

The City Council of the City of Seabrook met in special budget workshop session on Wednesday, July 28 2021 at 6:00 p.m. in Seabrook City Hall, 1700 First Street, Seabrook, Texas, to discuss, consider and if appropriate, take action on the items listed below.

THOSE PRESENT WERE:

THOM KOLUPSKI	MAYOR
ED KLEIN	COUNCIL PLACE NO. 1
ROB HEFNER	COUNCIL PLACE NO. 2
JEFF LARSON – Ex. Abs.	COUNCIL PLACE NO. 3
MICHAEL GIANGROSSO	COUNCIL PLACE NO. 4
BUDDY HAMMANN	MAYOR PRO TEM/COUNCIL PLACE NO. 5
JOE MACHOL	COUNCIL PLACE NO. 6
GAYLE COOK	CITY MANAGER
SEAN LANDIS	DEPUTY CITY MANAGER
ROBIN LENIO	CITY SECRETARY
JESSICA ANCIRA	DIRECTOR OF MUNICIPAL COURT
BRYAN BRAND	SEABROOK PD LEUTENANT
BRIAN CRAIG	CITY ENGINEER & ASST. DIRECTOR OF PW
YESENIA GARZA	DIRECTOR OF HUMAN RESOURCES
MICHAEL GIBBS	DIRECTOR OF FINANCE
BRAD GOUDIE	DIRECTOR OF EMERGENCY SERVICES
KEVIN PADGETT	DIRECTOR OF PUBLIC WORKS
LEAANN PETERSEN	DIR. OF COMMUNITY & VISITOR RELATIONS
GEORGE SZAKACS	DIRECTOR OF INFORMATION TECHNOLOGY
SEAN WRIGHT	CHIEF OF POLICE

Mayor Kolupski called the meeting to order at 6:00 p.m.

1. PRESENTATIONS

1.1 Presentation of the FY 2021/2022 Proposed Budget. *Gayle Cook, City Manager and Michael Gibbs, Director of Finance*

Gayle Cook, City Manager, and Michael Gibbs, Director of Finance, presented the FY2021/2022 Proposed Budget during the below workshop session.

2. PUBLIC COMMENTS AND ANNOUNCEMENTS - none

3. BUDGET WORKSHOP

3.1 Conduct a budget work session to review the proposed City of Seabrook Budget for Fiscal Year 2021/2022, consider and take all appropriate action on a proposed tax rate, and schedule future work sessions, if applicable. *Gayle Cook, City Manager*

45 Ms. Cook and Mr. Gibbs presented the budget, proposed tax rate, and budget calendar as
46 shown in Attachment A.

47
48 The City Council had some discussion regarding tax rate options and funding market study
49 increases for those employees, including police officers, whose salaries are under current market
50 for like positions in the area.

51
52 By consensus, the City Council agreed to have staff move forward with the balanced
53 budget, tax calculations, and budget calendar/schedule when the certified tax rolls are received
54 from Harris County Appraisal District.

55
56 Upon motion duly made and seconded, Mayor Kolupski adjourned the meeting at 7:47 p.m.

57
58 Approved this 3rd day of August, 2021.

59
60
61 *Thomas G. Kolupski*

62
63 _____
64 Thomas G. Kolupski
65 Mayor

66 *Robin Lenio*

67 _____
68 Robin Lenio, TRMC
City Secretary

ATTACHMENT A

BUDGET WORKSHOP

July 28, 2021



Agenda

- FY 2020-21 Review Highlights
- FY 2021-22 Assumptions
- Proposed Tax Rate
- General Fund
- Enterprise Fund
- Special Funds



Budget Calendar

May

CIP Preparation
Departmental Budgets

June

Finance Review
City Manger Meetings
Benefit Renewals

July

Receive Preliminary
Tax Roll Estimate Letter

7-20 Present Balanced
Budget - Charter

7-26 Certified Estimate Tax
Roll to calculate No New
Revenue Tax Rate

7-28 and 7-29
Budget Workshops and Tax
Rate Discussion

Aug

? 8-20 Final Tax Roll
Tax Rate Finalized

Sept

9-7 Record Vote and Schedule
Public Hearing

9-21 Public Hearing and Record
Vote

FY21 Highlights



Sales Tax over 10%
Higher than Previous
Year



Property Tax
Revenues Stable



Down 30% in Fines &
Forfeitures



CARES Act Funding
\$786K assisted 53%
in labor



Reserve spending
was not needed
during COVID



THIS YEAR'S STRATEGIC FOCUS AREAS

INFRASTRUCTURE



ECONOMIC
DEVELOPMENT



CITY SERVICES



QUALITY OF LIFE





GENERAL FUND

Administrative
GIS
Court
Public Safety
EMS
Fire
Community Dev



ENTERPRISE FUND

Water
Wastewater
Utility Billing

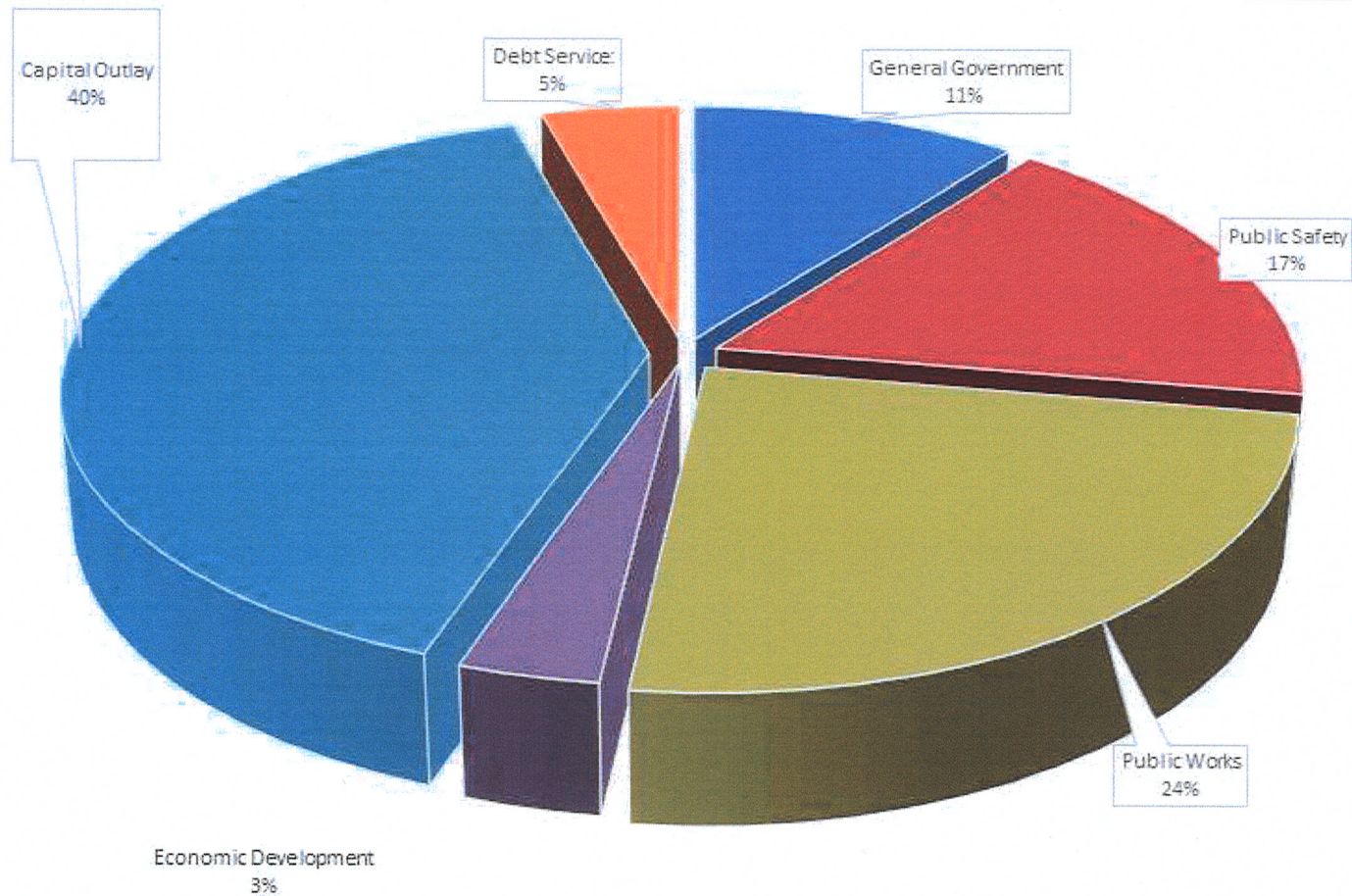


SPECIAL FUNDS

Capital
HOT
PEG
PD Special
Court Special
Grants

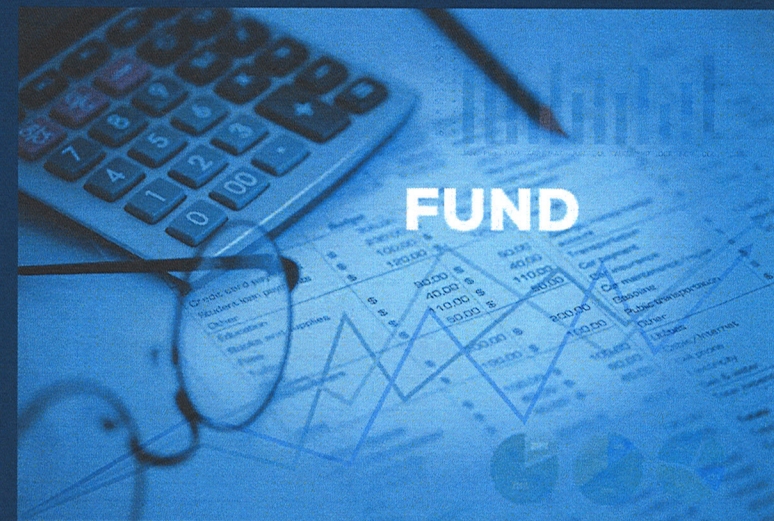
Funds

SUMMARY OF EXPENDITURES



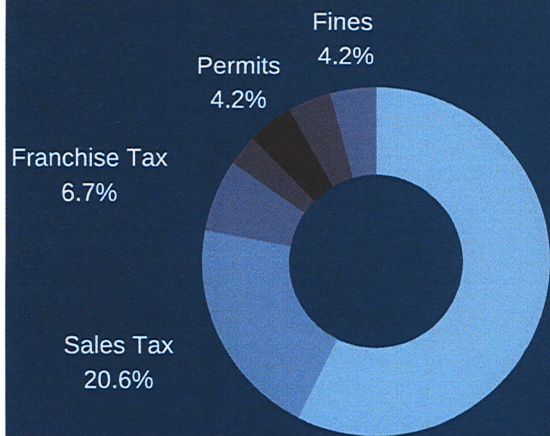
Total Combined Budget \$47,851,016

GENERAL FUND	\$13,621,594
ENTERPRISE FUND	\$10,758,899
DEBT SERVICE	\$ 2,048,914
SPECIAL FUNDS	\$ 3,358,139
CAPITAL FUNDS	\$18,063,470

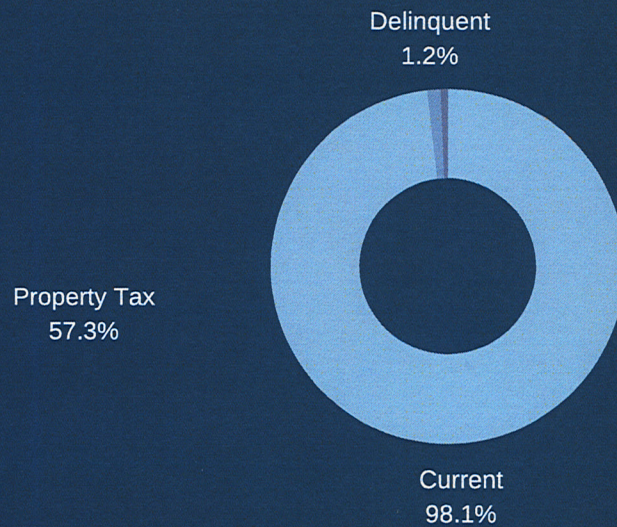




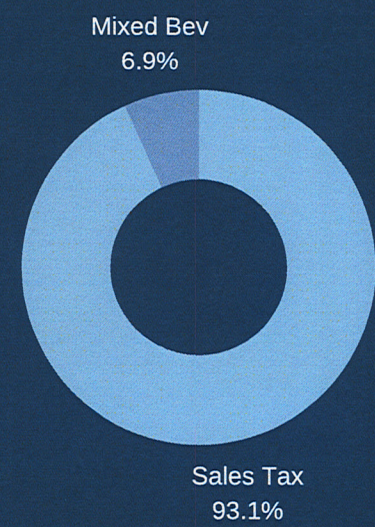
General Fund



GENERAL FUND



PROPERTY TAX



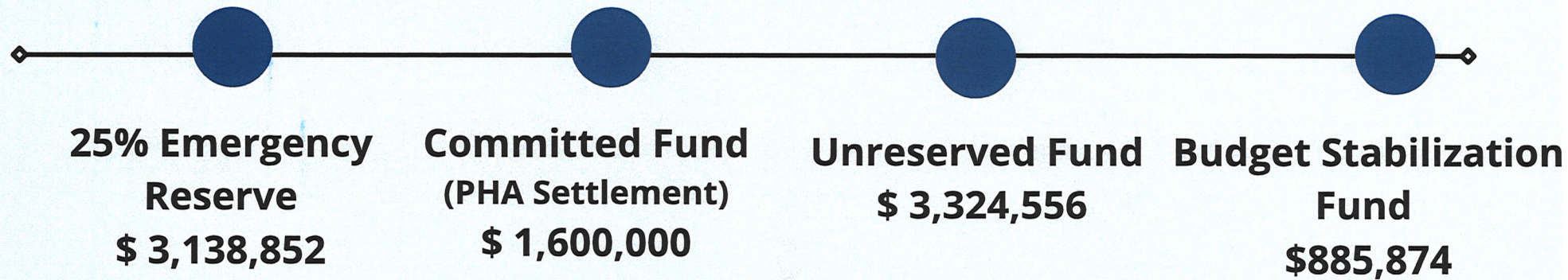
SALES TAX

Revenue Breakdown

Revenue Changes

Property Taxes	5,952,252	6,091,808		2.34%	139,556
Sales Tax	2,024,798	2,193,102	★	8.31%	168,304
Intergovernmental	830,683	301,916		-63.65%	-528,767
Licenses & Permits	275,000	450,000	★	63.64%	175,000
Charges for Services	497,166	429,917		-13.53%	- 67,250
Fines & Forfeitures	534,006	450,998		-15.54%	- 83,008
Interest	129,000	8,600		-93.33%	-120,400
IDA	350,000	146,000		-58.29%	-204,000
Other Revenue	367,833	367,710		-00.03%	- 123
Transfers	2,134,168	2,243,293		5.11%	109,125
Use of Prior Year*	24,857	275,000			
Transfers Out *	-687,742	-563,940			

Reserves



\$342,940

WASTE MANAGEMENT FRANCHISE
(100% TRANSFERRED TO CAPITAL FUND FOR STREETS)

\$1,900,353

ENTERPRISE FUND TRANSFER
ADMINISTRATIVE AND FACILITY EXPENSES

Transfers In

General Fund
\$2,243,293

\$342,940 WASTE MANAGEMENT FRANCHISE TO CAPITAL

\$ 75,000 PRIOR YEAR SURPLUS TO CAPITAL FUNDING

\$146,000 IDA TRANSFER TO CAPITAL

Transfers Out

General Fund \$563,940

Use of Prior Year Fund Balance

General Fund \$275,000

CIP TRANSFER \$75,000

Transfer of surplus funds into CIP Fund for capital projects

PUBLIC SAFETY \$150,000

Software package that is shared jointly with area cities to access regional data is expiring and new software will require a 1x expenditure.

ECONOMIC DEVELOPMENT / COMMUNITY DEVELOPMENT \$50,000

FY22 is scheduled for the update to the City's Comprehensive Master Plan

Balanced - Proposed General Fund Budget

FY22



Strategic Focus
Areas Addressed
in CIP or Budget



**No New
Revenue Tax
Rate**



Adjust Revenues
Based on Trends
and Director's
Forecasting

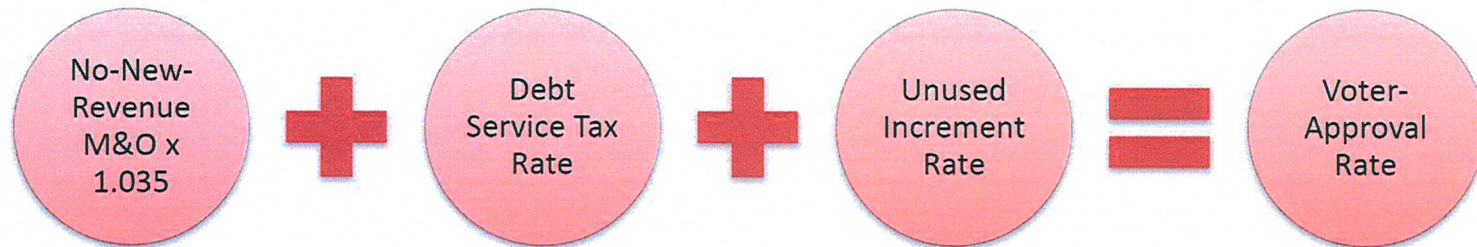


Compensate
STEP Program
2.5%



New Personnel
Funded - Full
Year

VOTER APPROVAL RATE



Historical Tax Rate

2013-14	.651229	
2014-15	.640030	
2015-16	.612611	
2016-17	.565177	
2017-18	.574911	
2018-19	.551983	
2019-20	.551983	
2020-21	.543613	
NO NEW REVENUE RATE O&M	2020-22	.520944

BASED ON CERTIFIED
ESTIMATE ROLL

NEW PROPERTY GROWTH

\$15,384,599

\$139,556 New Revenue Estimate

Prior Year
Properties

New
Properties

A stylized blue house icon with the word "TAX" in large, bold, blue letters in front of it.

Preliminary Tax Roll

\$1,595,436,592

With SB2, it created a tight timeline for calculating, adopting and if voted upon, ordering an election.

No New Revenue Tax Rate ("NNR")

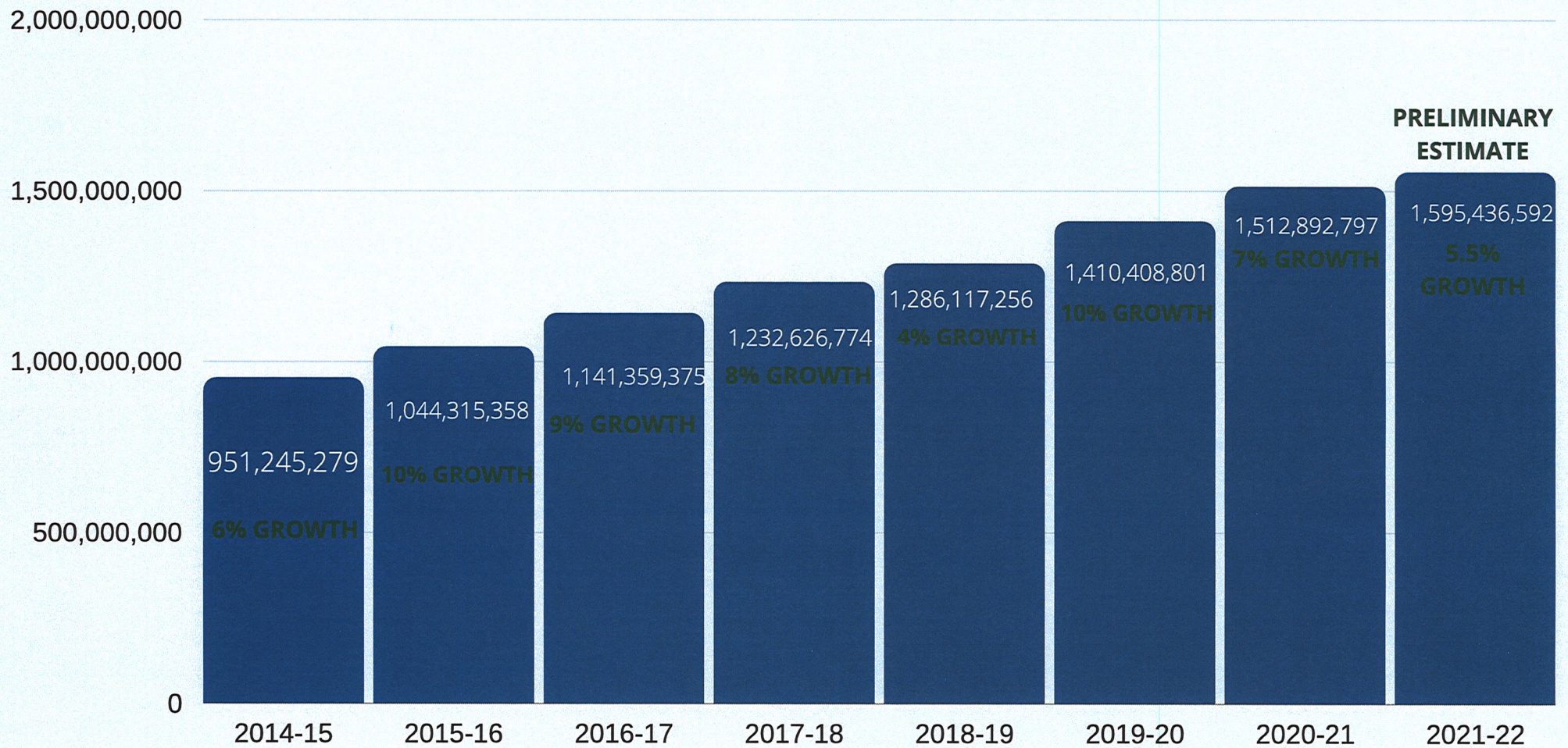
Equal Operating & Maintenance Funds from Prior Year If Applied to Same Properties

Voter Approval Rate ("VAR") = M&O + Debt

Highest Rate Council Can Adopt Without Election

SB2 / Operating & Maintenance "O&M" Rate

NET TAXABLE ASSESSED VALUE



TAX RATE OPTIONS

THESE NUMBERS ARE BASED ON CERTIFIED ESTIMATE
A FINAL CERTIFIED ROLL IS STILL PENDING



CURRENT TAX RATE

.543613

BALANCED BUDGET

No New Revenue Tax
Rate ("NNR")

.520944

1% ABOVE NNR

\$80,447

.524804

3.0% ABOVE NNR

\$200,848

.532584

END OF GENERAL FUND PRESENTATION -
MORE DISCUSSION

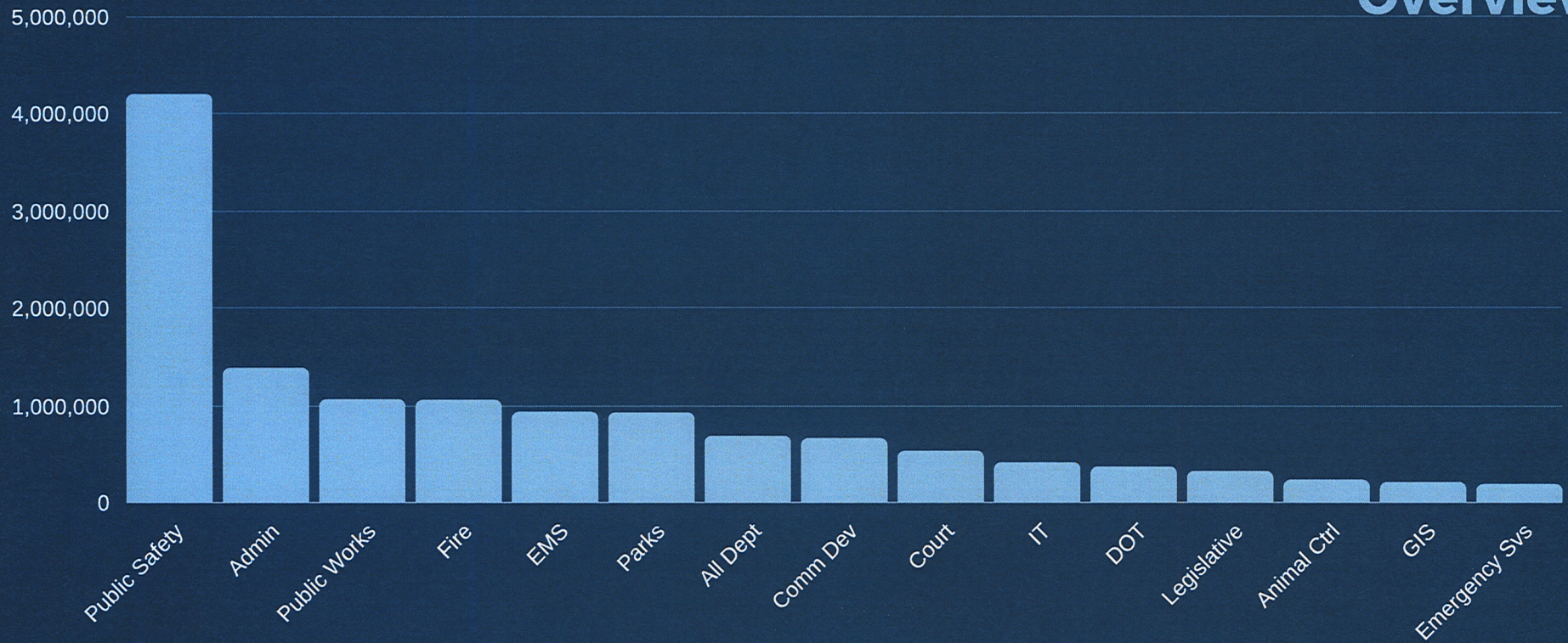


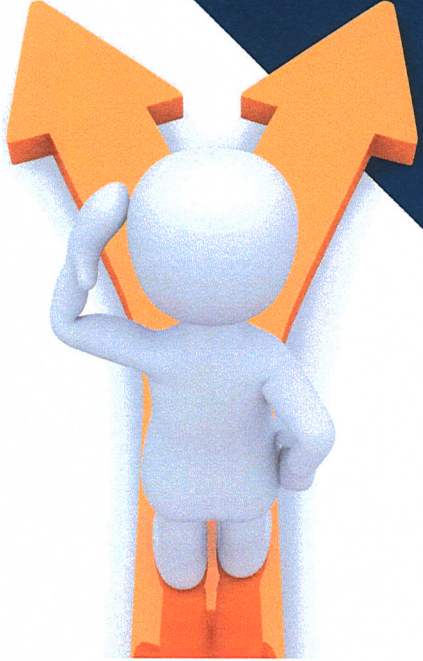
GENERAL FUND

EXPENSES

Departments

Overview





Total Expenditures by Department

100 Legislative	2,398	0.77%	
102 Administrative	-93,831	-6.33%	
103 I.T.	21,919	5.72%	
104 GIS	104,437	103.20%	★
106 Emergency	3,061	1.69%	
107 Non-Departmental	-77,494	-10.13%	★
200 Public Safety	224,468	5.65%	★
210 Animal Control	21,646	10.43%	★
220 DOT	10,411	2.98%	
230 Fire	35,959	3.50%	
240 EMS	3,926	0.42%	
400 Parks & Recreation	-36,372	-3.76%	
500 Public Works	-59,291	-5.26%	
600 Community Dev	59,839	9.92%	★
700 Municipal	12,134	2.35%	
900 Hurricane	-380,650	-100.00%	
Total Expenditures	-147,441	-1.11%	

Personnel Growth

\$407,488

General Fund

**CARRY
FORWARD**
\$116,372

Previous Year Changes
Loaded

STEP PROGRAM
\$86,116

Employees not maxed
out on grade receive
2.5% Increase on
Anniversary Date

NEW POSITIONS
\$193,000

- Public Safety
- Animal Control
- Parks
- Code Enforcement

WORKERS COMP
\$12,000

Rate Changes



Public Safety

1.0 FTE Administrative Assistant



Parks

1.0 FTE Maintenance Worker



Animal Control

PT to FT Animal Shelter Attendant



Community Development

1.0 FTE Code Enforcement Officer

DECISION PACKAGES

GENERAL FUND

Legislative	2.0
Administrative Offices	9.70
IT	2.0
GIS	2.0
Emergency Management	1.0
Public Safety	35.25
Animal Control	3.0
Fire	1.0
EMS	7.0
DOT	3.0
Parks	9.65
Public Works	9.43
Community Development	5.30
Court	5.00
Total	95.33

SPECIAL FUNDS

HOT Fund	1.0
Enterprise	15.44
Crime District	5.25

TOTAL FTE 117.02



MARKET ADJUSTMENTS

Annual Salary Survey identified
27 Positions with a need to
change grade (full year)

*Include new compensation
study

\$215,958 (GF)



PUBLIC SAFETY - PATROL OFFICERS PAY

Annual Salary Survey -8.21%
Current: 54,538-63,248-75,182
Proposed: 56,720-65,778-78,189

4% Increase
Cost: \$63,600 (GF)

PROPOSALS TO FUND OVER NO NEW REVENUE TAX RATE

TAX RATE OPTIONS

THESE NUMBERS ARE BASED ON CERTIFIED ESTIMATE
A FINAL CERTIFIED ROLL IS STILL PENDING

CURRENT TAX RATE

.543613

BALANCED BUDGET

No New Revenue Tax
Rate

.520944

1% ABOVE NNR

\$80,447

.524804

3.0% ABOVE NNR

\$200,848

.532584

Enterprise Fund

Overview



Enterprise Reserves

15% Required Reserve \$1,277,341

Above Reserve \$895,719

Water and Wastewater Rate Increases FY22

Every 5 years, the city conducts a water and wastewater rate study. The last study concluded late 2020 and was implemented in FY21.

Water

	2021	2022	2023	2024	2025	2026
Minimum Rate Adjustments	22.35%	5.55%	5.30%	0.00%	0.00%	0.00%
Volumetric Rate Adjustments	17.00%	17.00%	17.00%	0.00%	0.00%	0.00%

	Current	2021	2022	2023	2024	2025	2026
Residential Minimum Charge							
5/8"	\$ 14.71	\$ 18.00	\$ 19.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00

Wastewater

	2021	2022	2023	2024	2025	2026
Minimum Rate Adjustments	6.25%	4.35%	4.15%	0.00%	0.00%	0.00%
Volumetric Rate Adjustments	17.00%	17.00%	17.00%	0.00%	0.00%	0.00%

	Current	2021	2022	2023	2024	2025	2026
Residential Minimum Charge							
All	\$ 21.65	\$ 23.00	\$ 24.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00



SPECIAL FUNDS

FY22

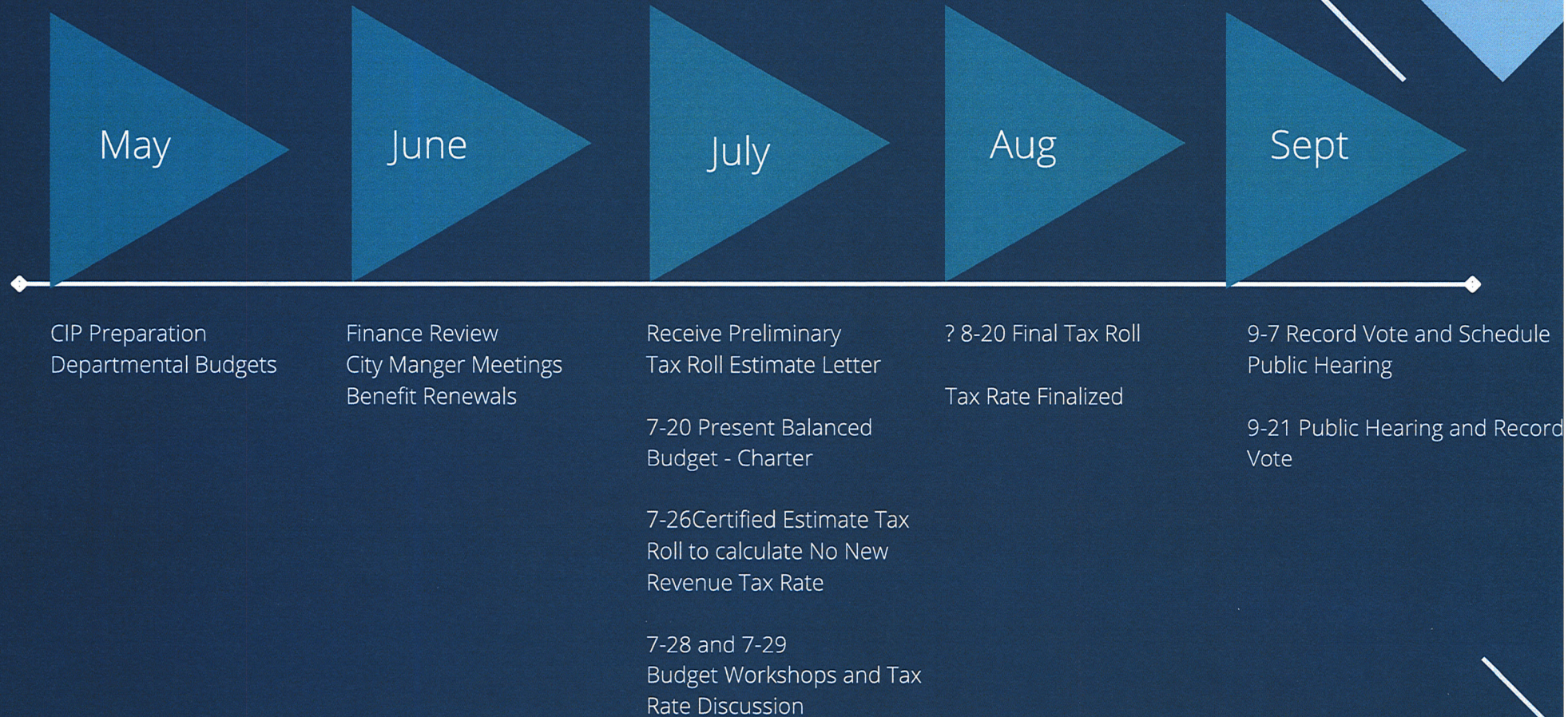
Special Funds - Expenses

1.State Seizure Fund	49,900
2.Law Enforcement Education Fund	7,036
3.Child Safety Fund	22,500
4.Federal Seizure Fund	17,500
5.Step Fund	37,761
6.Public Safety Fund	97,642
7.Hotel Occupancy Fund	432,339
8.Carothers Garden Fund	32,470
9.Park Improvement Fund	55,000
10.Animal Donation Fund	7,650
11.Court Security Fund	27,200
12.Time Payment Fund	4,000
13.Court Technology Fund	2,200
14.Public Safety Vehicle and Equipment Replacement Fund	- 0

Special Funds - Expenses - Continued

1. Public, Educational and Governmental Access Channel/PEG Fund	46,000
2. General and Enterprise Vehicle/Equipment Replacement Fund	29,808
3. Budget Stabilization Fund -	-
4. Water Rate Stabilization Fund -	-
5. Capital Impact Fund	871,951
6. Water Wastewater Capital Project Fund -	-
7. Fiber Capital Project Fund -	-
8. Public Works Animal Control Capital Project	1,525
9. Capital Project Fund	15,676,775
10. General CIP Fund	643,500
11. Capital Drainage Fund	839,911
12. Crime Control and Prevention Fund	949,909
13. Seabrook Economic Development Corporation	1,569,032

Budget Calendar





Thank You

MIKE GIBBS

Director of Finance

KATHRYN SHANNAHAN

Accounting Manager

GAYLE COOK

City Manager