

The City Council of the City of Seabrook met in special budget workshop session on Tuesday, July 26, 2022 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

JACKIE RASCO

ROB HEFNER

TOM TOLLETT

MICHAEL GIANROSSO

BUDDY HAMMANN

JOE MACHOL

GAYLE COOK

STEVE WEATHERED

ROBIN LENIO

MAYOR

COUNCIL PLACE NO. 1

COUNCIL PLACE NO. 2

COUNCIL PLACE NO. 3

COUNCIL PLACE NO. 4

MAYOR PRO TEM

COUNCIL PLACE NO. 5

COUNCIL PLACE NO. 6

CITY MANAGER

CITY ATTORNEY

CITY SECRETARY

Mayor Kolupski called the meeting to order at 6:03 p.m.

1. PUBLIC COMMENTS AND ANNOUNCEMENTS

There were no public comments

2. BUDGET WORKSHOP

2.1 Review and discuss Fiscal Year 2022/2023 City of Seabrook budget for Operations, Special Funds, Capital Improvements and/or any existing or future debt service, consider and take all appropriate action on a proposed tax rate, and schedule future work sessions, if applicable.

Gayle Cook, City Manager, presented information on the balanced budget for FY2022/2023 as shown in Attachment A.

3. OLD BUSINESS

3.1 Discuss, consider, and if appropriate, take action on the proposal of an American Flag Program, possible city commitments and authorization of city right-of-way use as previously discussed by City Council on agenda June 1, 2021.

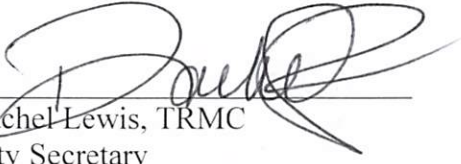
Councilmember Machol presented details concerning placing flag poles for American flags to be displayed throughout the city on specific holidays five times per year and how to maintain the program long term through a non-profit organization.

Motion was made by Councilmember Hammann to proceed in developing a contract for an American Flag Program presented by Councilmember Machol to implement the proposed flag program. There was a second by Councilmember Rasco.

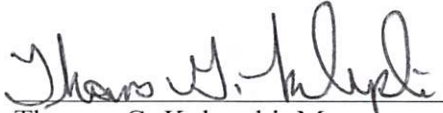
MOTION CARRIED BY UNANIMOUS CONSENT

Upon motion duly made and seconded, Mayor Kolupski adjourned the meeting at 7:22pm.

Approved this 5th day of December, 2023.



Rachel Lewis, TRMC
City Secretary



Thomas G. Kolupski, Mayor



SUBMITTED BY CITY MANAGER



PROPOSED FY 2022-23 BUDGET

BUDGET WORKSHOP 1
July 26, 2022
Seabrook City Council

Agenda

1. Review Priorities, Cost Drivers, Highlights
2. Budget Timeline & Calendar
3. Compensation-Classification Results
4. Assessed Values and Tax Rate
5. No New Revenue Rate (NNRR) and SB2
6. Revenue Projections
7. General Fund
8. Enterprise Fund
9. Special Funds - Parks Impact Fund
10. Capital Improvement Summary
11. Next Steps



Strategic Priorities



Economic Development

- Capital Investment / CIP
- Old Seabrook Livable Center
- Advertising -Commercial Sites
- New Incentive Tools



Infrastructure

- Street and Drainage Projects
- WWTP Plant
- Mitigation Grants
- Growth Plan for City Facilities



City Services

- Retain and Recruit
- Reward and Recognition
- Compensation Study



Quality of Life

- Water Access Projects
- Trails and Sidewalks
- New Event

All Funds

Cost Drivers FY23



1

Personnel Increases

2

Goods and Service Agreement Increases

3

Fuel Cost Increases

4

Liability, Property, Flood, and Workers
Comp Increases



Highlights Proposed Budget



No New Revenue Tax Rate

Proposed FY23 budget uses the NNRTTR



CIP: \$xx million



Personnel Market Adjustments

Compensation study Tier 1 results within proposed budget \$583,835 (All Funds with Benefits)



Decision Packages/New Personnel

Decision Packages
No New Personnel

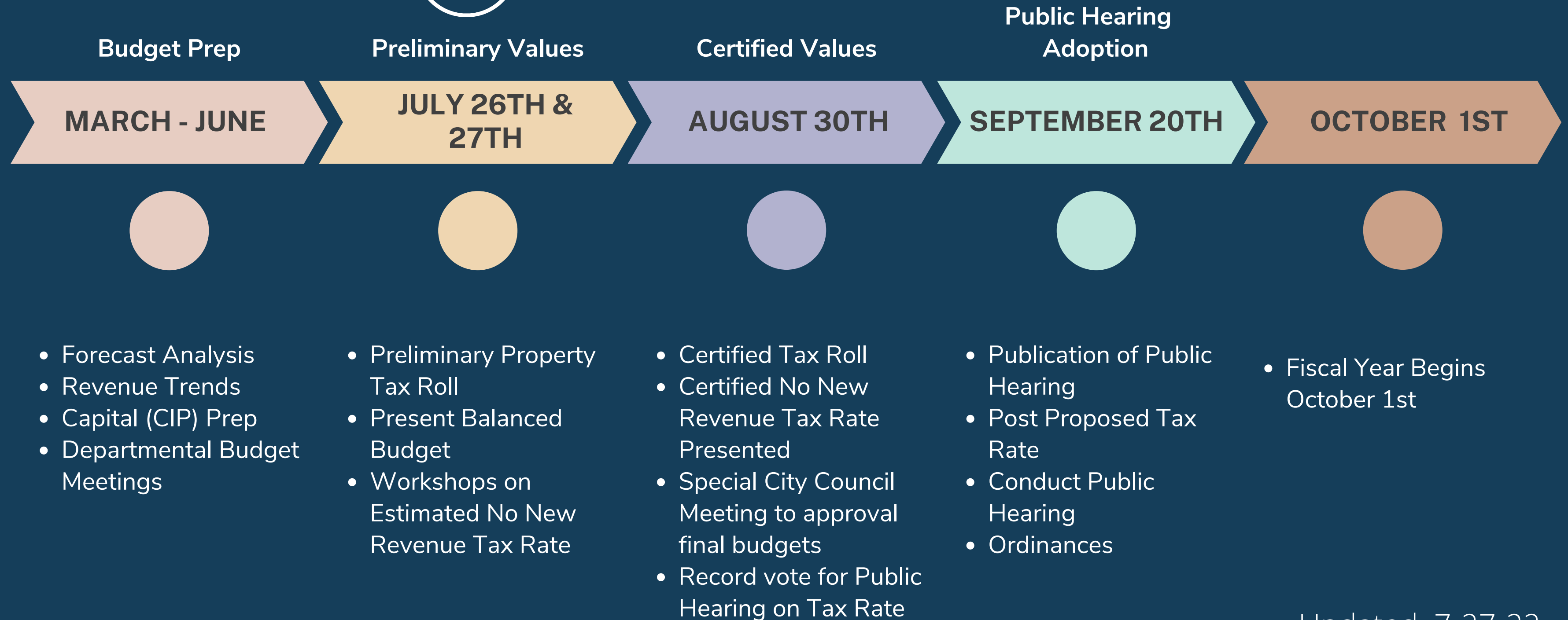


Hotel Occupancy Tax

Returning to pre-COVID

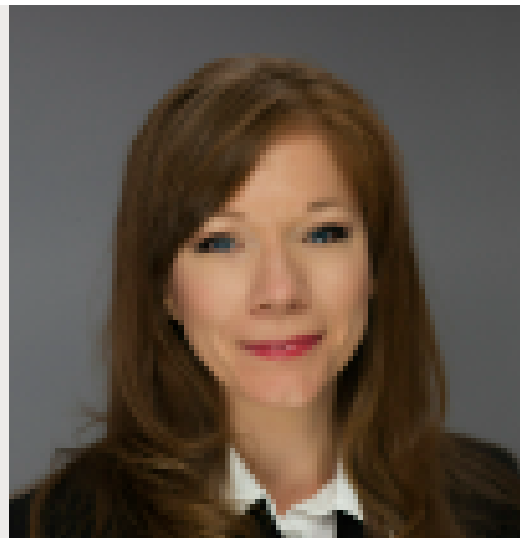


BUDGET CALENDAR



Updated 7-27-22

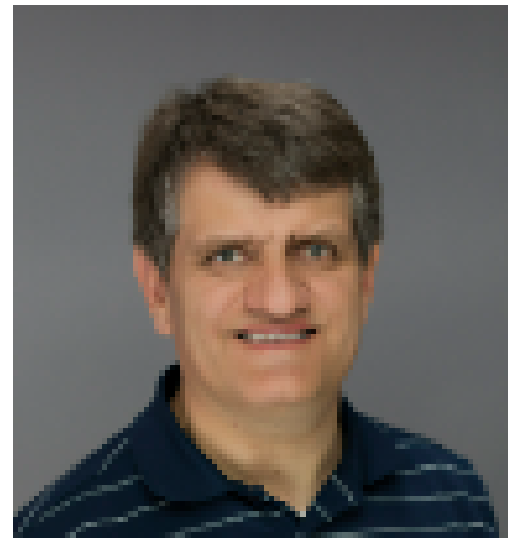
Meet the Directors Management Team



Gayle Cook
City Manager



Sean Landis
Asst. City Manager



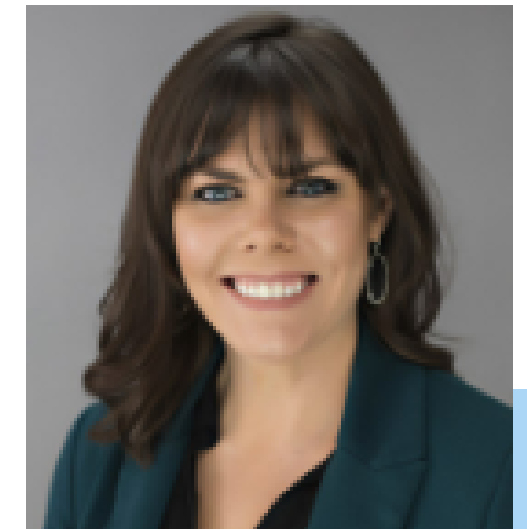
George Szakacs
Dir of IT



Mike Gibbs
Dir of Finance



Kevin Padgett
Dir of Public Works



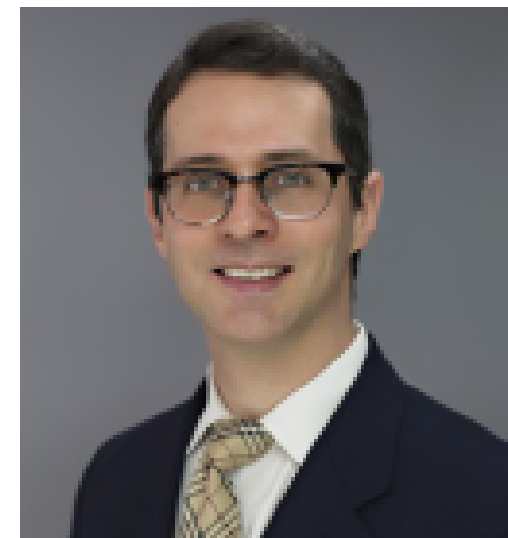
LeaAnn Petersen
Dir Public Affairs



Brad Goudie
Dir of Emerg Services



Robin Lenio
City Secretary



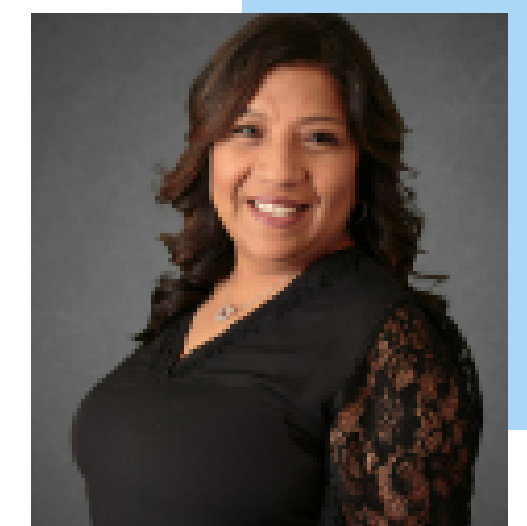
Paul Chavez
Dir of EDC



Sean Wright
Chief of Police



Yesenia Garza
Dir of HR



Jessica Ancira
Dir Court Serv



Compensation Classification and Compensation Study

In March, 2022, the City contracted with Evergreen Solutions to conduct a Classification and Compensation Study.

Tonight, the results that are incorporated into the proposed budget will be summarized by Evergreen Solutions.





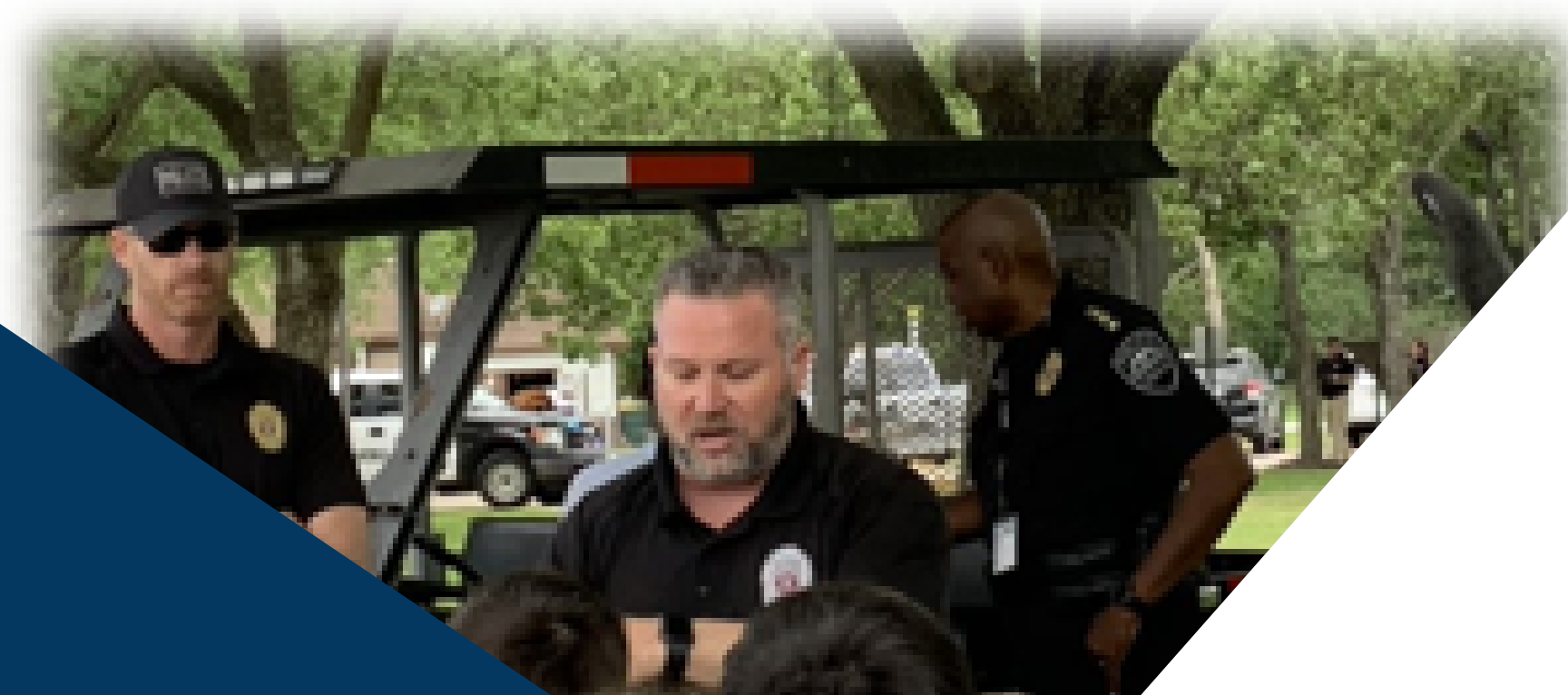
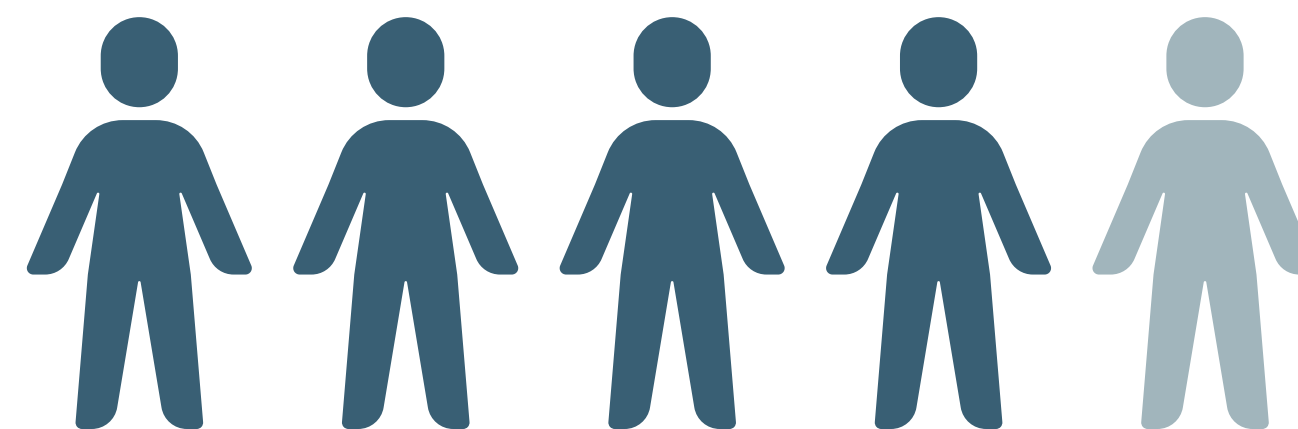
Compensation Personnel

GENERAL FUND \$464,443

ENTERPRISE FUND \$ 77,012

OTHER FUNDS \$ 42,380

TOTAL STUDY IMPACT \$583,835



NET TAXABLE ASSESSED VALUES



2,000,000,000

1,500,000,000

1,000,000,000

500,000,000

0

2014-15

2015-16

2016-17

2017-18

2018-19

2019-20

2020-21

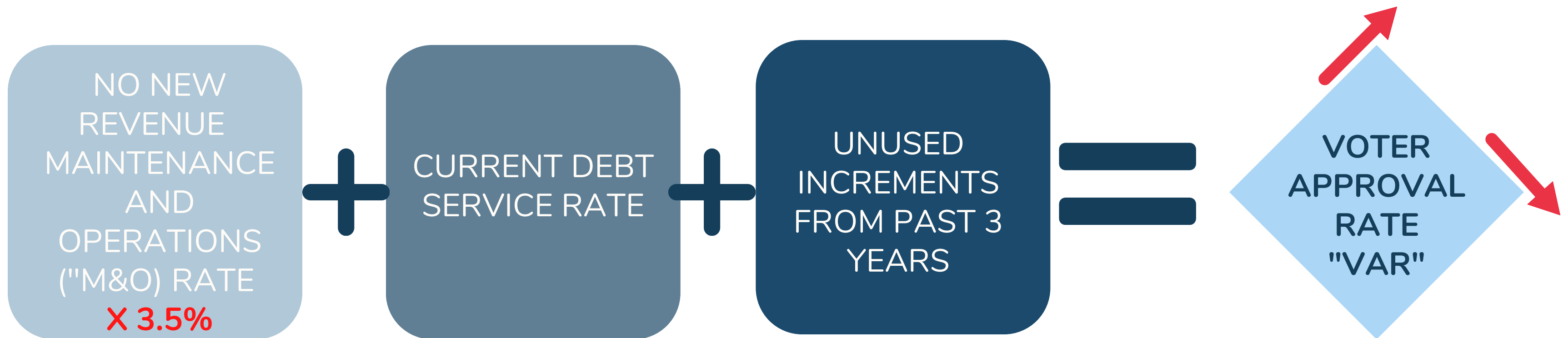
2021-22

2022-23

\$ 1,595,436,592

\$ 1,764,422,615

Voter Approval Rate "VAR"



If Council adopts a rate that exceeds the Voter Approval Rate an automatic election has to be held



Proposed Tax Rate

.469096 ¢

.351097 ¢

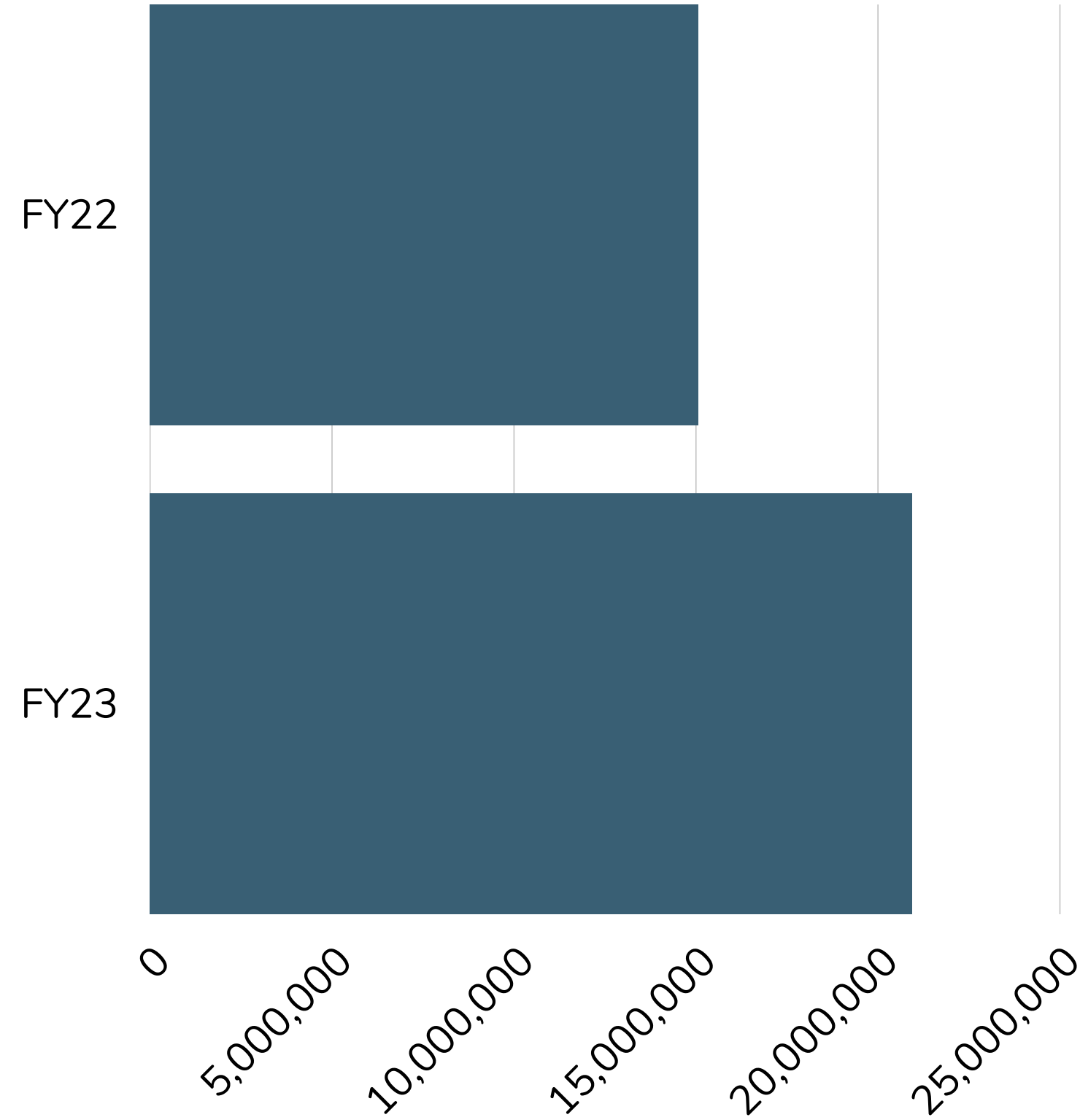
O&M
Operations and
Maintenance

.120411 ¢

I&S
Debt - Interest and
Sinking

**.055348 ¢ lower than
last year's total rate**





New Property Growth

\$ 20.9 mil

\$105,230

Historical Tax Rates

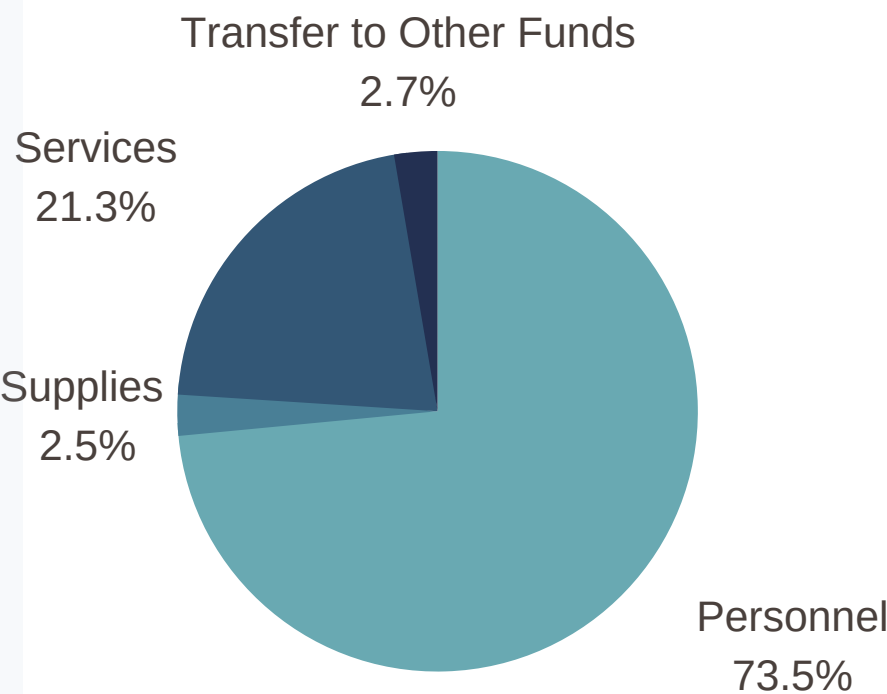
2022-23
Based on
Certified
Estimated
Property Tax Roll

2013-14	.651229	
2014-15	.640030	
2015-16	.612611	
2016-17	.565177	
2017-18	.574911	
2018-19	.551983	
2019-20	.551983	
2020-21	.543613	
2021-22	.524444	
2022-23	.469096	

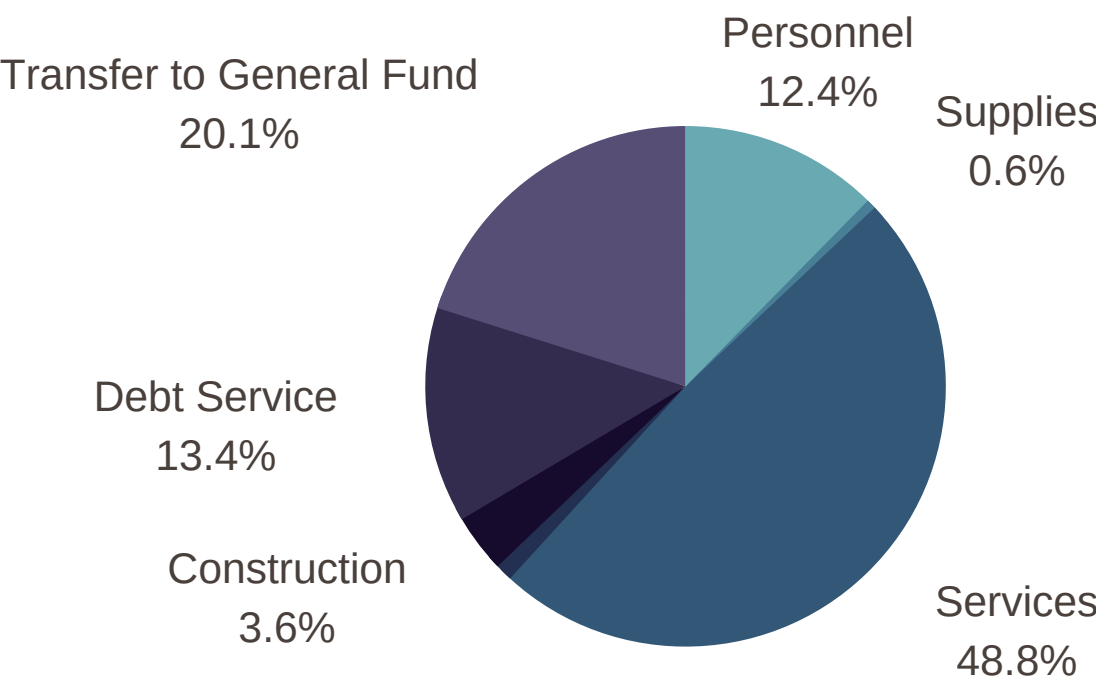


TOTAL COMBINED BUDGET

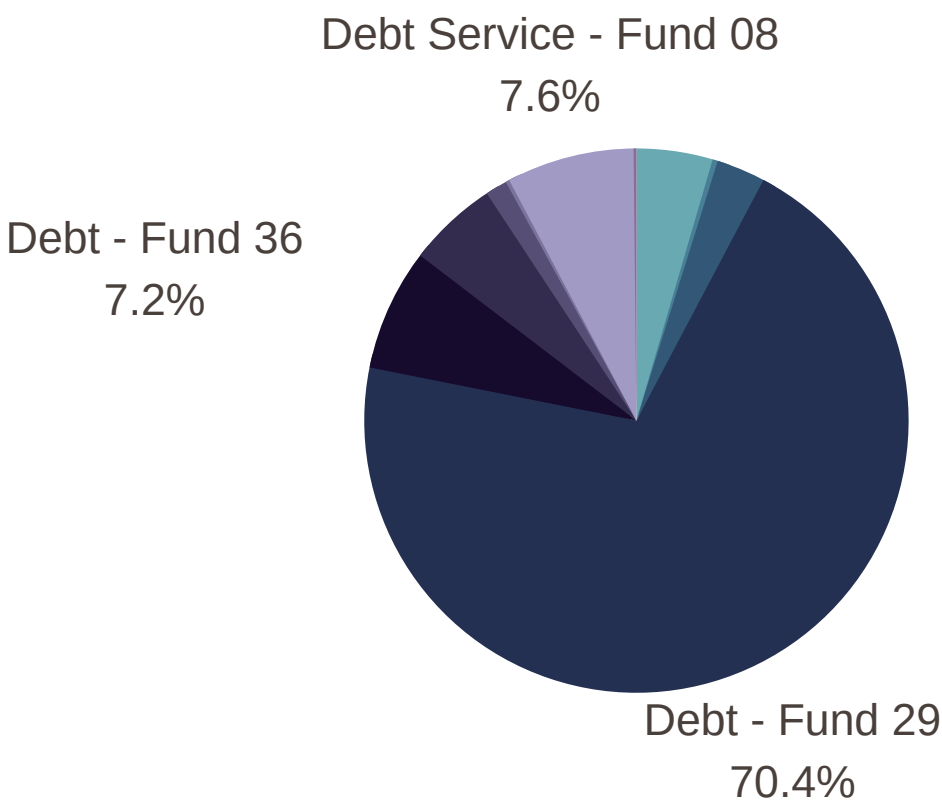
\$53,535,044



General Fund
\$14,170,351

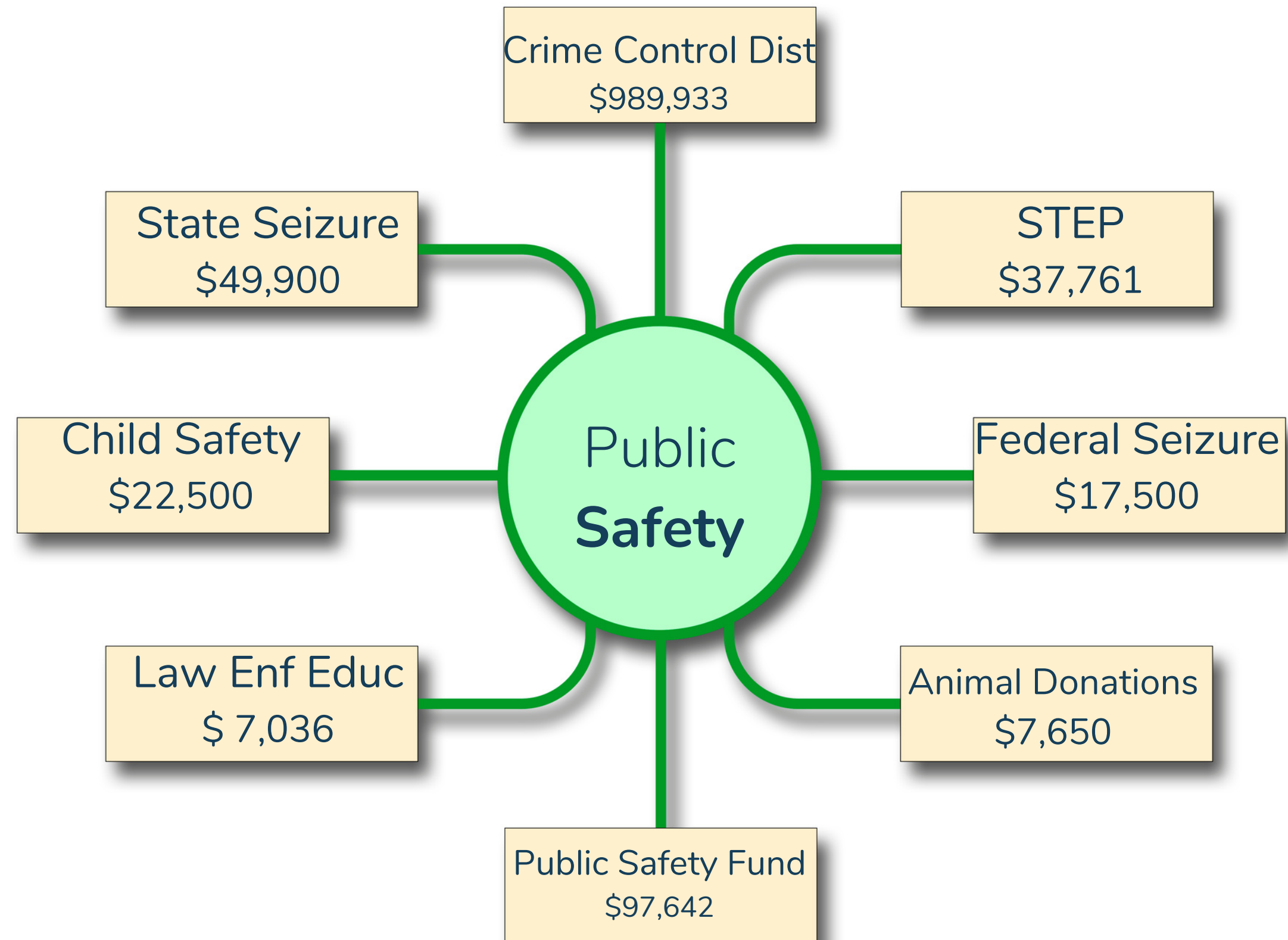


Enterprise Fund
\$11,590,768

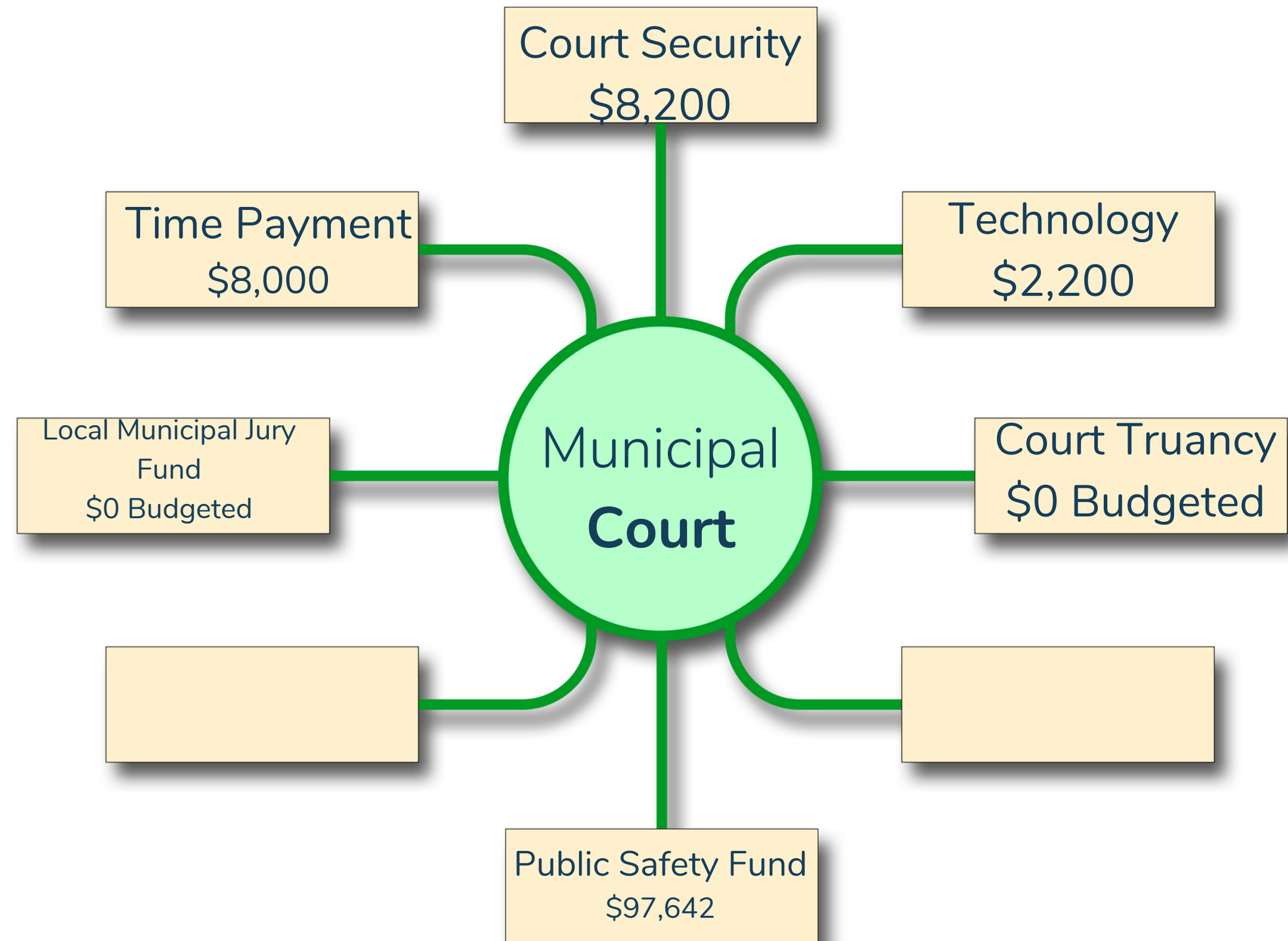


Special Funds
\$27,773,926

SPECIAL FUNDS \$1,222,272

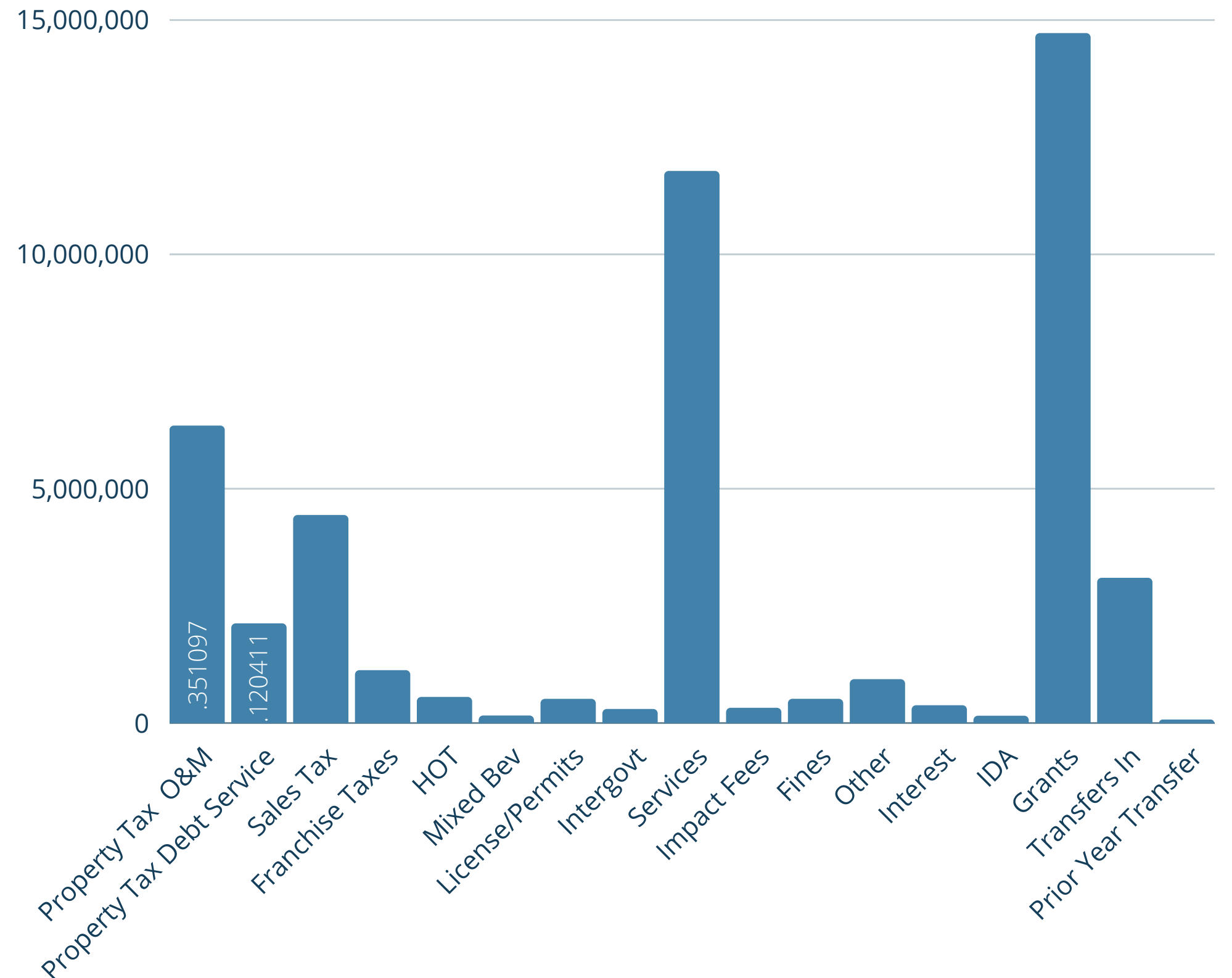


SPECIAL FUNDS \$



All Revenue Sources

- .120411 cents of property tax rate funds debt service
- .25 cent Sales Tax funds Crime District
- .25 cent Sales Tax funds EDC
- Waste Management Franchise - CIP Streets
- Intergovt is an EDC Transfer to General Fund
- Services includes Enterprise Fund and Water and Wastewater revenues
- Transfers includes Enterprise Fund Transfer to General Fund



Reserves

25% Reserve Balance

Required emergency reserve balance of 25% of General Fund Operations & Maintenance

Excess Reserves

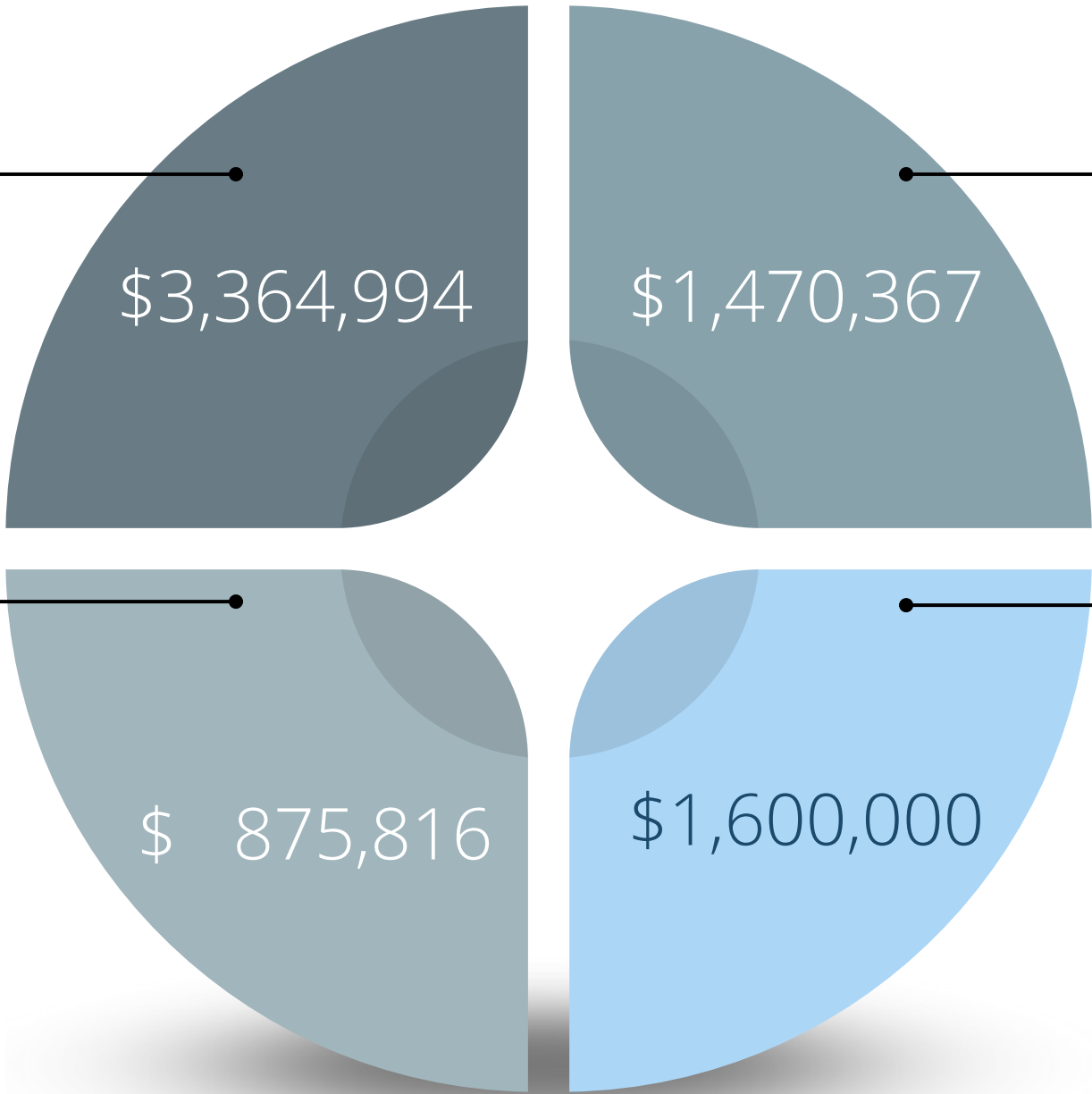
Reserves above and beyond the required 25% Emergency Reserve Balance

Budget Stabilization Fund

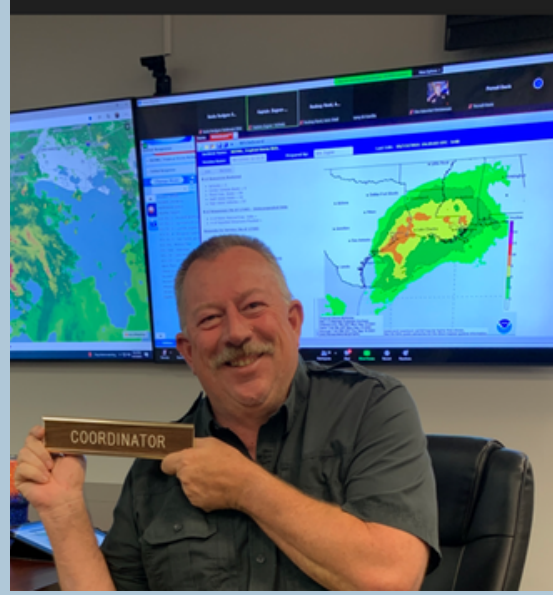
Per Ordinance 2011-22, City Council approved a stabilization fund for potential loss of revenue caused by the TxDOT right of way acquisition and construction

Committed Fund

As part of the Port and City of Seabrook settlement a Sound Barrier was to be constructed if the costs did not exceed \$1.6 mil. Cost estimates exceeded this amount when Port Rail Spur was started and an amendment for Rail Quiet Zones were approved and payment was accepted by City as per the settlement.



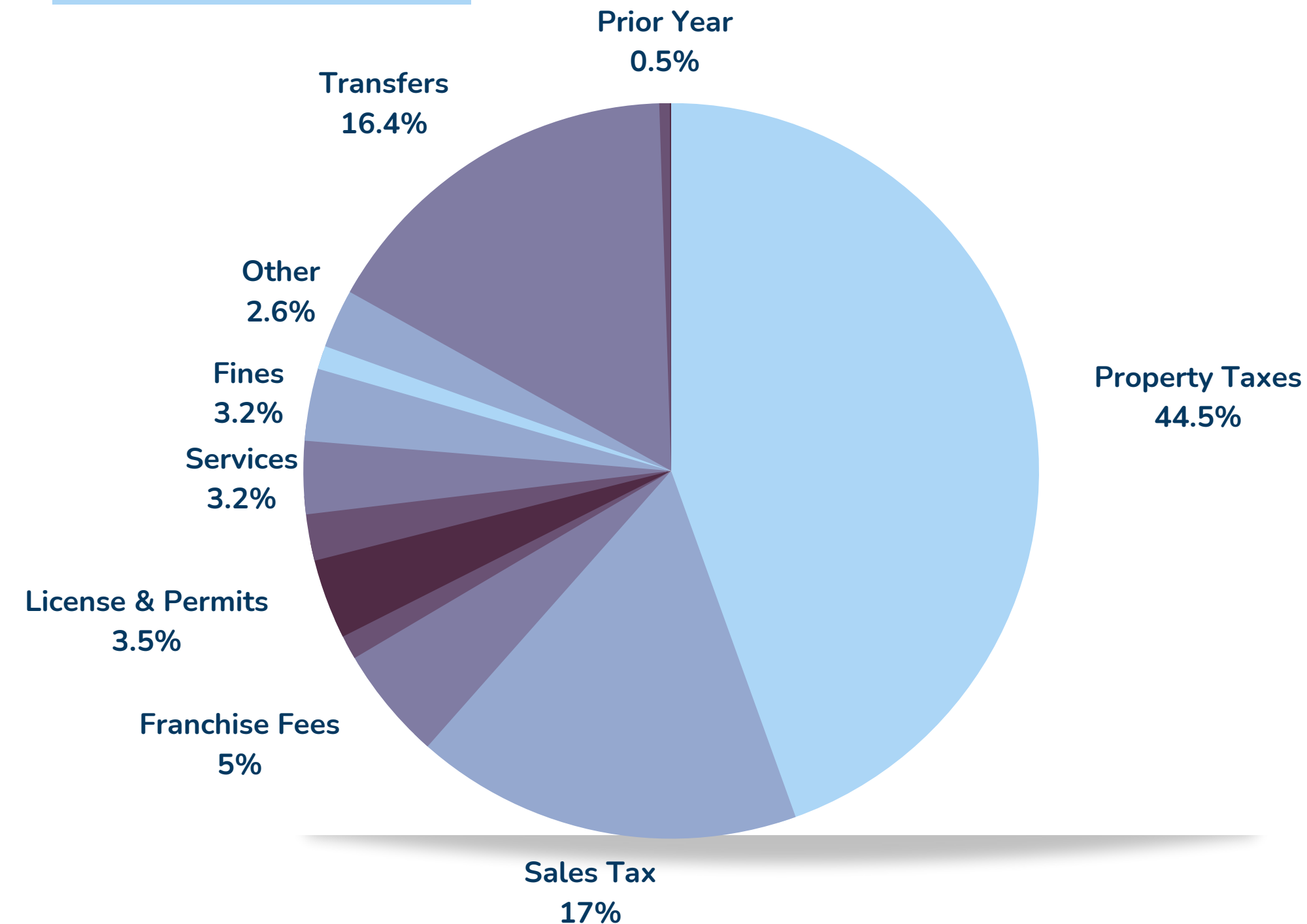
\$6,435,361 Total Reserves



General Fund



Revenue Fund Overview - General Fund

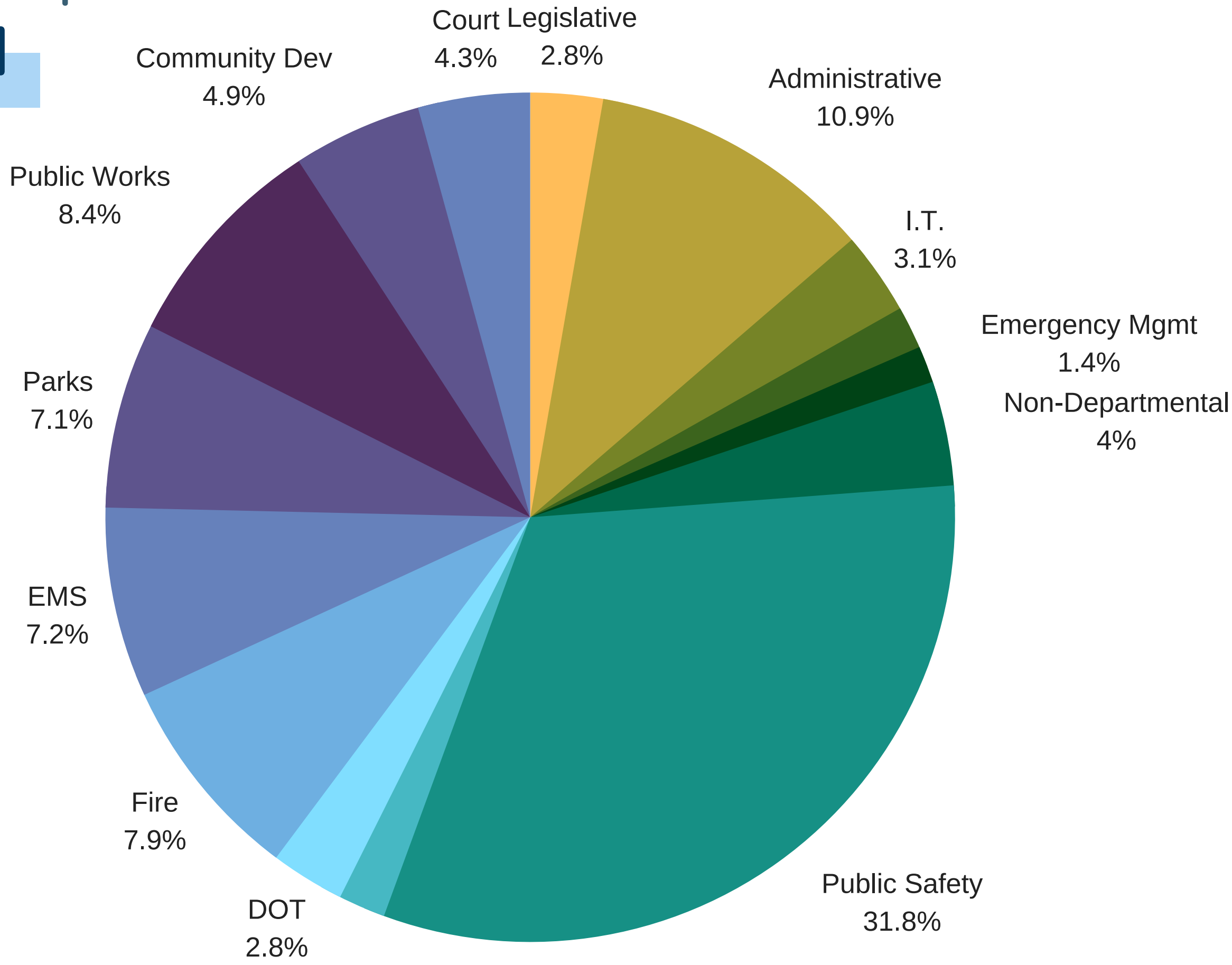


Revenue Assumptions

- ✓ Industrial District Agreement (IDA) not transferred but used for O&M \$146,000
- ✓ Property Tax Increased 1.74%
- ✓ Sales Tax Increased 4.00%
- ✓ License and Permits Increased 11.00%
- ✓ Interest Increased 1389%
- ✓ Prior Year Funds for Comp Study \$ 90,409

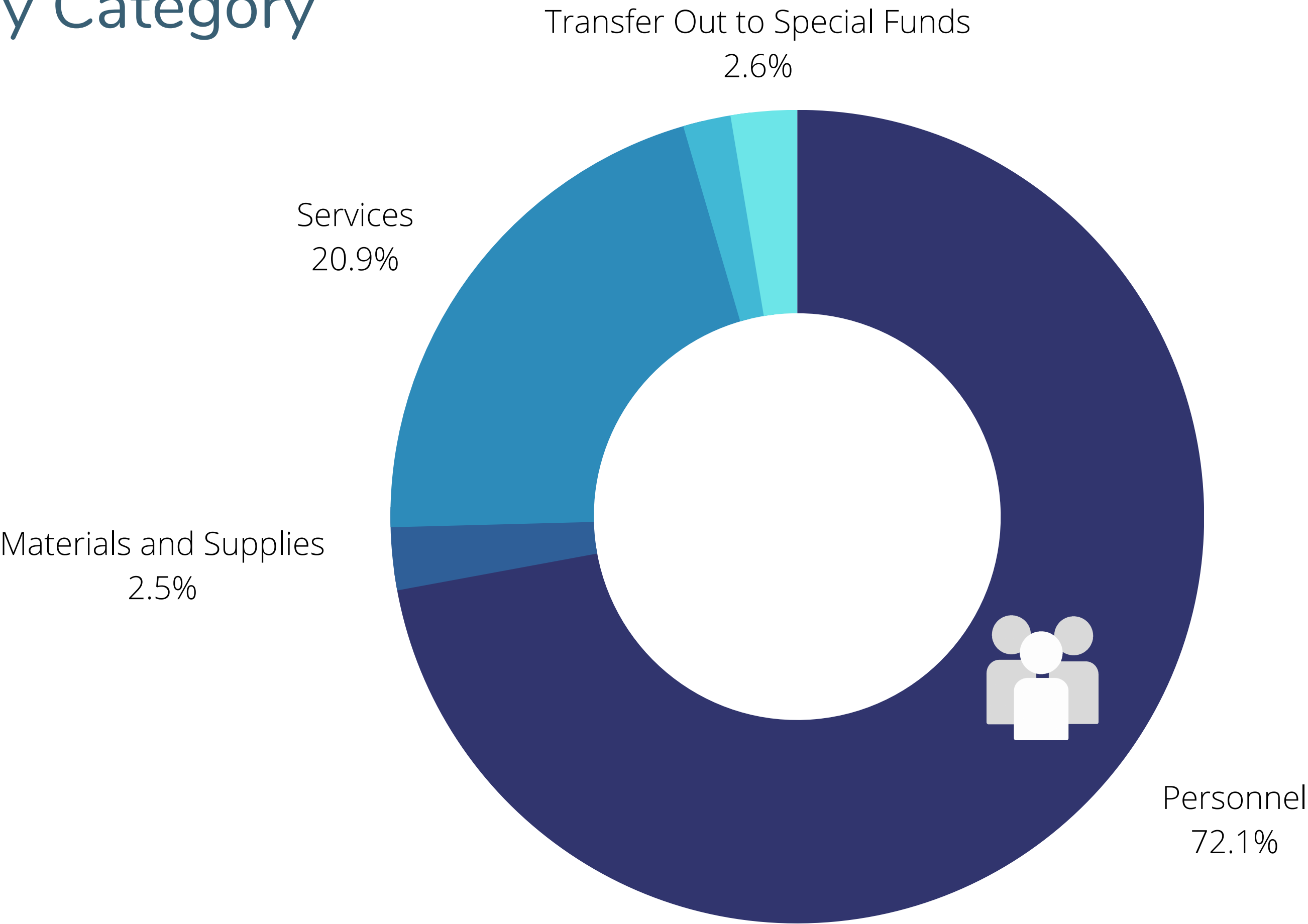
Expenditures by Department

General Fund



Expenditures by Category

General Fund



Personnel General Fund

\$ 483,834



Total Full Time
Equivalencies (FTEs)
118.51

- Compensation and Classification - GF \$ 361,488
- Advance to Next Step Mid Year - GF \$ 102,954
- Workers Compensation \$ 19,392

Legislative	2.00
Administrative Offices	9.70
IT	2.00
GIS	2.00
Emergency Management	1.00
Public Safety	35.25
Animal Control	3.00
Fire	1.00
EMS	8.35
DOT	3.00
Parks	9.65
Public Works	9.43
Community Development	5.44
Court	5.00
<u>Total General Fund</u>	<u>96.82</u>

Hotel Occupancy Fund	1.00
Enterprise Fund	15.44
Crime District Fund	5.25
<u>Total Special Funds</u>	<u>21.69</u>

General Fund Highlights



Legislative 100

- 21.67% Increase
- \$65,000 CIP Election Equipment
- \$12,380 Agenda Software Decision Package

- City Manager
- Finance Department
- EDC
- HR Department
- Public Affairs

Admin 102

- -1.33% Decrease
- FY22 Removal \$116,791
- \$49,532 IT Software departmentalized



IT 103

- 7.75% Increase
- FY22 Removal \$ 6,511
- \$7,000 Public Works Signal Amplifier Decision Package

General Fund Highlights



GIS 104

- 10.84% Increase
- Esri Subscription Increase



Emerg Mgmt 106

- 2.33% Increase



Non Dept 107

- -20.95% Decrease
- Software Departmentalized
- Infrastructure Insurance moved to Enterprise Fund
- Saving due to Engineering In-House

General Fund Highlights



Public Safety 200

- 2.24% Increase
- Fuel Cost Increase
- FY22 1x Software Removed
- New Ticket Writer System



Animal Ctrl 210

- 10.37% Increase
- Fuel Cost Increase
- New Telephone for Personnel



DOT 220

- 3.47% Increase
- Maintenance Autos
- Training Expense

General Fund Highlights



Fire 230

- 2.50% Increase
- Fuel Cost Increase
- SVFD 2% Increase
- Amortization Increase



EMS 240

- 8.44% Increase
- Market Adjustment 14%
- Fuel Cost Increase
- Supplies Increase
- Software Subscriptions



Parks 400

- 6.06% Increase
- Fuel Cost Increase
- HVAC Maintenance Costs
- Amortization

General Fund Highlights



Streets 500

- 7.33% Increase
- \$50,000 Sidewalk Repairs
- HVAC Maintenance Costs
- Amortization Increase
- Utilities Increase



Comm Dev 600

- -2.76% Decrease
- Remove 1x Expense for Comp Study
- Remove Special Counsel
- Department Software Costs



Court 700

- 9.94% Increase
- Department Software Costs
- Training

General Fund Highlights



Streets 500

- 7.33% Increase
- \$50,000 Sidewalk Repairs
- HVAC Maintenance Costs
- Amortization Increase
- Utilities Increase



Comm Dev 600

- -2.76% Decrease
- Remove 1x Expense for Comp Study
- Remove Special Counsel
- Department Software Costs



Court 700

- 9.94% Increase
- Department Software Costs
- Training

What Did Not Get Funded?

Personnel:

Community Dev. - Code Enf Officer	\$61,792
Public Safety - PT Fleet Attendant	\$ 37,000
Court - Promotional to Clerk III	\$ 4,600
Court - Promotional to Deputy Director	\$ 7,000
Court - Promotional to Clerk II	\$ 4,300
Court - Municipal Judge	\$28,600
IT - IT Technician	\$65,000
Public Relations - Events Manager	\$90,416
<u>ES - EMS Administrator</u>	<u>\$107,181*</u>
TOTAL	\$405,889

Capital - New Ambulance to replace Used	\$263,692
EMS Administrator Vehicle (+Amort)	\$ 62,900*
TOTAL	\$562,400

*Updated 7-27-22

Tax Rate Options

Current Rate

.52444

Proposed
Tax Rate

.469096

"NNRTR"

1% ABOVE
"NNRTR"

1 .475019

+\$ 24,013

2% ABOVE
"NNRTR"

2 .478530

+\$ 84,103

3.5%
ABOVE
"NNRTR"

3 .483796

+\$ 174,237

Capital Improvement Progam FY23 Changes and Adjustments

CIP #	Project #	PROJECT DESCRIPTION	Funding	PREVIOUS	FY22
WATER PROJECTS					
W2		SHIPYARDS WATER SERVICE PHASE 1	DEVELOPER CONTRIBUTION	\$	-
W3		SHIPYARDS WATER SERVICE PHASE 2	DEVELOPER CONTRIBUTION	\$	-
W5		TAYLOR LAKE WATER LINE CROSSING	RESCUE FUND	\$	1,048,500
W7	300	STATE HIGHWAY 140 WATER LINE IMPROVEMENTS	SB & ENTERPRISE	\$	2,004,000
W9		RED ACRES SUBDIVISION WATER LINE	ENTERPRISE & IMPACT FEES	\$	30,200
W10		PINE GULLY WATER LINE IMPROVEMENTS	FUTURE BONDS	\$	-
W12		REFUGIARY WATER TANK REHABILITATION	ENTERPRISE	\$	-
W18		OLD 34th INTERCONNECT	IMPACT FEES	\$	-
W19		NASA ROAD WATERLINE INTERCONNECT	RESCUE FUND & IMPACT FEES	\$	-
W21		GEON TO RED BLUFF INTERCONNECT	FUND 28 GEN	\$	200,000
TOTAL WATER PROJECTS				\$	2,183,200
WASTEWATER PROJECTS					
WW1		EAST MEYER PARALLEL SEWER	IMPACT FEES	\$	-
WW2		SHIPYARDS SEWER SERVICE PHASE 1	DEVELOPER CONTRIBUTION	\$	-
WW3		SHIPYARDS SEWER SERVICE PHASE 2	DEVELOPER CONTRIBUTION	\$	-
WW7		RED BLUFF ROAD SANITARY SEWER EXTENSION	DEVELOPER CONTRIBUTION	\$	-
WW8	300	STATE HIGHWAY 140 SANITARY SEWER IMPROVEMENTS	SB & ENTERPRISE	\$	2,004,000
WW9	301	PINE GULLY WASTEWATER TREATMENT PLANT RETROFIT	2019A, 2020 COS & IMPACT FEES	\$	15,876,775
WW14		LIFT STATION NO. 5 FORCE MAIN IMPROVEMENTS	DEVELOPER CONTRIBUTION	\$	-
WW15		PORTABLE TOILET GENERATOR	POTENTIAL GRANT	\$	250,000
TOTAL WASTEWATER PROJECTS				TOTAL COST	\$ 6,887,311
DRAINAGE PROJECTS					
D1		TODDVILLE ROAD BRIDGE	HARRIS CO	\$	-
D2		ELL MAN DITCH	UNFUNDED	\$	-
D4		VALCULIE PARK DRAINAGE (HCFCD F200-02-00)	POTENTIAL GRANT	\$	-
D6		BAYBROOK SECTION 1 - DRAINAGE IMPROVEMENTS	FUND 36 PRIOR BONDS	\$	-
D7		LOWER PINE GULLY DRAINAGE IMPROVEMENTS	POTENTIAL GRANT	\$	-
D8		SURF DAVIS DRIVE	FUTURE BONDS	\$	-
D8	310	WATER WAY OUTFALL	FUND 28 GEN & FUND 36	\$	13,938
D10		BAYWOOD BRIDGE IMPROVEMENTS	FUTURE BONDS	\$	-
D11		SEASCAPE SUBDIVISION HCFCD BOND E-01	HARRIS COUNTY & FUND 36 PRE	\$	1,240,000
D12		BAYBROOK SUBDIVISION HCFCD BOND E-01	HARRIS COUNTY & FUND 36 PRE	\$	868,000
D13		MARIANA SUBDIVISION STREET AND STORM IMPROVEMENTS	POTENTIAL GRANT	\$	-
D14		EASTSIDE MASTER DRAINAGE PLAN	FUND 28 GEN	\$	100,000
D15		DRAINAGE MODIFICATIONS AND SIDEWALK TO INTERMEDIATE SCHOOL	FUND 36 PRIOR BONDS	\$	148,000
TOTAL DRAINAGE PROJECTS				\$	13,938
STREET PROJECTS					
S8		SEASCAPE STREET IMPROVEMENTS	FUTURE BONDS	\$	-
S13		TODDVILLE SIDE STREET ASPHALT REHAB	FUTURE BONDS AND FUND 28 GEN	\$	-
S15		ASPHALT STREET RECLAMATION	FUTURE BONDS	\$	-
TOTAL STREET PROJECTS				\$	621,000

CIP Workshop June 2022

- CIP - Lakewood Street \$65,622 est.*

- General Fund \$35,158*
- EDC \$312,375
- Enterprise \$ 74,750
- Capital Fund \$ 2,456,563
- Fund 29 \$14,588,352
- Fund 36 \$ 623,240

Total Investments

- Water \$ 1,373,940
- Wastewater \$16,150,493
- Streets \$ 1,001,237
- Parks \$ 1,044,950
- Facilities \$ 365,460

\$20,046,238

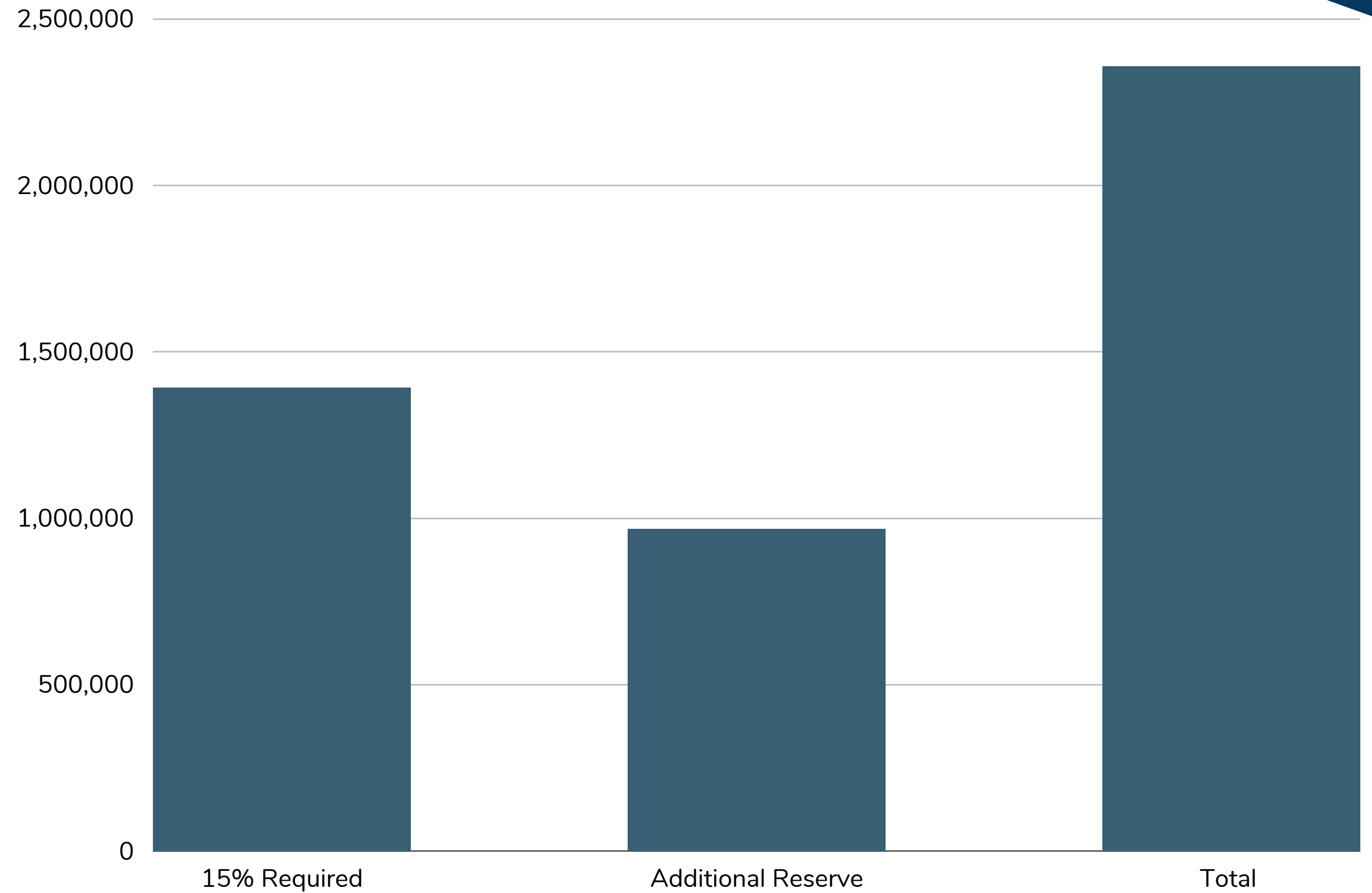
Summary by Area

A photograph of a construction site. In the foreground, several large, blue, cylindrical pipes are stacked horizontally. A worker wearing a yellow safety vest and a white hard hat is visible on the left side of the frame. In the background, a yellow excavator with the number '350' on its side is parked on a paved area. The scene is set outdoors with a residential building and some greenery in the distance.

Enterprise Fund

Enterprise Reserves

Total Reserves
\$2,356,763



Water and Wastewater Rate Increases FY23

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

Water

Minimum Rate Adjustments
Volumetric Rate Adjustments

2021	2022	2023	2024	2025	2026
22.35%	5.55%	5.30%	0.00%	0.00%	0.00%
17.00%	17.00%	17.00%	0.00%	0.00%	0.00%

Residential
Minimum Charge

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

Wastewater

Minimum Rate Adjustments
Volumetric Rate Adjustments

2021	2022	2023	2024	2025	2026
6.25%	4.35%	4.15%	0.00%	0.00%	0.00%
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



THANK YOU