

## From the Mayor's desk - 1/30/26

Happy Friday!

I hope that everyone survived the freeze with very few and minor issues and is now thawing out in the sunshine the past few days.

### Emergency Management:

Some high praise for a great job planning, preparing and weathering the storm this weekend and into Monday/Tuesday. Thankfully we were able to avoid the ice rain and dangerously low temps that others received. The Team at City Hall was well prepared for the worst and it was a great test run of the EOC in advance of other disaster events on our potential horizon. Practice makes perfect. Thanks to all those who worked to prep water lines, staff the EOC, and stand ready to ensure public safety in Surfside Beach.

### Finance:

First off, an update on our FEMA disaster relief funds from Hurricane Beryl. This has been a very long and complicated process working with the Federal Government to secure our relief funds. We are going on our 18<sup>th</sup> month of FEMA activity now, which is longer than I have been Mayor! We have closed out 6 of the 17 FEMA Projects and received \$408,947k in relief funds to date. We anticipate closing out 9 more in the next month and receiving another ~\$700k in relief funds. There are 2 Projects that will require an appeal by VOSB as they were denied by FEMA worth close to \$200k. In total, we expect to receive nearly \$1.1 Million in FEMA disaster relief funds from Hurricane Beryl.

A report on the financial health of VOSB. If you remember back in the months after Beryl the VOSB finances were in dire straits. We had outstanding accounts payable to multiple vendor accounts that eclipsed our funds balance in both General Funds and System Funds, and our loan repayment accounts were not fully funded to make those payments either. In short, we were broke. I am very happy to update you on our financial health currently. These figures are not inclusive of the ~\$700k of FEMA Beryl relief to come and the ~\$600k of Freeport water payback to come. In just over one year's time we have climbed our way back from "broke" to a position of decent financial health. A lot of high quality work has been done by the entirety of the staff at City Hall to reach this point. To put this into perspective, just over a year ago in December of 2024 we were struggling to make employee payroll. We've come a long way thanks to that dedication and hard work.

This is something that I am personally very proud to share with the entire Village community:

<u>Fund</u>	<u>Balance</u>	<u>Outstanding Expenses</u>	<u>Reserves</u>	<u>Notes</u>
General Fund	\$ 680,014	\$ -	\$ 142,702	Expecting ~\$700k from FEMA

<b>System Fund</b>	\$ 149,242	\$191,111	\$ 330,044	Expecting ~\$600k from Freeport
<b>Beach Fund</b>	\$ 308,976	\$ -	\$ 450,000	Can only be used on Beach items
<b>Hotel Fund</b>	\$ 171,838	\$ -	\$ 4,273,077	Can only be used on HOT items
<b>TWDB 06</b>	\$ 33,832	\$ 7,128	\$ -	Loan repayment - fully funded
<b>TWDB 20</b>	\$ 264,917	\$ 126,387	\$ -	Loan repayment - fully funded
<b>USDA</b>	\$ 19,838	\$ 14,820	\$ -	Loan repayment - fully funded
<b>Total</b>	\$ 1,628,657	\$ 339,446	\$ 5,195,823	

Grants & Major Projects:

We achieved a milestone on the Sewer replacement project with HGAC & TxGLO this week. The TxGLO finally executed their contract with HGAC, which was the next hurdle needed to then kick off the project with GrantWorks & Lynn Engineering. We now have the contracts in place between HGAC & TxGLO and also with VOSB & HGAC. Next step will be a kick off meeting hosted by the TxGLO. It's moving and gaining momentum!

I attended a meeting this week to gather more details on the grant from TxGLO CDBG-DR Mitigation, which is a Community Development Block Grant for Disaster Recovery. The project is more substantial than I had first understood. It will total over \$513,467 in improvements to streets, water, and sewer on Shark, Swordfish, Pompano, Bonito, and King Lanes. The grant does require VOSB local funds to pay for the Engineering that will total \$63,467, and needs to be approved by City Council in order to proceed.

Other items of interest:

Christie and I met with the City of Freeport on Monday to discuss their water bill credit due and potential payback options. They are still finalizing the total amount to be credited but have estimated a substantial amount between \$600-800k. We discussed some potential options to soften the current year financial blow to Freeport that would result if they made a full repayment now. These could be credits for recurring expenses that we currently pay Freeport, like sewer transport fees. We also discussed future credits for potential water purchase, obtaining used vehicles and equipment like PD cars, work trucks, trailers, etc. Lots of options on the table that City of Freeport will discuss with their City Council. In turn, we would need to agree and approve any repayment offers at Surfside City Council before moving forward.

As always, I hope that you have a great day in wonderful Surfside Beach!

Thanks,

Zach