-	1,820,892	(1,820,892)
Benefit payments, including refunds of emp. contributions	(1,110,203)	(1,110,203)	-
Administrative expense	-	(11,672)	11,672
Other changes	-	(274)	274
Net changes	972,624	2,067,063	(1,094,439)
Balance at 12/31/24	\$ 21,081,550	\$ 19,582,975	\$ 1,498,575

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City’s net pension liability 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:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 4,106,116	\$ 1,498,575	\$ (663,210)

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.

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

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 \$254,723.

At September 30, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred (Inflows) of Resources</u>
Difference between projected and actual investment earnings	\$ -	\$	(115,867)
Differences between expected and actual economic experience	-		(211,119)
Contributions subsequent to the measurement date	684,542		-
Change in assumptions	-		(36,675)
Total	<u>\$ 684,542</u>	<u>\$</u>	<u>(363,661)</u>

The City reported \$684,542 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
2025	\$ (134,993)
2026	176,329
2027	(277,283)
2028	(127,714)
2029	-
Thereafter	-
	<u>\$ (363,661)</u>

City of Liberty, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2025

E. Restatements

Due to the recognition of GASB 101, *Compensated Absences*, the City restated the beginning net position for governmental activities, business-type activities, and water and wastewater fund. The restatement is summarized below:

	Governmental Activities	Business-Type Activities	Water and Wastewater
Prior year ending net position/fund balance, as reported	\$ 56,406,485	\$ 61,067,438	\$ 24,146,721
Recognition of GASB 101, compensated absences	(131,771)	(6,197)	(6,197)
Restated beginning net position/fund balance	\$ 56,274,714	\$ 61,061,241	\$ 24,140,524

F. Related Party Transactions

During the year, the City paid Senergy Petroleum \$14,719 for fuel. The Mayor of the City is a salaried employee at Senergy. As an employee, the Mayor received no commissions or additional compensation related to this sale. The activity was conducted at arm’s length.

G. New Accounting Standards

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 \$390,628 as of September 30, 2025.

City of Liberty, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2025

H. Subsequent Events

There were no material subsequent events through January 30, 2026, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Liberty, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2) GENERAL FUND

For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 3,336,821	\$ 3,336,821	\$ 3,618,436	\$ 281,615
Sales tax	2,250,000	2,250,000	2,597,948	347,948
Franchise and local taxes	228,000	228,000	218,537	(9,463)
License and permits	96,300	97,800	85,554	(12,246)
Intergovernmental	20,000	20,000	1,089,589	1,069,589
Charges for services	1,216,700	1,218,000	1,494,826	276,826
Fines and forfeitures	145,600	146,900	218,372	71,472
Investment income	240,000	243,275	131,905	(111,370)
Other revenue	167,000	167,000	355,899	188,899
Rents and royalties	9,000	9,000	14,170	5,170
Total Revenues	7,709,421	7,716,796	9,825,236	2,108,440
Expenditures				
Current:				
General government	1,265,215	1,265,215	1,365,402	(100,187)
Fire/EMS	3,155,692	3,155,692	3,574,571	(418,879)
Police	2,948,480	3,123,480	3,362,482	(239,002)
Municipal court	190,401	190,401	186,690	3,711
Animal control	201,726	201,726	165,960	35,766
Streets	891,224	891,224	761,772	129,452
Parks and recreation	1,088,768	1,133,768	1,125,462	8,306
Inspection	436,173	436,173	263,286	172,887
Business and support services	1,503,286	1,507,686	1,573,626	(65,940)
Debt service:				
Principal	-	-	3,999	(3,999)
Interest and fiscal charges	-	-	684	(684)
Capital outlay	-	835,675	780,651	55,024
Total Expenditures	11,680,965	12,741,040	13,164,585	(423,545) *
Revenues Over (Under) Expenditures	(3,971,544)	(5,024,244)	(3,339,349)	1,684,895

City of Liberty, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2) GENERAL FUND

For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>				
Sale of assets	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Transfers in	3,921,544	4,610,041	4,071,473	(538,568)
Transfers (out)	-	(719,000)	(242,000)	477,000
Total Other Financing Sources (Uses)	<u>3,971,544</u>	<u>3,941,041</u>	<u>3,829,473</u>	<u>(111,568)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,083,203)</u>	490,124	<u>\$ 1,573,327</u>
Beginning fund balance			<u>3,203,880</u>	
Ending Fund Balance			<u>\$ 3,694,004</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
- * Expenditures exceeded appropriations at the legal level of control.

City of Liberty, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Total pension liability				
Service cost	\$ 789,659	\$ 726,720	\$ 666,593	\$ 701,246
Interest	1,346,534	1,309,805	1,259,239	1,204,446
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(53,366)	(325,436)	(188,068)	(136,764)
Changes of assumptions	-	(141,461)	-	-
Benefit payments, including refunds of participant contributions	(1,110,203)	(1,003,731)	(1,033,651)	(846,067)
Net change in total pension liability	<u>972,624</u>	<u>565,897</u>	<u>704,113</u>	<u>922,861</u>
Total pension liability - beginning	<u>20,108,926</u>	<u>19,543,029</u>	<u>18,838,916</u>	<u>17,916,055</u>
Total pension liability - ending (a)	<u>21,081,550</u>	<u>20,108,926</u>	<u>19,543,029</u>	<u>18,838,916</u>
Plan fiduciary net position				
Contributions - employer	\$ 926,111	\$ 857,670	\$ 843,042	\$ 942,598
Contributions - members	442,209	412,909	381,222	398,112
Net investment income	1,820,892	1,791,973	(1,203,800)	1,845,169
Benefit payments, including refunds of participant contributions	(1,110,203)	(1,003,731)	(1,033,651)	(846,067)
Administrative expenses	(11,672)	(11,390)	(10,410)	(8,534)
Other	(274)	(80)	12,422	58
Net change in plan fiduciary net position	<u>2,067,063</u>	<u>2,047,351</u>	<u>(1,011,175)</u>	<u>2,331,336</u>
Plan fiduciary net position - beginning	<u>17,515,912</u>	<u>15,468,561</u>	<u>16,479,736</u>	<u>14,148,400</u>
Plan fiduciary net position - ending (b)	<u>\$ 19,582,975</u>	<u>\$ 17,515,912</u>	<u>\$ 15,468,561</u>	<u>\$ 16,479,736</u>
Fund's net pension liability - ending (a) - (b)	<u>\$ 1,498,575</u>	<u>\$ 2,593,014</u>	<u>\$ 4,074,468</u>	<u>\$ 2,359,180</u>
Plan fiduciary net position as a percentage of the total pension liability	92.89%	87.11%	79.15%	87.48%
Covered payroll	\$ 6,317,269	\$ 5,898,705	\$ 5,446,024	\$ 5,687,319
Fund's pension liability as a percentage of covered payroll	23.72%	43.96%	74.82%	41.48%

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
\$	664,751	\$ 608,445	\$ 554,261	\$ 555,605	\$ 520,691	\$ 517,416
	1,145,698	1,083,968	1,036,711	991,341	935,272	863,571
	-	-	-	-	-	-
	(91,483)	(59,406)	(272,717)	(242,896)	(76,539)	53,707
	-	17,800	-	-	-	530,215
	(887,669)	(641,213)	(649,270)	(613,204)	(519,266)	(375,511)
	831,297	1,009,594	668,985	690,846	860,158	1,589,398
	17,084,758	16,075,164	15,406,179	14,715,333	13,855,175	12,265,777
	17,916,055	17,084,758	16,075,164	15,406,179	14,715,333	13,855,175
\$	944,762	\$ 877,584	\$ 832,343	\$ 837,384	\$ 735,499	\$ 732,389
	377,700	343,754	310,635	311,887	290,194	304,618
	968,002	1,631,316	(310,700)	1,197,456	515,312	10,273
	(887,669)	(641,213)	(649,270)	(613,204)	(519,266)	(375,511)
	(6,263)	(9,216)	(6,005)	(6,210)	(5,824)	(6,261)
	(244)	(276)	(315)	(315)	(314)	(308)
	1,396,288	2,201,949	176,688	1,726,998	1,015,601	665,200
	12,752,112	10,550,163	10,373,475	8,646,477	7,630,876	6,965,676
\$	14,148,400	\$ 12,752,112	\$ 10,550,163	\$ 10,373,475	\$ 8,646,477	\$ 7,630,876
\$	<u>3,767,655</u>	<u>\$ 4,332,646</u>	<u>\$ 5,525,001</u>	<u>\$ 5,032,704</u>	<u>\$ 6,068,856</u>	<u>\$ 6,224,299</u>
	78.97%	74.64%	65.63%	67.33%	58.76%	55.08%
\$	5,395,709	\$ 4,910,776	\$ 4,437,636	\$ 4,455,530	\$ 4,145,627	\$ 4,351,691
	69.83%	88.23%	124.50%	112.95%	146.39%	143.03%

City of Liberty, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined employer contributions	\$ 937,311	\$ 901,325	\$ 872,460	\$ 849,026
Contributions in relation to the actuarially determined contribution	\$ 937,311	\$ 901,325	\$ 872,460	\$ 849,026
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 6,702,696	\$ 6,160,990	\$ 5,899,522	\$ 5,383,076
Employer contributions as a percentage of covered payroll	13.98%	14.63%	14.79%	15.77%

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	20 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
\$ 915,687	\$ 935,280	\$ 861,152	\$ 830,396	\$ 819,924	\$ 744,092
<u>\$ 915,687</u>	<u>\$ 935,280</u>	<u>\$ 861,152</u>	<u>\$ 830,396</u>	<u>\$ 819,924</u>	<u>\$ 744,092</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,453,720	\$ 5,335,230	\$ 4,762,279	\$ 4,426,509	\$ 4,419,225	\$ 4,253,975
16.79%	17.53%	18.08%	18.76%	18.55%	17.49%

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***COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES***

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City of Liberty, Texas
COMBINING BALANCE SHEET (Page 1 of 2)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2025

	<u>Police Seizure Fund</u>	<u>Airport Fund</u>	<u>Hotel-Motel/ Tourism Fund</u>	<u>Golf Course Fund</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 7,508	\$ 387,395	\$ 158,020	\$ 41,178
Receivables, net	-	78,894	26,580	-
Inventory	-	-	-	3,172
Due from other funds	-	-	-	16,276
Total Assets	\$ 7,508	\$ 466,289	\$ 184,600	\$ 60,626
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 29,646	\$ -	\$ 31,300
Due to other funds	-	-	-	5,966
Total Liabilities	-	29,646	-	37,266
<u>Deferred Inflows of Resources</u>				
Lease related	-	51,793	-	-
Total Deferred Inflows	-	51,793	-	-
<u>Fund Balances</u>				
Nonspendable:				
Inventories	-	-	-	3,172
Restricted for:				
Public safety	7,508	-	-	-
Golf course	-	-	-	20,188
Debt service	-	-	-	-
Tourism	-	-	184,600	-
Public education	-	-	-	-
Library	-	-	-	-
Assigned	-	384,850	-	-
Unassigned	-	-	-	-
Total Fund Balances	7,508	384,850	184,600	23,360
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 7,508	\$ 466,289	\$ 184,600	\$ 60,626

See Notes to Financial Statements.

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

	CDBG Harvey Recovery	Liberty Ranch PID	Municipal Library Trust	Library Memorial Fund
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 33,209	\$ 323,019	\$ 73,438
Receivables, net	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ -	\$ 33,209	\$ 323,019	\$ 73,438
<u>Liabilities</u>				
Accounts payable	\$ 15,376	\$ -	\$ 80	\$ -
Due to other funds	74,645	-	-	-
Total Liabilities	90,021	-	80	-
<u>Deferred Inflows of Resources</u>				
Lease related	-	-	-	-
Total Deferred Inflows	-	-	-	-
<u>Fund Balances</u>				
Nonspendable:				
Inventories	-	-	-	-
Restricted for:				
Public safety	-	-	-	-
Golf course	-	-	-	-
Debt service	-	33,209	-	-
Tourism	-	-	-	-
Public education	-	-	-	-
Library	-	-	322,939	73,438
Assigned	-	-	-	-
Unassigned	(90,021)	-	-	-
Total Fund Balances	(90,021)	33,209	322,939	73,438
Total Liabilities and Fund				
Balances	\$ -	\$ 33,209	\$ 323,019	\$ 73,438

See Notes to Financial Statements.

Public Educ. & Government Cable Fund	Police Preseizure	CDBG LAYL Drive	Total
\$ 89,856	\$ 23	\$ -	\$ 1,113,646
-	-	-	105,474
-	-	-	3,172
-	-	-	16,276
<u>\$ 89,856</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 1,238,568</u>
\$ -	\$ -	\$ -	\$ 76,402
-	-	55,703	136,314
-	-	55,703	212,716
-	-	-	51,793
-	-	-	51,793
-	-	-	3,172
-	23	-	7,531
-	-	-	20,188
-	-	-	33,209
-	-	-	184,600
89,856	-	-	89,856
-	-	-	396,377
-	-	-	384,850
-	-	(55,703)	(145,724)
<u>89,856</u>	<u>23</u>	<u>(55,703)</u>	<u>974,059</u>
<u>\$ 89,856</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 1,238,568</u>

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City of Liberty, 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

	Police Seizure Fund	Airport Fund	Hotel-Motel/ Tourism Fund	Golf Course Fund
Revenues				
Hotel occupancy taxes	\$ -	\$ -	\$ 102,877	\$ -
Franchise taxes	-	-	-	-
Charges for services	-	321,954	-	705,421
Intergovernmental	-	179,564	-	73,400
Rents and royalties	-	84,743	-	-
Investment income	1,385	-	-	-
Other income	-	-	250	7,857
Total Revenues	1,385	586,261	103,127	786,678
Expenditures				
Tourism	-	-	67,284	-
Library	41,864	-	-	-
Public works	-	-	-	-
Airport	-	463,838	-	-
Golf course	-	-	-	906,271
Debt service:				
Principal	-	-	-	68,263
Interest and fiscal charges	-	-	-	11,419
Capital outlay	-	5,215	-	-
Total Expenditures	41,864	469,053	67,284	985,953
Revenues Over (Under) Expenditures	(40,479)	117,208	35,843	(199,275)
Other Financing Sources (Uses)				
Transfers in	-	-	-	242,000
Transfers (out)	-	-	-	(5,825)
Total Other Financing Sources (Uses)	-	-	-	236,175
Net Change in Fund Balances	(40,479)	117,208	35,843	36,900
Beginning fund balances	47,987	267,642	148,757	(13,540)
Ending Fund Balances	\$ 7,508	\$ 384,850	\$ 184,600	\$ 23,360

See Notes to Financial Statements.

City of Liberty, 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

	CDBG Harvey Recovery	Liberty Ranch PID	Municipal Library Trust	Library Memorial Fund
<u>Revenues</u>				
Hotel occupancy taxes	\$ -	\$ -	\$ -	\$ -
Franchise taxes	-	-	-	-
Charges for services	-	-	-	4,412
Intergovernmental	-	-	-	-
Rents and royalties	-	-	-	-
Investment income	-	-	10,841	11,519
Other income	-	-	5,432	-
Total Revenues	-	-	16,273	15,931
<u>Expenditures</u>				
Tourism	-	954	-	-
Library	-	-	3,774	3,481
Public works	142,376	-	-	-
Airport	-	-	-	-
Golf course	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	142,376	954	3,774	3,481
Revenues Over (Under)				
Expenditures	(142,376)	(954)	12,499	12,450
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(142,376)	(954)	12,499	12,450
Beginning fund balances	52,355	34,163	310,440	60,988
Ending Fund Balances	\$ (90,021)	\$ 33,209	\$ 322,939	\$ 73,438

See Notes to Financial Statements.

Public Educ & Government Cable Fund	Police Preseizure	CDBG LAYL Drive	Total
\$ -	\$ -	\$ -	\$ 102,877
2,967	-	-	2,967
-	-	-	1,031,787
-	-	209,049	462,013
-	-	-	84,743
-	-	-	23,745
-	-	-	13,539
<u>2,967</u>	<u>-</u>	<u>209,049</u>	<u>1,721,671</u>
-	-	-	68,238
-	-	-	49,119
-	-	29,116	171,492
-	-	-	463,838
-	-	-	906,271
-	-	-	68,263
-	-	-	11,419
-	-	-	5,215
<u>-</u>	<u>-</u>	<u>29,116</u>	<u>1,743,855</u>
<u>2,967</u>	<u>-</u>	<u>179,933</u>	<u>(22,184)</u>
-	-	-	242,000
-	-	-	(5,825)
<u>-</u>	<u>-</u>	<u>-</u>	<u>236,175</u>
<u>2,967</u>	<u>-</u>	<u>179,933</u>	<u>213,991</u>
<u>86,889</u>	<u>23</u>	<u>(235,636)</u>	<u>760,068</u>
<u>\$ 89,856</u>	<u>\$ 23</u>	<u>\$ (55,703)</u>	<u>\$ 974,059</u>



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026 6:00 PM

Department: Administration
Category: Action Item

Resolution

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING THE PORT OF LIBERTY'S BUDGET FOR FISCAL YEAR 2026

WHEREAS, the Port of Liberty was jointly created by the City of Liberty and the Chambers-Liberty Counties Navigation District; and

WHEREAS, the Port of Liberty serves a public purpose of helping to create and manage a commercial port on the Trinity River in Liberty that will bring jobs and businesses to the City of Liberty; and

WHEREAS, the Port of Liberty's bylaws require that the Port submit a budget annually to the City of Liberty and Navigation District for approval; and

WHEREAS, the City Council finds that the budget submitted by the Port of Liberty is appropriate and serves the citizens of Liberty.

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

1. The City Council hereby approves the Port of Liberty's budget for the Fiscal Year 2026 as attached hereto as Exhibit "A".
2. This Resolution shall take effect immediately upon its passage.

PASSED AND APPROVED this ____ day of _____, 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

Port of Liberty
Proposed Budget
YE 12/31/2026

	<i>Revised 2025</i>	<i>Proposed 2026</i>
<i>Income:</i>		
Rental Income	\$ 24,000.00	\$ 24,000.00
Interest Income	\$ 1,000.00	\$ 1,000.00
Total Income	\$25,000.00	\$25,000.00
<i>Expenses:</i>		
Commissioners Fees	\$ 2,250.00	\$ 3,750.00
Audit & Accounting	\$ 3,000.00	\$ 3,000.00
Audit & Accounting-Catch Up	\$ 11,500.00	\$ 11,500.00
Supplies-Office: Cks. PO, etc.	\$ 750.00	\$ 750.00
Maintenance/Enviro. Assessment	\$ 6,000.00	\$ 2,500.00
Management & Bookkeeping	\$ 1,500.00	\$ 1,500.00
Marketing Advertising & Promotional	\$ 1,000.00	\$ 1,000.00
Insurance	\$ 6,500.00	\$ 7,000.00
Lease Expense	\$ 3,000.00	\$ 3,000.00
Legal & Professional	\$ 1,000.00	\$ 1,000.00
Special Project: Blue Group Eco Development	\$ 100,000.00	\$ 50,000.00
Total Disbursements	\$ 36,500.00	\$ 85,000.00
Net Inflow:	-\$11,500.00	-\$60,000.00
Cash and Investments at 12/31/2025		\$241,897.08
Budget Deficiet 2026		(\$60,000.00)
Net Balance at 12/31/2026		\$181,897.08

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING A PROPOSAL FROM ALLEGION (STANLEY ACCESS TECHNOLOGIES) FOR ADA-COMPLIANT AUTOMATIC DOOR IMPROVEMENTS AT CITY HALL AND THE LIBERTY CENTER; AUTHORIZING THE CITY MANAGER TO EXECUTE ANY NECESSARY DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.

Department: Administration

Subject: Staff has received 4 quotes with multiple options for Installing new Doors on City Hall

Quote #1

Company Name: **Door Control Services**

Note: Came On-site to quote

Item A: Front Entry of City Hall

Install New Double Doors w/Single swing automatic \$27,519

Item B: Rear Entry of City Hall

Install New Double Doors w/Single swing automatic \$26,919

Item C: Public Restrooms

Install automatic operators to existing doors \$7,308

Item D: Liberty Center Outside Entry

Option 1: Install automatic operators to existing doors \$7,340

Option 2: Install New Double Doors w/Single swing automatic \$27,519

Total of Quote #1 (with option 1 on Item D) \$69,086

Total of Quote #1 (with option 2 on Item D) \$89,265

Quote #2

Company Name: **My Automatic Door Services**

Note: Came On-site to quote

Item A: Front & Rear Entry of City Hall

Option 1: Install automatic dual operators to existing doors \$13,700

Option 2: Install automatic single operators to existing doors \$7,900

Install New Double Doors w/Single swing automatic \$27,519

Item B: Public Restrooms

Install automatic operators to existing doors \$7,900

Item C: Liberty Center Outside Entry

Option 1: Install automatic dual operators to existing doors \$13,700

Option 2: Install automatic single operators to existing doors \$7,900

Total of Quote #2 (with option 1 on Items A&C) \$35,300

Total of Quote #2 (with option 2 on Items A&C) \$23,700

Final Note: This only solves the ADA issues, would not solve the long-term maintenance issue

Quote #3

Company Name: **Allegion (Stanley)**

Note: Came On-site to quote

Item A: Front & Rear Entry of City Hall

Option 1: Install automatic dual operators to existing doors \$15,038

Option 2: Install automatic Bi-Parting sliding door \$37,408

Item B: Public Restrooms

Install automatic operators to existing doors \$9,158

Item C: Liberty Center Outside Entry

Option 1: Install automatic dual operators to existing doors \$9,250

Option 2: Install automatic Bi-Parting sliding door \$19,250

Total of Quote #2 (with option 1 on Items A&C) \$33,446

Total of Quote #2 (with option 2 on Items A&C) \$65,816

Final Note: Option #2 solves both ADA and long-term maintenance issue. Option #1 only solves the ADA issues, would not solve the long-term maintenance issue

Quote #4

Company Name: **Texas Access Controls - Houston**

Note: Offsite quote

Front & Rear Entry of City Hall

Install new automatic doors with dual operators \$17,700

Note: Incomplete Quote, it would not solve the restrooms or the Liberty Center outside entry.

Background: Staff has obtained four quotes to address ADA accessibility issues at City Hall (front and rear entrances and public restrooms) and the Liberty Center outside entry. Several of the current doors have experienced recurring mechanical failures and require frequent repair.

Over the past four fiscal years, the City has spent \$32,426 maintaining and repairing existing door systems. While these repairs have kept the doors somewhat operational, they have not permanently resolved the security, accessibility, or long-term reliability concerns.

The goal of this project is threefold:

1. Ensure full ADA compliance for public access.
2. Reduce recurring maintenance expenses by addressing aging and unreliable

door systems.

3. Make sure City Hall is a secure building after hours.

Funding Source: 10% \$6,582 from General Fund Maintenance 90% from Cambridge Fund \$59,234, paid back annually over the next 7 years as follows:

FY	2027	\$7,000
FY	2028	\$7,500
FY	2029	\$8,000
FY	2030	\$8,500
FY	2031	\$9,000
FY	2032	\$9,500
FY	2033	\$9,734

Staff Recommendation: Staff recommends approving Quote #3 Option #2 as it:

- Brings all public entrances and restrooms into ADA compliance,
- Improves long-term durability and reliability,
- Reduces recurring maintenance costs; and
- Enhances the public's experience when accessing City facilities.



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026 6:00 PM

Department: Administration
Category: Action Item

Resolution

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, APPROVING A PROPOSAL FROM ALLEGION (STANLEY ACCESS TECHNOLOGIES) FOR ADA-COMPLIANT AUTOMATIC DOOR IMPROVEMENTS AT CITY HALL AND THE LIBERTY CENTER; AUTHORIZING THE CITY MANAGER TO EXECUTE ANY NECESSARY DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Liberty has identified accessibility and maintenance issues with several public entrance doors at City Hall and the Liberty Center; and

WHEREAS, City staff obtained multiple proposals for ADA-compliant automatic door improvements to address accessibility requirements, security concerns, and recurring maintenance issues; and

WHEREAS, staff reviewed the proposals and recommended approval of Quote #3, Option #2 from Allegion (Stanley Access Technologies) as the option that provides ADA compliance while also addressing long-term durability and reliability of the door systems; and

WHEREAS, the proposed improvements include installation of automatic door systems at the front and rear entrances of City Hall, automatic operators for the public restroom doors, and improvements to the Liberty Center outside entry; and

WHEREAS, funding for the project will consist of approximately ten percent (10%) from the General Fund Maintenance budget and approximately ninety percent (90%) from the Cambridge Fund, to be repaid over a seven-year period;

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

SECTION 1. Approval of Proposal. The City Council hereby approves the proposal submitted by Allegion (Stanley Access Technologies), identified as Quote #3, Option #2, for ADA-compliant automatic door improvements at City Hall and the Liberty Center, in an amount not to exceed \$65,816, as presented in the agenda materials.

SECTION 2. Authorization. The City Manager is hereby authorized to execute any agreements, purchase orders, or related documents necessary to implement the improvements approved by this Resolution.

SECTION 3. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED this ____ day of _____, 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: A RESOLUTION OF THE CITY OF LIBERTY, TEXAS, AUTHORIZING PROFESSIONAL SERVICE PROVIDER(S) SELECTION FOR COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY (CDBG-DR) LOCAL COMMUNITIES PROGRAM (LCP) FUNDING ADMINISTERED THROUGH THE TEXAS GENERAL LAND OFFICE (GLO) UNDER THE 2024 DISASTERS DR-4781 TEXAS SEVERE STORMS AND DR-4798 HURRICANE BERYL.

Department: Administration

Subject: Grant Funding

Background: The Texas General Land Office has now officially released the application for the 2024 Disaster Recovery (CDBG-DR) Local Communities Program. This program will support infrastructure recovery and resiliency projects tied to the 2024 disaster events.

Under this program, the City may submit up to two applications ranging from \$500,000.00 to \$5,000,000.00, with only a 5% local match requirement. If the City is still interested, the City would need to act fast as phase 1 applications are due on March 23, 2026. The City accepted proposals for Grant Administration Services on Monday, March 2, 2026, and Grant Works was the highest scoring firm out of the three proposals received.

Funding Source:

Staff Recommendation:



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026:00 PM

Department: Administration
Category: Resolution

Resolution

A RESOLUTION OF THE CITY OF LIBERTY, TEXAS, AUTHORIZING PROFESSIONAL SERVICE PROVIDER(S) SELECTION FOR COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY (CDBG-DR) LOCAL COMMUNITIES PROGRAM (LCP) FUNDING ADMINISTERED THROUGH THE TEXAS GENERAL LAND OFFICE (GLO) UNDER THE 2024 DISASTERS DR-4781 TEXAS SEVERE STORMS AND DR-4798 HURRICANE BERYL.

WHEREAS, the Community Development Block Grant - Disaster Recovery (CDBG-DR) Local Communities Program (LCP) requires implementation by professionals experienced in the administration of federally-funded projects;

WHEREAS, in order to identify qualified and responsive providers for these services, a Request for Proposals (RFP) process for administration services has been completed in accordance with GLO requirements;

WHEREAS, the proposals received by the due date have been reviewed to determine the most qualified and responsive providers for each professional service giving consideration to ability to perform successfully under the terms and conditions of the proposed procurement, integrity, compliance with public policy, record of past performance, and financial and technical resources.

NOW, THEREFORE, BE IT RESOLVED:

- | | |
|------------|--|
| Section 1. | That Grant Works be selected to provide application and project-related administration services for Community Development Block Grant - Disaster Recovery (CDBG-DR) Local Communities Program (LCP) funding through the Texas General Land Office (GLO) under the 2024 Disasters DR-4781 Texas Severe Storms and DR-4798 Hurricane Beryl. |
| Section 2. | That any and all project-related service contracts or commitments made with the above-named service provider are dependent on the award of Community Development Block Grant - Disaster Recovery (CDBG-DR) Local Communities Program (LCP) funds and successful negotiation of a contract with the service provider. |

PASSED AND APPROVED ON March __, 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: A RESOLUTION OF THE CITY OF LIBERTY, TEXAS, AUTHORIZING PROFESSIONAL ENGINEERING SERVICE PROVIDER(S) SELECTION FOR COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY (CDBG-DR) LOCAL COMMUNITIES PROGRAM (LCP) FUNDING ADMINISTERED THROUGH THE TEXAS GENERAL LAND OFFICE (GLO) UNDER THE 2024 DISASTERS DR-4781 TEXAS SEVERE STORMS AND DR-4798 HURRICANE BERYL.

Department: Administration

Subject: Grant Funding

Background: The Texas General Land Office has now officially released the application for the 2024 Disaster Recovery (CDBG-DR) Local Communities Program. This program will support infrastructure recovery and resiliency projects tied to the 2024 disaster events.

Under this program, the City may submit up to two applications ranging from \$500,000.00 to \$5,000,000.00, with only a 5% local match requirement. If the City is still interested, the City would need to act fast as phase 1 applications are due on March 23, 2026. The City accepted proposals for Professional Engineering Services on Monday, March 2, 2026, and HR Green was the highest scoring firm out of the two proposals received.

Funding Source:

Staff Recommendation:



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026:00 PM

Department: Administration
Category: Resolution

Resolution

A RESOLUTION OF THE CITY OF LIBERTY, TEXAS, AUTHORIZING PROFESSIONAL ENGINEERING SERVICE PROVIDER(S) SELECTION FOR COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY (CDBG-DR) LOCAL COMMUNITIES PROGRAM (LCP) FUNDING ADMINISTERED THROUGH THE TEXAS GENERAL LAND OFFICE (GLO) UNDER THE 2024 DISASTERS DR-4781 TEXAS SEVERE STORMS AND DR-4798 HURRICANE BERYL.

WHEREAS, the Community Development Block Grant - Disaster Recovery (CDBG-DR) Local Communities Program (LCP) requires implementation by professionals experienced in federally-funded projects;

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Qualifications (RFQ) process for engineering services has been completed in accordance with GLO requirements;

WHEREAS, the Statement of Qualifications received by the due date have been reviewed to determine the most qualified and responsive providers for each professional service giving consideration to ability to perform successfully under the terms and conditions of the proposed procurement, integrity, compliance with public policy, record of past performance, and financial and technical resources.

NOW, THEREFORE, BE IT RESOLVED:

- | | |
|------------|---|
| Section 1. | That HR Green be selected to provide project-related professional engineering services for Community Development Block Grant - Disaster Recovery (CDBG-DR) Local Communities Program (LCP) funding through the Texas General Land Office (GLO) under the 2024 Disasters DR-4781 Texas Severe Storms and DR-4798 Hurricane Beryl. |
| Section 2. | That any and all project-related services contracts or commitments made with the above-named service provider are dependent on the award of Community Development Block Grant - Disaster Recovery (CDBG-DR) Local Communities Program (LCP) funds and successful negotiation of a contract with the service provider. |

PASSED AND APPROVED ON March __, 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: A RESOLUTION OF THE CITY COUNCIL OF CITY OF LIBERTY, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE DOWNTOWN REVITALIZATION PROGRAM.

Department: Administration

Subject:

Background:

Funding Source:

Staff Recommendation:



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026:00 PM

Department: Administration
Category: Resolution

Resolution

A RESOLUTION OF THE CITY COUNCIL OF CITY OF LIBERTY, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE DOWNTOWN REVITALIZATION PROGRAM.

WHEREAS, the City Council of the City of Liberty desires to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, it is necessary and in the best interests of the City of Liberty to apply for funding under the Texas Community Development Block Grant Program;

WHEREAS, the City Council of the City of Liberty has reviewed and evaluated the city for identification of pedestrian-centered economic activity and is formally designating the area identified by the following boundaries and outline on the map attached, as its official downtown district/Main Street area.

Boundaries of the Downtown District

North: Grand Avenue
South: Doctor M.L.K. Jr Drive
East: San Jacinto Street
West: Milam Street

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF CITY OF LIBERTY, TEXAS,

1. That a Texas Community Development Block Grant Program application for the Downtown Revitalization Program is hereby authorized to be filed on behalf of the City with the Texas Department of Agriculture, and to be placed in competition for funding under the Downtown Revitalization Program.
2. That the City of Liberty commits to selecting an eligible project in the designated downtown area that meets either the National Program Objective to Eliminate Slum and Blighted Conditions or to Benefit Low- to Moderate-Income Persons.
3. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements, including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.

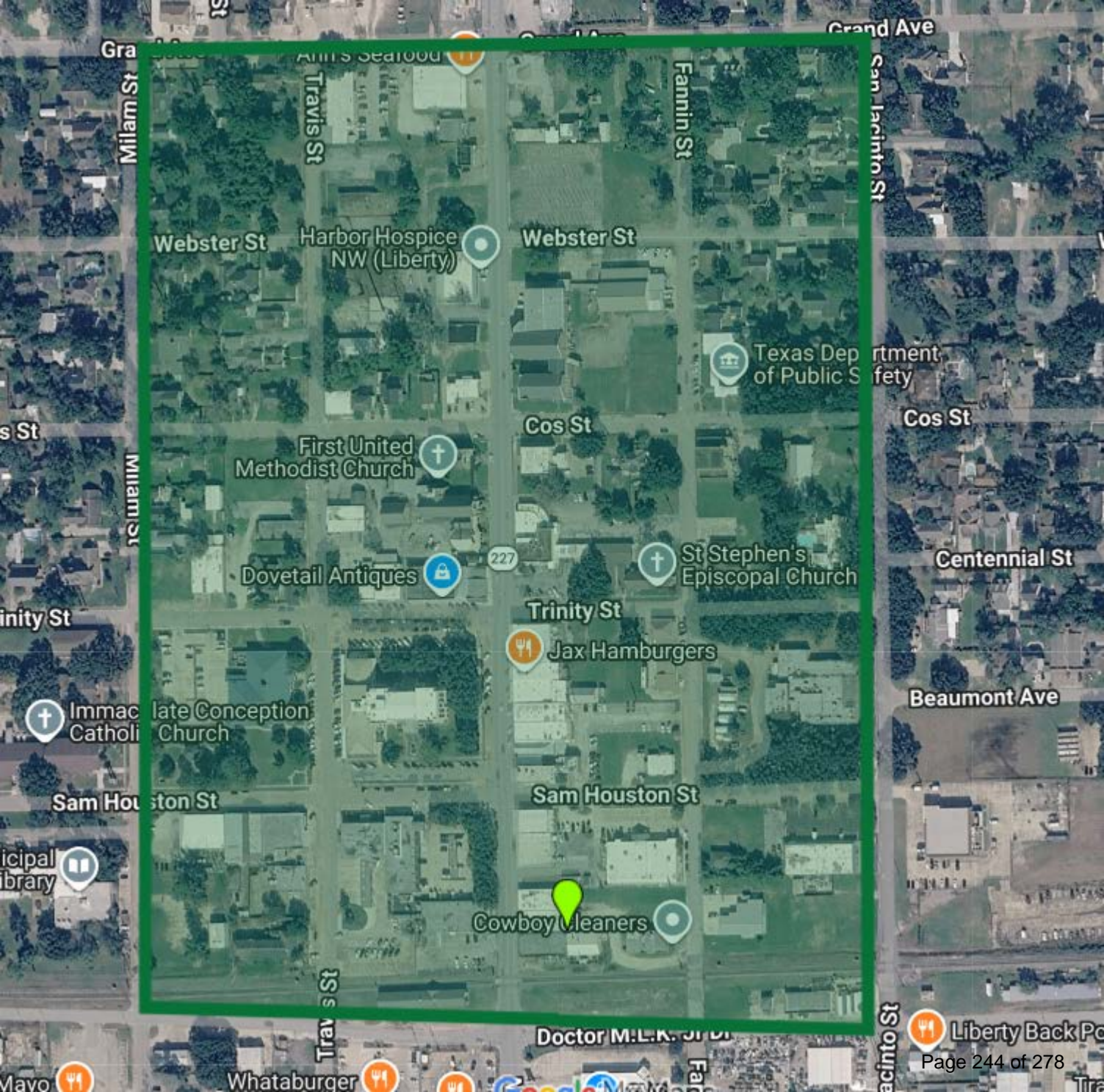
4. That the City of Liberty is committing to provide \$50,000.00 in matching funds toward the application's activities, with the specific usage and funding source to be determined prior to any award of grant funding.

Passed and approved this ____ day of March 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas



Webster St

Harbor Hospice
NW (Liberty)

Webster St

Texas Department
of Public Safety

First United
Methodist Church

Cos St

Cos St

Dovetail Antiques

227

St Stephen's
Episcopal Church

Centennial St

Trinity St

Jax Hamburgers

Baumont Ave

Sam Houston St

Sam Houston St

Cowboy Cleaners

Doctor M.L.K. Jr Blvd

Liberty Back Po



Downtown Revitalization/ Main Street Program

Program Information



Eligible Activities



*May require City-Wide LMI

Scoring Criteria



How Public Management, Inc. Can Help

Planning: We will help identify what's important for your community and strategize achievable goals for your future.

Application Development: We will coordinate with the city and engineer to develop a competitive application. This involves identifying community needs and a project that fits the city's budget.

Project Management: Public Management has over 40 years of experience managing infrastructure projects for over 200 communities in Texas.



Application Timeline

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AUTHORIZING AN IN-KIND CONTRIBUTION TO THE LIBERTY YOUTH BASEBALL ASSOCIATION THROUGH THE WAIVER OF PARK FIELD RENTAL FEES; MAKING A FINDING OF PUBLIC PURPOSE; AND PROVIDING FOR RELATED MATTERS.

Department: Administration

Subject: Historically, the Liberty Youth Baseball Association (LYBA) was not charged rental fees for the use of City baseball fields at Liberty Municipal Park. According to information available to staff, the practice of charging rental fees began sometime after 2009 during the administration of former City Manager Gary Broz.

Under the current Master Fee Schedule, the LYBA is assessed rental fees for use of the park's baseball facilities during their operating season. For a typical five-month season, the total rental fees amount to approximately \$7,900.

In 2025, city staff met with representatives of the LYBA to discuss the financial burden these rental fees place on the organization and the potential for the City to support the league through an in-kind contribution in the form of waived field rental fees.

The Texas Constitution (Article III, §52 and Article XVI, §50) generally prohibits municipalities from making gifts or donations of public funds or resources to private entities. However, Texas law does allow municipalities to provide in-kind assistance if certain criteria are met.

To be permissible, the governing body must determine that:

1. The contribution serves a clear public purpose;
2. Any private benefit is incidental to that public purpose;
3. The City maintains sufficient control and accountability to ensure the resources are used for the intended purpose; and
4. The governing body formally approves the arrangement.

Youth recreational programs are commonly recognized as serving a public purpose because they promote youth development, community engagement, recreation, and public health.

Background:

Funding Source:

Staff Recommendation: Staff recommends that the City Council adopt a Resolution making a finding that allowing the Liberty Youth Baseball Association to use the City's baseball facilities without rental fees serves a public purpose and authorizing the City Manager to provide this support as an in-kind contribution for the upcoming season.

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, APPROVING CHANGE ORDER NUMBER 1 FOR THE HIGHWAY 146 WATER PLANT PROJECT

Department: Water, Wastewater

Subject: Highway 146 Water Well

Background: On June 10, 2025, the Highway 146 Water Well project was awarded to Hydro Resources Mid-Continent, Inc for the amount of \$1,977,730. The base bids ranged from the apparent low bid of \$1,977,730 to the high bid of \$2,413,540. The engineer's estimate of the probable cost of the project was \$2,200,000. The Texas General Land Office (GLO) Grant has a construction estimate of \$2,500,000, with the total grant amount of \$2,684,300. The total amount of Change Order No. 1 is \$60,955. Change Order No. 1 will bring the current construction price to \$2,038,685.

Funding Source: Texas General Land Office Grant

Staff Recommendation: Staff recommends approval of the resolution approving Change Order No. 1 for the Highway 146 Water Well in the amount of \$60,955.00.



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026:00 PM

Department: Water, Wastewater
Category: Resolution

Resolution

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, A HOME RULE MUNICIPALITY EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, APPROVING CHANGE ORDER NUMBER 1 FOR THE HIGHWAY 146 WATER PLANT PROJECT

WHEREAS, the City of Liberty previously contracted with Hydro Resources Mid-Continent, Inc. for the construction of a new water plant on Highway 146; and

WHEREAS, the original bid price was \$1,977,730.00, the engineers' estimate was \$2,200,000.00, and the GLO Grant amount was \$2,684,300.00; and

WHEREAS, upon further review, it was determined that some items in the original bid need to be deducted and other items need to be increased; and

WHEREAS, Change Order No. 1 will add a total of \$60,955.00 to the project cost, increasing the total price to \$2,038,685.00; and

WHEREAS, the City Council finds that the items included in Change Order No. 1 are beneficial to the city and need to be constructed.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Liberty, Texas, hereby approves Change Order No. 1 in the total amount of \$60,955.00 for the Highway 146 Water Plant Project.

PASSED AND APPROVED this ____ day of March 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

March 4, 2026

CHANGE ORDER NO. 1

PROJECT: Highway 146 Water Plant
OWNER: City of Liberty, Texas
CONTRACT: 2-2024
CONTRACTOR: Hydro Resources-Mid Continent, Inc.

Description of Change

1a	Increase Bid Item No. 2 (24-inch conductor casing) by 30 feet at \$1,400.00 per foot.	ADD	\$42,000.00
1b	Increase Bid Item No. 8 (20-inch reamed drill hole) by 75 feet at \$325.00 per foot.	ADD	\$24,375.00
1c	Decrease Bid Item No. 9 (16-inch carbon steel casing) by 34 feet at \$95.00 per foot.	(DEDUCT)	(\$3,230.00)
1d	Decrease Bid Item No. 10 (pressure cement grout) by 10 feet at \$80.00 per foot.	(DEDUCT)	(\$800.00)
1e	Increase Bid Item No. 12 (10-inch outside diameter [OD] carbon steel blank liner) by 70 feet at \$125.00 per foot.	ADD	\$8,750.00
1f	Decrease Bid Item No. 13 (10-inch OD wire wrapped stainless steel screen) by 30 feet at \$338.00 per foot.	(DEDUCT)	(\$10,140.00)
TOTAL VALUE OF THIS CHANGE ORDER:		ADD	\$60,955.00

Contract Price Adjustment

Original Contract Price	\$1,977,730.00
Previous Change Order Adjustments	\$0.00
Adjustment in Contract Price this Change Order	\$60,955.00
Current Contract Price including this Change Order	\$2,038,685.00

Contract Substantial Completion Date Adjustment

Original Contract Substantial Completion Date	February 7, 2026
Contract Substantial Completion Date Adjustments due to previous Change Orders	0 Days
Contract Substantial Completion Date Adjustments due to this Change Order	0 Days
Current Substantial Contract Completion Dates including all Change Orders	February 7, 2026

Contract Final Completion Date Adjustment

Original Contract Final Completion Date	March 9, 2026
Contract Final Completion Date Adjustments due to previous Change Orders	0 Days
Contract Final Completion Date Adjustments due to this Change Order	0 Days
Current Final Contract Completion Dates including all Change Orders	March 9, 2026

This document shall become a supplement to the Contract and all provisions will apply hereto.

RECOMMENDED

ENGINEER–Strand Associates, Inc.[®] Date _____

APPROVED

CONTRACTOR–Hydro Resources-Mid Continent, Inc. Date _____

APPROVED

OWNER–City of Liberty, Texas Date _____

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, SELECTING A GRANT ADMINISTRATION FIRM TO ASSIST THE CITY WITH THE SUBMITTAL OF AN APPLICATION FOR FUNDING AND ADMINISTRATION OF A CONTRACT, IF AWARDED, FROM THE TEXAS WATER DEVELOPMENT BOARD HOUSE BILL 500 WATER SUPPLY AND INFRASTRUCTURE GRANT PROGRAM.

Department: Administration

Subject: Selection of TWDB HB 500 WSIG Grant Administrator

Background: Important update from the Texas Water Development Board (TWDB) regarding the new Water Supply and Infrastructure Grants (WSIG) program created under House Bill 500.

HB 500 has allocated a significant, one-time amount of \$1.038 Billion in general revenue for water supply and infrastructure projects and grants. This funding is expected to be provided as 100% grant assistance. Additional information is provided in the WSIG Community attachment, and important details are summarized below.

Key Program Details:

- **Eligibility:** The primary eligibility requirement is having your Fiscal Year 2025 audit completed and formally adopted by the governing body. Applications cannot be considered without this.
- **Scoring:** The scoring process heavily relies on the Average Median Household Income (AMHI) criteria, with additional points granted to projects that are ready to proceed. (Further details on HB 500 are included in the attachment.)
- **Timeline:** The full application is due in July 2026, which is an aggressive timeline. It is crucial to secure an engineer for your project no later than March or April.
- **Procurement:** The TWDB has confirmed that federal procurement rules do not apply; therefore, you should follow established local procurement policies.

If you have a project and believe you meet the eligibility criteria identified for submission, PMI is available to assist with both the application preparation and the

subsequent grant administration, working closely with the engineer you select. Given the urgency, PMI will charge a set application fee for this assistance.

This particular funding does not require the traditional CFR 200 procurement process, so the City can take the attached contract directly to Council for approval.

Funding Source: Texas Water Development Board HB 500 Water Supply & Infrastructure Grant

Staff Recommendation: Staff recommends approval of the resolution selecting Public Management Inc, as the Grant Administration Firm to assist with the TWDB Grant.



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026:00 PM

Department: Administration
Category: Action Item

Resolution

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, SELECTING A GRANT ADMINISTRATION FIRM TO ASSIST THE CITY WITH THE SUBMITTAL OF AN APPLICATION FOR FUNDING AND ADMINISTRATION OF A CONTRACT, IF AWARDED, FROM THE TEXAS WATER DEVELOPMENT BOARD HOUSE BILL 500 WATER SUPPLY AND INFRASTRUCTURE GRANT PROGRAM.

WHEREAS, the City of Liberty desires assistance in application preparation and, if awarded, the subsequent implementation and administration of the funding from the Texas Water Development Board House Bill 500 Water Supply and Infrastructure Grant; and,

WHEREAS, this particular funding does not require the traditional CFR 200 procurement process; and,

WHEREAS, the City has received a contract from our current grant administrator, Public Management, Inc. to assist in the application preparation; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AS FOLLOWS:

The City Council hereby approves a contract with Public Management, Inc. to serve as the administrative consultant for application preparation, project administration and project related management services for funding from the Texas Water Development Board House Bill 500 Water Supply and Infrastructure Grant, and authorizes the Mayor to negotiate and execute the contract attached as Exhibit "A", and further authorize the Mayor to execute any and all documents necessary.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, on this ____ day of March 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

TWDB HB 500 – Water Supply and Infrastructure Grants (WSIG)

One-time, 100% grant opportunity for eligible Texas political subdivisions (local governments)

Key dates (from TWDB’s proposed implementation plan):

Milestone	Date
Solicitation of applications (anticipated)	March 2026 (open 120 days)
Applications due (anticipated)	July 2026
Commitments (anticipated)	Fall 2026
Closings (anticipated)	Winter 2026 – Summer 2027

Program overview (TWDB):

- HB 500 appropriated \$1.038B in one-time general revenue to TWDB for water supply and water infrastructure projects and grants.
- WSIG is proposed as a stand-alone, one-time opportunity and is expected to be provided as 100% grant assistance.
- Funding is limited to water supply/water infrastructure projects (including reuse, water loss, and compliance-related improvements). *Wastewater, drainage, and flood control projects are not eligible.*

Who may apply (proposed):

- Eligible applicants are political subdivisions (local governments). TWDB examples include municipalities, counties, river authorities, special law districts, water improvement districts, water control and improvement districts, irrigation districts, and groundwater conservation districts.
- Water Supply Corporations (WSCs) and Investor-Owned Utilities are not eligible.
- **2025 Audits are required** to be adopted by council/commissioners at time of application submission
- **Water use survey, water use conservation plan, and water loss audit must be submitted**

What can be funded (proposed):

- Water supply / water infrastructure projects only (including reuse projects).
- Projects addressing real or apparent water loss, regulatory compliance, or upgrading/replacing water systems.
- Examples of eligible uses: correcting deficiencies (water quality, capacity, pressure, water loss); consolidation projects; purchasing capacity or a water system; producing additional water supply (including reuse); purchasing water rights; improving efficiency of water delivery through existing irrigation systems.
- Not eligible: wastewater, drainage, or flood control projects.

Funding snapshot (proposed):

Item	Summary
Form of assistance	100% grants (no repayment)
Proposed project caps (by service area population)	<10,000: \$5M 10,001–150,000: \$15M 150,001–1,000,000: \$25M >1,000,000: \$40M (caps listed as “TBD” in plan)
Project phases (proposed)	Population ≤150,000: planning/acquisition/design/construction allowed; Population ≥150,001: construction only and must be “ready to proceed.”
Reimbursement (proposed)	Population ≤150,000: previously incurred costs may be considered if incurred on/after June 22, 2025; Population ≥150,001: reimbursement not eligible.

Next Steps:

- Submit comments to WSI_grants@twdb.texas.gov
- Procure professional services
- Monitor updates and resources on the TWDB WSIG webpage you know, trying to target money, so the communities that you know that needed the most so and consider joining TWDB’s mailing list.

Additional Resources:

- WSIG Web Page- <https://www.twdb.texas.gov/financial/programs/WSIG/index.asp>
- Attached is a one-page WSIG summary you can share with your governing body, public works/utilities team, finance/grants staff, and project engineer.

Note: Program details are proposed and may change after the public comment period. Always rely on the latest TWDB guidance.

EXHIBIT

A

March 3, 2026

Bryan Kendrick
City Manager
City of Liberty
1829 Sam Houston St.
Liberty, Texas 77575

RE: Proposed Cost Structure and Negotiation

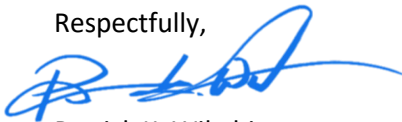
Dear Mr. Kendrick:

Public Management, Inc.'s proposed fee for Application Preparation and Administrative Services is based on the City's pursuit of the Water Supply and Infrastructure Grant (WSIG) from the Texas Water Development Board (TWDB). A fixed fee of \$6,500 is being proposed to prepare the application and a fee will be negotiated for administrative services ranging between 4% and 6% of the estimated construction budget submitted with the application. These are separate tasks and PMI can perform one or both for the City.

As detailed on the following pages (sample contract), our fee schedule and hourly rates are in-line with other established schedules by similar programs. We believe this fee is justifiable for several reasons: the extensive work Public Management, Inc. undertakes in preparing project start-up and mapping documents; complete contract management and coordination with all vendors and contractors; financial management oversight; procurement compliance; contract closeout; as well as our investment in hiring and training highly qualified project managers; and the quality of our past work as demonstrated in our proposal.

We appreciate the opportunity to submit this proposal and look forward to hearing from you soon.

Respectfully,



Patrick K. Wiltshire
President

This contract ("Contract") is made and entered effective _____, 2026 by and between **PUBLIC MANAGEMENT, INC.**, a Texas corporation, of Houston, Harris County, Texas ("Consultant") and the **CITY OF LIBERTY**, ("Client") for the purpose of retaining Consultant to render **Application and Administration Services** to the Client associated to the Texas Water Development Board (TWDB) **Water Supply and Infrastructure Grants (WSIG)**.

Client and Consultant agree that Consultant will provide services to Client on the terms and conditions outlined in this Contract.

I.

Consultant will provide Client with administrative services as follows:

PRE- FUNDING SERVICES:

Application Preparation: The Team will prepare the application as directed by the Client to apply for available funding sources adherent to the state guidelines. The Team will coordinate all activities and other service providers with regard to the preparation of the application, including, but not limited to:

- Review of proposed project for program compliance and will work with Client staff to provide an overview;
- Advise on important deadlines and procedures;
- Schedule project meetings with client staff to evaluate proposed project and timeframes.
- Prepare project description in conjunction with staff and project engineer;
- Evaluate project objective and develop timelines/milestones;
- Prepare project maps in ArcGIS and PDF format;
- Prepare necessary preliminary Environmental Compliance documentation;
- Conduct public hearings (as applicable) for application submission and attend Client meeting to address application development;
- Package complete application with all pertinent supplemental documentation for client to review prior to submission;
- Identify and document beneficiaries as applicable;
- Advise client on funding availability, anticipated scoring, selection, and award process.

Application Preparation for Mitigation Projects (as applicable): In addition to general application preparation services, the Team will provide grant application development services, to include review and coordination with the State Water Plan and/or Intended Use Plan. Preparation and submission of applications for grant funding in compliance with local and state requirements.

- Review Notices of Intent;
- Develop and implement local criteria to prioritize applicants;
- Facilitate the collection of data and necessary information as needed to develop of grant application;
- Identify and evaluate candidate projects suitable for grant funding;
- Provide written overview of project evaluations to include list of data needs
- Provide written report summarizing results of water surface reduction analysis with estimated benefit calculations for each reduction scenario;
- Complete project scope of work, cost estimate, schedule and justifications and all other elements

of grant application;

- Assist Client with execution of required certifications and other documents;
- Assist Client with the completion and submittal of grant applications;
- Respond to requests for information post-application submittal (RFIs).

POST FUNDING SERVICES

GENERAL ADMINISTRATION SERVICES

Administrative Duties: The Team will coordinate, as necessary, between Client and any other appropriate service providers (i.e. Engineer, Environmental, etc.), contractor, subcontract, and/or administrative agency to effectuate the services requested.

- Oversee the project and achieve all the project goals within the constraints given by the funding agency;
- Develop and implement project phases to plan, budget, oversee, and document all aspects of the specific project;
- Coordinate all activities related to the project's successful completion with all other professionals and organizations associated with this project.

Recordkeeping: The Team will assist the Client with maintaining all records generated by the program. This includes all records required by the funding agency and the Client (i.e. program management records).

- Complete filing system will be developed and maintained at Client's office;
- Both physical and electronic form of records will be developed and accessible;
- Records will be updated as necessary to ensure compliance with funding source and administrative agency;
- Records will be retained for the appropriate period as dictated by the funding agency, with electronic records available for perpetuity.

Financial Management: The Team will assist the Client in keeping the general journal, general ledger, cash receipts journal and all other necessary financial documents, as well as monitor the Client's financial system.

- Utilize and assist with the agency's system of record to complete milestones, submit documentation, reports, draws, change requests, etc.;
- Request fund expenditure in-line with project milestones;
- Develop a detailed Contract Ledger;
- Establish a filing system that accurately and completely reflects the financial expenditures of the program and project(s).
- Keep track of disbursement of funds and ensure that the vendors are paid within the required timeframe set out by the funding agency.

Construction Management: The Team will coordinate and supervise the project to ensure designated activities are realizing the intended outcomes as stated in contract documents. We will oversee specialized contractors and other personnel and allocate necessary resources.

- Assist the Client in submitting/setting up project applications in the Agency's system of record;
- Coordinate the development, completion, and execution of contract documents to ensure supporting documentation is in order;

- Conduct regular on-site visitations and assessments;
- Development and maintenance of construction management status log;
- Recommendation and development of scope realignments as prescribed by the project's complexities.

CONTRACT ADMINISTRATION SERVICES

Administrative Duties: The Team will work with the Client's staff to provide the necessary administrative and planning services to see the project to completion. The Team will meet with officials on a regular basis to review progress on the objectives of the project and then take actions to see that those objectives are met.

- Act as the Client's liaison to the funding agency in all matters concerning the project;
- Coordinate communication via email, conference call, facsimile, and direct meetings to ensure the project is on schedule and all parties are properly informed;
- Prepare and submit any necessary reports required by the funding agency during the project (i.e. Monthly/Quarterly Progress Reports, Project Monitoring Reports, Project Completion Reports, etc.);
- Provide Client staff specific instructions on the necessary administrative procedures that will assure a successful project;
- Establish and maintain record keeping systems;
- Assist with resolving monitoring and audit findings.

Real Property Acquisition (as applicable): The Team will assist the Client in the preliminary acquisition assessment as well as the development and/or coordination of acquisition of real property (real property in the context of acquisition refers to permanent interest in real property as well as certain less-than-full-fee interests in real property).

- Adherence to the Uniform Act (URA) which guides the acquisition of real property that may be necessary to the needs of the project;
- ***If it is determined that property needs to be acquired, Public Management, Inc. will perform the following services according to the URA for an additional fee.***
- Development and maintenance of appropriate file materials to ensure compliance with federal, state, and program requirements;
- Administrative coordination of parcels, values, correspondence;
- Coordinate property appraisals and determine just compensation;
- Ensure easement/right of way boundaries are in line with proposed project and survey;
- Completion and/or file closure of acquired property.

Environmental Services: The Team will prepare all documents and correspondence for environmental review and clearance as well as maintain close coordination with local officials, project engineer, and other members of the project team to assure appropriate level of environmental review is performed.

- Prepare and maintain a written environmental review record;
- Consult and coordinate with oversight/regulatory agencies to facilitate environmental clearance as applicable;
- Conduct site-visits as necessary to ensure environmental compliance;
- Prepare all responses to comments received during comment phase of the environmental review, including State/Federal Agency requiring further studies and/or comments from public or private

entities during public comment period;

- Assist in compliance with flood plain and wetlands management review guidelines;
- ***Not included in this service are archeological, engineering, or other special service costs mandated by environmental review record compliance agencies.***

Procurement/Bidding/Contracting: Procurement is the process through which an entity obtains goods and services from vendors. The Team will assist the Client in following appropriate procurement procedures to obtain professional and construction services necessary to complete the project.

- Aid ensure compliance with Local Government Code as applicable to goods and services;

Contract Close-out Assistance: The Team will prepare any necessary reports required by the funding agency to close out the project. The Team will work with the Client in preparing the annual audits and necessary actions to ensure the project reaches the “Administratively Closed” status.

- Ensure projects outcomes are in line with contract documents and funding agency’s goals and objectives;
- Ensure project beneficiaries are appropriately documented and reported;
- Develop, complete, and submit project completion report(s) and any other necessary administrative completion documents.

It is specifically agreed and understood that Consultant will not provide either personally or by contract any professional or technical services requiring a license by the State of Texas in any phase or aspect of the foregoing. Rather, Consultant will advise Client of the need of such services in furtherance of the planned objectives of Client's Program.

Client acknowledges that Consultant is providing Administrative Services only to Client and that Consultant is not responsible for any procurement activities for or on behalf of the Client. That is, Client, not Consultant, will advertise for and procure the services of any third party required to fulfill Program requirements. By way of example only, Client, not Consultant, must timely and properly post any advertisements necessary to fulfill Program requirements and Client, not Consultant, will enter into any required contracts with third parties necessary to fulfill Program requirements.

Client Initials _____

Consultant Initials _____

II.

Consultant hereby agrees that in the implementation of this Contract, Consultant will comply with the terms and conditions of **Attachment III**, which document is attached hereto and incorporated herein for all purposes, as if set out herein verbatim.

III.

Client is awarding this contract in accordance with the State of Texas Government Code 2254, Professional and Consulting Services.

IV.

It is agreed by the parties hereto that Consultant will, in the discharge of services herein, be considered as an Independent Contractor as that term is used and understood under the laws of the State of Texas and further for the purposes of governing Consultant's fees under the Procurement Standards of Title 2 CFR Part 200.

V.

For work associated to **Texas Water Development Board (TWDB) Water Supply and Infrastructure Grants (WSIG)** and in consideration of the foregoing, Client agrees to pay Consultant a fee of **Six Thousand Five Hundred Dollars and Zero Cents (\$6,500.00)** for **Application Preparation Services**. Application Preparation Services will be billed based upon percent of work complete on the date following the application due date.

For work associated to **Texas Water Development Board (TWDB) Water Supply and Infrastructure Grants (WSIG)** and in consideration of the foregoing, Client agrees to pay Consultant a fee based on the table below for **Administrative Services**. *The fee will be based on final loan award amount. Consultant reserves the right to renegotiate fees based on the type of project being pursued:*

<u>TWDB Loan Amount</u>	<u>Percentage of Loan</u>	<u>Fee Not to Exceed</u>
\$0 - \$1,000,000	6.0%	\$60,000.00
\$1,000,001 - \$2,500,000	5.5%	\$137,500.00
\$2,500,001 - \$5,000,000	5.0%	\$250,000.00
\$5,000,001 - 7,500,000	4.5%	\$337,500.00
\$7,500,001 - \$10,000,000	4.0%	\$400,000.00
\$10,000,001 - \$15,000,000	3.5%	\$525,000.00
\$15,000,001 - \$25,000,000	3.0%	\$750,000.00
\$25,000,001 - \$40,000,000	TBD	TBD

VI.

It is agreed that upon determination of total funding request amount Consultant and Client will execute the **Work Authorization (Attachment I)** that will detail final contract amount and cost for services. It is also agreed that payments to such Consultant shall be subject to adjustment where monitoring reviews or audits by the agency indicate that personal services were compensated at greater than reasonable rates. *Services that fall outside the regular scope and/or are not part of the proposed scope will be billed according to the hourly rate and fee schedule defined in **Corporate Hourly Rate and Fee Schedule (Attachment II)**.*

VII.

Payment of the fees associated with (“**Part V. and VI.**”) - Payment Schedule of this Agreement – shall be contingent upon funding award. In the event that grant funds are not awarded to the Client this agreement shall be terminated by the Client.

VIII.

For purposes of this Contract, the Mayor/General Manager or equivalent authorized person will serve as the Local Program Liaison and primary point of contact for Consultant. All required progress reports and communication regarding the project shall be directed to this liaison and other local personnel as appropriate.

IX.

This Contract shall extend and be in full force until the Program has been fully closed out by the agency. Notwithstanding the foregoing, this Contract may be terminated by Consultant, with or without cause, on forty-five (45) days’ written notice to Client.

X.

Termination for Cause by Client: If Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if Consultant violates any of the covenants, conditions, contracts, or stipulations of this Contract, Client shall have the right to terminate this Contract by giving written notice to Consultant of such termination and specifying the effective date thereof, which shall be at least five (5) days before the effective date of such termination. In the event of termination for cause, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by Consultant pursuant to this Contract shall, at the option of Client, be turned over to Client and become the property of Client. In the event of termination for cause, Consultant shall be entitled to receive reasonable compensation for any necessary services actually and satisfactorily performed prior to the date of termination.

Termination for Convenience by Client: Client may at any time and for any reason terminate Consultant’s services and work at Client's convenience upon providing written notice to the Consultant specifying the extent of termination and the effective date. Upon receipt of such notice, Consultant shall, unless the notice directs otherwise, immediately discontinue the work and placing of orders for materials, facilities and supplies in connection with the performance of this Agreement. Upon such termination, Consultant shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this Agreement; plus, (2) such other costs actually incurred by Consultant as are permitted by the prime contract and approved by Client; (3) plus ten percent (10%) of the cost of the work referred to in subparagraph above for overhead and profit. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to Consultant prior to the date of the termination of this Agreement. Consultant shall not be entitled to any claim or claim of lien against Client for any additional compensation or damages in the event of such termination and payment.

XI.

Client, the Texas Water Development Board (TWDB), Inspectors General, the Comptroller General, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of Consultant which are directly pertinent to this Program, for the purpose of making audit, examination, excerpts, and transcriptions, and to close out the Client's contract.

Consultant agrees hereby to maintain all records made in connection with the Program for a period of three (3) years after Client makes final payment and all other pending matters are closed. All subcontracts of Consultant shall contain a provision that Client, the agency, and the Texas State Auditor's Office, or any successor agency or representative, shall have access to all books, documents, papers, and records relating to subcontractor's contract with Consultant for the administration, construction, engineering, or implementation of the Program between the agency and Client.

XII.

If, by reason of force majeure, either party hereto shall be rendered unable, wholly or in part, to carry out its obligations under this Contract, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after the occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch.

The term "force majeure" as employed herein shall mean acts of God, acts of public enemy, orders of any governmental entity of the United States or of the State of Texas, or any civil or military authority, and any other cause not reasonably within the control of the party claiming such inability.

XIII.

This document embodies the entire Contract between Consultant and Client. Client may, from time to time, request changes in the services Consultant will perform under this Contract. Such changes, including any increase or decrease in the amount of Consultant's compensation, must be agreed to by all parties and finalized through a signed, written amendment to this Contract.

XIV.

If a portion of this Contract is illegal or is declared illegal, the validity of the remainder and balance of the Contract will not be affected thereby.

XV.

Any provision of this Contract which imposes upon Consultant or Client an obligation after termination or expiration of this Contract will survive termination or expiration of this Contract and be binding on Consultant or Client.

XVI.

No waiver of any provision of this Contract will be deemed, or will constitute, a waiver of any other provision, whether similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

XVII.

This Contract will be governed by and construed in accordance with the laws of the State of Texas.

XVIII.

Any dispute between Consultant and Client related to this contract which is not resolved through informal discussion will be submitted to a mutually agreeable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

XIX.

The party who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney fees and all costs of such proceeding.

XX.

Consultant and Client, each after consultation with an attorney of its own selection (which counsel was not directly or indirectly identified, suggested, or selected by the other party), both voluntarily waive a trial by jury of any issue arising in an action or proceeding between the parties or their successors, under or connected with this contract or its provisions. Consultant and Client acknowledge to each other that Consultant and Client are not in significantly disparate bargaining positions.

PATRICK K. WILTSHIRE
President/CEO

Chief Elected Official

ATTEST:

**Attachment I
Work Authorization**

For work associated to _____, and in consideration of the foregoing, Client agrees to pay Consultant a fee not to exceed:

_____ (\$ _____)

The fees are payable upon receipt of invoice from Consultant in accordance with the following schedule for Administrative Services.

GENERAL ADMINISTRATIVE SERVICES	
Preliminary Administrative Requirements	\$
Environmental Notice to Proceed	\$
Environmental Clearance	\$
Bid Advertise	\$
Construction Notice to Proceed	\$
Construction Completion	\$
Contract Closeout	\$
TOTAL FEE	\$

It is also agreed that payments to such Consultant shall be subject to adjustment where monitoring reviews or audits by the client indicate that personal services were compensated at greater than reasonable rates.

 PATRICK K. WILTSHIRE
 President/CEO

 Chief Elected Official

ATTEST:

**Attachment II
Corporate Hourly Rate & Fee Schedule**

PUBLIC MANAGEMENT, INC.
2026 Hourly Rate

Principal Consultant	\$200.00/HR
Project Manager	\$185.00/HR
Planner	\$185.00/HR
Assistant Project Manager	\$150.00/HR
GIS Technician	\$140.00/HR
Executive Assistant	\$110.00/HR

Hourly rates for personnel not listed will be billed at direct payroll cost

REIMBURSABLE EXPENSES

- Travel (vehicle miles traveled) at allowable IRS rate per mile, or at actual out-of-pocket cost.
- Actual cost of subsistence and lodging.
- Actual cost of long-distance telephone calls, expenses, charges, delivery charges, and postage.
- Actual invoiced cost of materials required for the job and used in drafting and allied activities, including printing and reproduction.

This rate schedule will be applicable through December 31, 2026. In January, 2027, if increases are necessary due to increases in wages or other salary related costs, the rates shown will be adjusted accordingly.

ATTACHMENT III
TERMS AND CONDITIONS

I.

Equal Employment Opportunity

During the performance of this Contract, Consultant agrees as follows:

a) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

b) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor; state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

c) The Contractor will not discourage or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employees essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

d) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

e) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, "Equal Employment Opportunity" and of the rules, regulations, and relevant orders of the Secretary of Labor.

f) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for

purposes of investigation to ascertain compliance with such rules, regulations, and orders.

g) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

h) The Contractor will include the portion of the sentence immediately preceding paragraph (a) and the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

II.

Civil Rights Act of 1964

Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, religion, sex, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

III.

Section 109 of the Housing and Community Development Act of 1974

The Contractor shall comply with the provisions of Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall on the ground of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

IV.

Section 504 Rehabilitation Act of 1973, as Amended

The Contractor agrees that no otherwise qualified individual with disabilities shall, solely by reason of his/her disability, be denied the benefits of, or be subjected to discrimination, including

discrimination in employment, under any program or activity receiving federal financial assistance.

V.

Age Discrimination Act of 1975

The Contractor shall comply with the Age Discrimination Act of 1975 which provides that no person in the United States shall on the basis of age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

VI.

"Section 3" Compliance in the Provision of Training, Employment and Business Opportunities (Limited to contracts greater than \$100,000)

a) The work to be performed under this contract is subject to the requirements of section 3 of the Federal Emergency Management Administration Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by FEMA assistance or FEMA-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of FEMA assistance for housing.

b) The parties to this contract agree to comply with FEMA's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

c) The Contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

d) The Contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an

e) applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

f) The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

g) Noncompliance with FEMA's regulations in 24 CFR part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future FEMA assisted contracts.

h) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

VII.

Section 503 of the Rehabilitation Act (the "Act") - Handicapped Affirmative Action for Handicapped Workers

a) Consultant will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. Consultant agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: Employment, upgrading, demotion or transfer, recruitment, advertising layoff or termination rates of pay or other forms of compensation, and selection for training, including apprenticeship.

b) Consultant agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

c) In the event of Consultant's non-compliance with requirements of this clause, actions for non-compliance may be taken in accordance with rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

d) Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the director, provided by or through the contracting officer. Such notices shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.

e) Consultant will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the contractor is bound by the terms of Section 503 of the Rehabilitation Act of 1973 and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

f) Consultant will include the provisions of this clause in every subcontract or purchase order of \$2,500 or more unless exempted by rules, regulations, or orders of the Secretary Issued pursuant to Section 503 of the Act, so that such provisions will be binding upon each subcontractor with respect to any subcontract or purchase order as the director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for non-compliance.

VIII.

Interest of Members of Client

No member of the governing body of Client and no other officer, employee, or agent of Client who exercises any functions or responsibilities in connection with the planning and carrying out of the Program, shall have any personal financial interest, direct or indirect, in this Contract and Consultant shall take reasonably appropriate steps to assure compliance.

IX.

Interest of Other Local Public Officials

No member of the governing body of the locality and no other public official of such locality, who exercises any functions or responsibilities in connections with the planning and carrying out of the Program, shall have any personal financial interest, direct or indirect, in this Contract; and Consultant shall take appropriate steps to assure compliance.

X.

Interest of Consultant and Employees

Consultant covenants that he presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of its services hereunder. Consultant further covenants that in the performance of this Contract, no person having any such interest shall be employed.

XI.

Debarment and Suspension (Executive Orders 12549 and 12689)

The Consultant certifies, by entering into this Agreement, that neither it nor its principals are presently debarred, suspended, or otherwise excluded from or ineligible for participation in federally-assisted programs under Executive Orders 12549 (1986) and 12689 (1989). The term "principal" for purposes of this Agreement is defined as an officer, director, owner, partner, key employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Consultant. The

Consultant understands that it must not make any award or permit any award (or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

XII.

Copyrights and Rights in Data

FEMA has no regulations pertaining to copyrights or rights in data as provided in 24 CFR 85.36. FEMA requirements, Article 45 of the General Conditions to the Contract for Construction (form FEMA-5370) requires that contractors pay all royalties and license fees. All drawings and specifications prepared by the Design Professional pursuant to this contract will identify any applicable patents to enable the general contractor to fulfill the requirements of the construction contract.

XIII.

Clean Air and Water.

(Applicable to contracts in excess of \$100,000)

Due to 24 CFR 85.36(i)(12) and federal law, the Design Professional shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 1857h-4 transferred to 42 USC § 7607, section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15), on all contracts, subcontracts, and sub grants of amounts in excess of \$100,000.

XIV.

Energy Efficiency

Pursuant to Federal regulations (24 C.F.R 85.36(i)(13)) and Federal law, except when working on an Indian housing authority Project on an Indian reservation, the Design Professional shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163 codified at 42 U.S.C.A. § 6321 et. seq.).

XV.

Retention and Inspection of Records

Pursuant to 24 CFR 85.26(i)(10) and (11), access shall be given by the Design Professional to the Owner, FEMA, the Comptroller General of the United States, or any of their duly authorized representatives, to any books, documents, papers, and records of the Design Professional which are directly pertinent to that specific Contract for the purpose of making an audit, examination, excerpts, and transcriptions. All required records shall be retained for three years after the Owner or Design Professional and other sub grantees make final payments and all other pending matters are closed.

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AMENDING THE CITY'S MASTER FEE SCHEDULE TO ADD FEES AND POLICIES RELATED TO T-HANGAR END CAP STORAGE AREAS AT THE LIBERTY MUNICIPAL AIRPORT; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

Department: Administration

Subject: T-Hangar storage areas

Background: The Liberty Municipal Airport has storage areas located at the ends of the T-Hangar Buildings that can be leased when not utilized by the City. The proposed Ordinance amends the master fee schedule to add the recommended pricing that reflects typical aviation facility rates and comparable hangar square footage costs.

Funding Source: N/A

Staff Recommendation: Staff recommends approval of this ordinance amending the master fee schedule.



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026:00 PM

Department: Administration
Category: Ordinance

Ordinance

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, AMENDING THE CITY'S MASTER FEE SCHEDULE TO ADD FEES AND POLICIES RELATED TO T-HANGAR END CAP STORAGE AREAS AT THE LIBERTY MUNICIPAL AIRPORT; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Liberty owns and operates the Liberty Municipal Airport and is authorized to establish reasonable fees and charges for the use of airport facilities; and

WHEREAS, the City maintains a Master Fee Schedule establishing fees for the use of City facilities and services; and

WHEREAS, the Liberty Municipal Airport contains end cap storage areas located at the ends of the T-Hangar buildings which may be leased when not utilized by the City; and

WHEREAS, the Airport Advisory Board has reviewed proposed pricing for these storage areas and recommended pricing that reflects typical aviation facility rates and comparable hangar square footage costs; and

WHEREAS, the City Council finds that establishing fees and lease conditions for these end cap storage areas will promote the efficient and orderly management of airport property;

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

SECTION 1. Amendment of Master Fee Schedule: Airport Storage Areas. The Airport section of the City of Liberty Master Fee Schedule is hereby amended to add the following fees and policies applicable to T-Hangar End Cap Storage Areas located at the Liberty Municipal Airport.

A. Monthly Fees.

Description	Monthly Fee
T-Hangar End Cap Storage Area (Storage Only)	\$150.00
T-Hangar End Cap Storage Area (Office Setup)	\$200.00
T-Hangar End Cap Storage Area (Open to T-Hangar)	\$200.00

B. Airport Lease Conditions. The following requirements shall apply to the lease of all areas at the Liberty Municipal Airport, including hangars, storage areas, and other leased airport facilities:

1. The City may negotiate fees for any tenant services associated with leased airport property.
2. Any alterations to leased airport property must be approved in writing by the City and

shall be performed at the tenant's expense.

3. Upon termination of any airport lease, the tenant shall return the premises to its original condition, unless otherwise approved by the City, and such restoration shall be performed at the tenant's expense.
4. The City may require a security deposit as part of any lease agreement for airport property.

SECTION 2. Repealer. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed only to the extent of such conflict.

SECTION 3. Severability. If any provision of this Ordinance is held invalid by a court of competent jurisdiction, such invalidity shall not affect the remaining provisions, which shall remain in full force and effect.

SECTION 4. Open Meetings. It is hereby officially found and determined that the meetings at which this Ordinance was introduced and passed were open to the public and that public notice of the time, place, and purpose of said meetings was given as required by law.

SECTION 5. Effective Date. This Ordinance shall take effect immediately upon its passage.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Liberty, this _____ day of _____, 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

CITY OF LIBERTY

City Council Agenda Item Form

Meeting Date: March 10, 2026

Agenda Wording: AN ORDINANCE APPROVING A GENERATOR PROJECT AT THE AIRPORT AND AN AMENDMENT TO THE CITY OF LIBERTY'S FISCAL YEAR 2025 – 2026 BUDGET.

Department: Administration

Subject: Generator for Liberty Municipal Airport

Background: The City finds it necessary and appropriate to install a generator for use at the Liberty Municipal Airport and would like to contract with Texas Elite Electrical Services for the installation of the generator at a contract price of \$153,186.66.

- Expenditure of \$153,186.66.00 out of the City of Liberty's Airport Fund
- Revenue of \$145,000.00 from TXDOT via a grant for the generator.

Funding Source: Airport Fund

Staff Recommendation:



The City of Liberty

City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 3/10/2026:00 PM

Department: Administration
Category: Ordinance

Ordinance

AN ORDINANCE APPROVING A GENERATOR PROJECT AT THE AIRPORT AND AN AMENDMENT TO THE CITY OF LIBERTY'S FISCAL YEAR 2025 – 2026 BUDGET.

WHEREAS, the City Council finds it necessary and appropriate to install a generator for usage at the Liberty Municipal Airport;

WHEREAS, the City Council finds that contracting with Texas Elite Electrical Services, LLC for the installation of the generator under the City's contract for the price of \$153,186.66 is in the best interest of the citizens of Liberty; and

WHEREAS, grant funds shall cover \$145,000.00 of the \$153,186.66 price; and

WHEREAS, the City Council previously adopted a budget for Fiscal Year 2025-2026; and

WHEREAS, the City shall make the initial payments for the generator and shall be reimbursed \$145,000 from TXDOT through the grant; and

WHEREAS, the City Council desires to amend the budget to allow for the expenditure of funds on the generator.

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

Section 1: The City Council of the City of Liberty approves the expenditure of \$153,186.66 to Texas Elite Electrical Services, LLC for the installation of a generator at the Liberty Municipal Airport.

Section 2: The City Council approves the following amendments to the City of Liberty's 2025-2026 budget:

- Expenditure of \$153,186.66 out of the City of Liberty's Airport Fund to be used for the airport generator.
- Revenue of \$145,000.00 from TXDOT via a grant for the generator.

Section 3: This Ordinance shall be in full force and effect immediately after its passage.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Liberty, this ____ day of March 2026.

Mayor
City of Liberty, Texas

ATTEST:

City Secretary
City of Liberty, Texas

Project Information Report

Facility Name:	Liberty Muni	Facility ID:	T78
UPIN:	BCA0014208	State Project Number:	
Project Title:	(Design and Construct) Emergency Generator (IIJA, Reimbursable)		
Project Category:	Equipment		
Shovel Ready Year:	2026		
Project Manager:	Cat Gomes	Secondary Project Manager:	Robert Johnson
Contract Specialist:	Brandy Schwettmann	Application:	
Project Description:	Design/Engineering and Construction 1) Install Emergency Generator		
Justification:	R-PGL 19-02, Section 165		
TXDOT Scope:			
Talking Points:	1) ST EQ GE - This project acquires and installs a new electrical generator to improve the reliability and efficiency of the airport's power supply and to prevent power disruptions to the airfield.		
Comments:	Phase 1 of 1. Design and Construct.		

Funding Requests

Fiscal Year	Funding Type	Phase Description	Amount
2026	Federal - BIL		\$145,000.00
2026	Local		\$7,631.58
Project State Total:			\$0.00
Project Federal Total:			\$145,000.00
Project Local Total:			\$7,631.58
Overall Project Total:			\$152,631.58