

The City Councils of the City of Seabrook and the City of El Lago and the Seabrook Volunteer Fire Department Executive Board met in a special joint session on Tuesday, December 11, 2012 at 7:00 p.m. in Seabrook Fire Station #1, 1850 E. Meyer, Seabrook, Texas to discuss, consider and if appropriate, take action on the items listed below.

THOSE PRESENT FROM THE CITY OF SEABROOK WERE:

GLENN R. ROYAL	MAYOR
ROBERT LLORENTE	COUNCIL PLACE NO. 1
MIKE GIANROSSO	COUNCIL PLACE NO. 2
GARY JOHNSON	COUNCIL PLACE NO. 3
DON HOLBROOK	COUNCIL PLACE NO. 4
THOM KOLUPSKI	COUNCIL PLACE NO. 5
LAURA DAVIS	MAYOR PRO TEM & COUNCIL PLACE NO. 6
KELLY TEMPLIN	CITY MANAGER
GAYLE COOK	ASSISTANT CITY MANAGER
JEFF GALYEAN	EMERGENCY MANAGEMENT
MEREDITH BRANT	ASSISTANT CITY SECRETARY

THOSE PRESENT FROM THE CITY OF EL LAGO WERE:

BRAD EMEL	MAYOR
ROBERT WHITE	COUNCIL MEMBER
JEFF TAVE	COUNCIL MEMBER
JOHN SKELTON	COUNCIL MEMBER
ANN VERNON	CITY SECRETARY

THOSE PRESENT FROM SVFD EXECUTIVE BOARD WERE:

TREY HAFELY	PRESIDENT
ROB WOHRER	VICE-PRESIDENT
TRISH COOK	SECRETARY
NANCY KEIM	TREASURER
RAY COOK	FIRE CHIEF
DOMINIC DEL ROSSO	1 ST ASSISTANT CHIEF
NATHAN DOUGLAS	STATION 2 CAPTAIN

Mayor Emel called the joint meeting to order at 7:00 p.m.

1.0 ROUTINE PUBLIC HEARINGS AND ANNOUNCEMENT

There were none.

2.0 WORK SESSION ITEMS

2.1 Introduce members of the SVFD Executive Board, the El Lago City Council, the Seabrook City Council and staff.

After introductions were made, Seabrook Mayor Pro Tem Laura Davis conducted the meeting.

Councilor Davis stated that Seabrook and El Lago are intertwined and both want what is best for the community. She added that the meeting last year established that both cities have many goals in common as far as public safety is concerned.

2.2 Discuss and take action, if necessary, on the SVFD budget deficit of \$25,000.

AND

2.3 Discuss and take action, if necessary, on the SVFD's contract with each of the cities, including but not limited to: status of the current contracts; options for restructuring the contracts; and establishing or modifying any interlocal agreements, with the objective of equitable distribution of the fiscal obligation.

Councilor Davis explained that in the past there was an agreement where El Lago would pay a portion of the bond which Seabrook took out through a bond election on three issues, all fire department related and benefitting both cities. This year there was a jump in the bond payment schedule resulting in an increase of \$123,000 for Seabrook and \$25,000 for El Lago. Councilor Davis stated that it is her hope that a palatable solution may be reached addressing the \$25,000 deficit.

Mayor Royal stated that the additional payment amount is due to the increase in the bond gap which Seabrook is obligated to pay and Seabrook will pay its part, but El Lago's \$25,000 portion outstanding will not be paid by the citizens of Seabrook.

Mayor Emel stated that the contract El Lago had with the City of Seabrook was signed in 2006 and was not a part of the bond issue. That contract has expired and is not under consideration at this time. In the past, anything purchased by the fire department was owned by the fire department. Since the bond election all new equipment purchased has been owned by the City of Seabrook. He stated that while El Lago's portion of the cost has risen over the years, it was not unexpected due to the increased cost of doing business. Additionally, the City of El Lago never had a contract to suggest the financial increases and it wasn't until recently that El Lago was even aware of the bond schedule. Mayor Emel stated that El Lago does not have the extra funds to pay \$25,000.

Both Mayor Royal and Mayor Emel agreed that the service of the Seabrook Volunteer Fire Department (SVFD) is excellent and both cities have improved their ICS ratings due to the efforts of the SVFD.

Chief Ray Cook stated that if the SVFD must absorb the \$25,000 cost it will cut into operations, including training and fire prevention.

Mayor Emel stated that since the expiration of the contract in 2010, the City of El Lago has paid for fire service month-to-month although they have not received a current SVFD budget, which is months past due.

Chief Cook stated that the SVFD is caught in the middle, while all the volunteers want to do is provide good service to the citizens.

Mayor Royal stated that there are a couple of options: to enter into an interlocal agreement between the cities with the same basic set-up or to create a fire district which would get the fire department out of the middle.

Councilor Davis presented a formula-based distribution of cost which takes four factors into consideration: call volume, taxable value, population and number of structures. (Detail is included in Attachment A.)

There was additional discussion concerning creating a fire district which would be a taxing entity with administrative capabilities. To create such a district would require a vote of the citizens affected. This topic could not be addressed tonight.

Councilor White stated that ultimately the issue is the urgency of the \$25,000 deficit which needs to be addressed between El Lago and The SVFD.

Councilor Davis suggested that an ad hoc committee be formed with equal representation of all three entities to work on a long-term solution.

The short-term solution of the \$25,000 deficit will be resolved between the City of El Lago and the Seabrook Volunteer Fire Department. An ad hoc committee with representation from the City of El Lago, the City of Seabrook and the Seabrook Volunteer Fire Department will work toward a long-term solution.

2.4 Discuss any other concerns regarding fire protection in Seabrook and El Lago.

This item was not addressed.

At 8:45, Mayor Emel left the meeting. Having no further business, Mayor Royal adjourned the meeting at 8:50 p.m.

Proposal for Formula-based Distribution of SVFD Cost

December 11, 2012

Presented by: Laura Davis

Methodology

- I decided to use four different factors for determining cost per city: call volume, taxable value, population and number of structures (established through number of water meters).
- I gave more weight to call volume and taxable value (60% of their average) and less weight to population and number of structures (40% of their average).

So the formula looks like this:

$$X = A \times \{[(B + C)/2] \times .60 + [(D + E)/2] \times .40\}$$

Where:

X = Cost of fire protection for one year to be charged to recipient of service

A = Total cost of annual SVFD budget (including O&M and Capital)

B = Percent of calls within the city limits for the last 3 years

C = Percent of taxable value of the city to the total valuation (does not include homestead exemptions for either city)

D = Percent of population of the city to the total population

E = Percent of structures in the city to the total structures protected (assessed by number of water meters)

Example

City of Seabrook

$$X = \$1,000,698 \times \{[(.90152 + .82070)/2] \times .60 + [(.78317 + .78354)/2] \times .40\}$$

$$X = \$1,000,698 \times [(.86111 \times .6) + (.78335 \times .4)]$$

$$X = \$1,000,698 \times .830006$$

$$X = \$830,585.35$$

City of El Lago

$$X = \$1,000,698 \times \{[(.09847 + .17929)/2] \times .60 + [(.21682 + .21645)/2] \times .40\}$$

$$X = \$1,000,698 \times [(.13888 \times .6) + (.21663 \times .4)]$$

$$X = \$1,000,698 \times .169980$$

$$X = \$1,000,698 \times .169980$$

****Note:** the number inserted for B (percent of calls averaged over 3 years) is the current call volume for the past year, and not an average at this point. This is for illustration purposes only.

Benefits of a Formula-based Distribution of Cost

- Adjusts over time as both cities develop
- Takes into account multiple variables (call volume, taxable value, population & number of structures) which gives a better picture of each city's demand on the SVFD
- Some variables change yearly (call volume, taxable value) while others change less frequently (official population; # of structures rarely change significantly)
- Averages the number of calls over the last three years to reduce radical changes in cost
- Addresses the total cost to provide fire service, including O&M and capital expenditures
- Can be included as a part of each city's budget process