



**SEABROOK CITY COUNCIL
NOTICE OF REGULAR CITY COUNCIL MEETING
TUESDAY, JUNE 17, 2025 - 6:00 PM**

For city information visit www.seabrooktx.gov
For agendas visit www.seabrooktx.gov/agendas

NOTICE IS HEREBY GIVEN THAT THE SEABROOK CITY COUNCIL WILL MEET ON **TUESDAY, JUNE 17, 2025 AT 6:00 PM** IN THE CITY HALL CITY COUNCIL CHAMBERS, 1700 1ST STREET, SEABROOK, TEXAS, **TO DISCUSS, CONSIDER, AND IF APPROPRIATE, TAKE ACTION** WITH RESPECT TO THE ITEMS LISTED BELOW.

PLEDGE OF ALLEGIANCE

1. PUBLIC COMMENTS AND ANNOUNCEMENTS

At this time we would like to listen to any member of the audience on any subject matter, whether or not that item is on the agenda. All comments are limited to a maximum of four minutes for each speaker, shall be limited to City business or City-related business or matters of general public interest, and shall not include any personal attacks. In accordance with the Texas Open Meetings Act, members may not discuss or take action on any item that has not been posted on the agenda. When your name is called, please come to the podium and state your name and address clearly into the microphone before making your comments. Thank you.

REGISTER ONLINE TO SPEAK IN PERSON DURING PUBLIC COMMENTS:
www.seabrooktx.gov/publiccomment

1.1 Mayor, City Council and/or members of the City staff may make announcements about City/Community events. *City Council*

2. PRESENTATIONS

2.1 Presentation of the fiscal year 2023-2024 Comprehensive Annual Financial Report (CAFR) and Audit Report conducted by Crowe LLP.

3. CONSENT AGENDA

3.1 Approve the minutes of the June 3, 2025 City Council Meeting.

3.2 Consider and take all appropriate action on the ratification of a business development incentive agreement by 5735 Bayport Plaza LLC, as approved by the Seabrook Economic Development Corporation (SEDC) on April 10, 2025, in accordance with the previously posted Business Incentive Program Project Resolution for facade improvements at 5735 SH 146, in an amount not to exceed \$30,000.00.

3.3 Consider and take all appropriate action on the ratification of a business development incentive agreement by Midnite Slice LLC, as approved by the Seabrook Economic Development Corporation (SEDC) on March 13, 2025, in accordance with the previously posted Business Incentive Program Project Resolution for Business Development and Expansion at 1605 Main Street, in an amount not to exceed \$26,482.50

3.4 Consider and take all appropriate action on the ratification of a business development incentive agreement by Driver & Rescue LLC (Barge295), as approved by the Seabrook Economic Development Corporation (SEDC) on April 10, 2025, in accordance with the previously posted Business Incentive Program Project Resolution for Small Business Development in the amount of \$50,000.00 and Sales Tax Rebate up to the amount of \$30,000.00 at 2611 NASA Parkway.

4. BOARDS AND COMMISSIONS

4.1 Consider and take all appropriate action on the appointment of members to the Ad Hoc Citywide Signage Committee.

5. NEW BUSINESS

5.1 Consider and take all appropriate action on approval of an expenditure and agreement for demolition of a substandard structure at 1209 Hardesty Avenue for an amount not to exceed \$18,335.50; and authorize the City Manager to execute the agreement. This item is not currently budgeted and will require a budget amendment.

Sean Landis, Deputy City Manager | Planning and Zoning Director

5.2 Consider and take all appropriate action on Landmark Aquatic's proposal for Pelican Bay Pool aquatic design, permitting and construction services. *Brian Craig, Director of Public Works | City Engineer*

5.3 Consider and take all appropriate action on a renewal with Blue Cross Blue Shield (BCBS) for employee medical insurance benefits. *Crissy Naranjo, Director of Human Resources*

5.4 Consider and take all appropriate action on Resolution 2025-15 changing the name of the Open Space and Trails Committee to Parks and Trails Committee, as approved for recommendation by the Committee at their June 5, 2025 meeting. *Jesse Jones, OST Member*

A RESOLUTION AMENDING RESOLUTION 2012-30, BY CHANGING THE NAME OF THE OPEN SPACE AND TRAILS COMMITTEE TO THE PARKS AND TRAILS COMMITTEE AND CONFIRMING THAT ALL OTHER ITEMS PERTAINING TO THIS COMMITTEE CONTAINED IN RESOLUTIONS 2009-05, 2009-17, 2012-30, 2019-26 AND 2022-01 SHALL REMAIN IN FULL EFFECT.

5.5 Consider and take all appropriate action on the acceptance and approval of the Comprehensive Annual Financial Report and Audit Report and Single Audit for Fiscal Year 2023-2024, conducted by Crowe, LLP.

6. OLD BUSINESS

6.1 Consider and take all appropriate action on the ratification of a business development incentive agreement by Soulfreak Holdings LLC, as approved by the Seabrook Economic Development Corporation (SEDC) on May 7, 2025, in accordance with the previously posted Business Incentive Program Project Resolution for New Business Development at 1305 Main Street, in an amount not to exceed \$41,400.00.

7. ROUTINE BUSINESS

7.1 City Manager update and report to City Council on various items that require no action, including Seabrook Boards and Commissions, Transportation Projects, and City of Seabrook CIP Projects.

7.2 Establish future meeting dates and agenda items.

THE CITY COUNCIL RESERVES THE RIGHT TO HEAR ANY OF THE ABOVE DESCRIBED AGENDA ITEMS THAT QUALIFY FOR AN EXECUTIVE SESSION IN AN EXECUTIVE SESSION BY PUBLICLY ANNOUNCING THE APPLICABLE SECTION NUMBER OF THE OPEN MEETINGS ACT, (CHAPTER 551 OF THE TEXAS GOVERNMENT CODE) THAT JUSTIFIES EXECUTIVE SESSION TREATMENT.

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR OTHER ACCOMMODATIONS OR INTERPRETIVE SERVICES, MUST BE MADE, 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (281) 291-5663 OR CITYSEC@SEABROOKTX.GOV FOR FURTHER INFORMATION.

I certify that this notice was posted on the bulletin board on or before Friday, June 13, 2025 no later than 6:00 p.m. and that this notice will remain posted until the meeting has ended.

Rachel Lewis, TRMC



City of Seabrook, Texas

Annual Comprehensive Financial Report

Fiscal Year Ending September 30, 2024



"The City of Seabrook is responsive, innovative and fiscally sound in delivering services that preserve, protect and enhance quality of life."

CITY OF SEABROOK, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended September 30, 2024

Prepared by
City Administration and the Finance and Accounting Office

Gayle Cook
City Manager

Sean Landis
Assistant City Manager

Michael Gibbs
Director of Finance

CITY OF SEABROOK, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended September 30, 2024

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CITY OF SEABROOK, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended September 30, 2024

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INTRODUCTORY SECTION



May 30, 2025

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

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) on behalf of the City of Seabrook, Texas (the "City"). It is required each year that a complete set of financial statements is presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City for the fiscal year ended September 30, 2024.

This report consists of management's representations concerning the finances of the City and deems the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of all City activities and funds. Therefore, management assumes full responsibility for the completeness and reliability of all information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements. The City also acknowledges all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements have been audited by Crowe LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2024 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ended September 30, 2024 are fairly presented in conformity with U.S. GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

As required by U.S. GAAP, management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Seabrook, incorporated in 1961, is in southeastern Harris County and is located in the Clear Lake area, which is approximately 25 miles southeast of Houston. The City is surrounded by Galveston Bay to the east; Clear Lake to the south; and the cities of Pasadena, El Lago, and Taylor Lake Village to the north and west.

The City of Seabrook is a home-rule city and has adopted a Council-Manager form of government. The City Council is comprised of a mayor and six council members. The Mayor and City Council Members are elected at large to serve four-year terms. The City Manager is appointed by the City Council and is responsible for implementation of City Council's policies and all day-to-day operations of the City.

A full range of municipal services is provided by the City including police and fire protection, emergency medical services, solid waste, water and wastewater utilities, public improvements, repair and maintenance of infrastructure, recreational and community activities, planning and zoning, and general administrative services.

As an independent political subdivision of the State of Texas, the City is considered a primary government. Pursuant to standards established by the Governmental Accounting Standards Board (GASB), the City reports all funds for which the City, as a primary government, is financially accountable. As such, this report includes financial activities of two component units as follows:

- The Seabrook Economic Development Corporation was created by the City in 1992 under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and related development activities on behalf of the City.
- The Seabrook Crime Control and Prevention District was created under the authority granted by Chapter 363 of the Texas Local Government Code and Section 323.105 of the Texas Tax Code for the purpose of strengthening and enhancing crime control activities of the City.

Local Economy

The Clear Lake area, of which Seabrook is a part, is home to NASA's Johnson Space Center and is known to be the third largest boating center in the United States. The regional economy is very diverse and not driven by just one or two industries. Everything from tourism, boating, and recreation industries to aerospace, petrochemical, and biomedical facilities can be found in the immediate Clear Lake area.

Regional Transportation Projects

The **SH 146 Expansion from Red Bluff to FM 96** project (CSJ# 0389-05-116) construction phase began on February 13, 2019, with the planned project duration for 60 months (5 years). As of the end of the fiscal year 2024, the project was substantially complete but not closed out.

The **SH 146 Expansion from Red Bluff to Spencer** (CSJ 0389-05-087) is a continuation of the Major Investment Study conducted in the late 1990s and continues the current expansion project with 3 main lanes northbound and southbound. The construction camp is operational within the city limits of Seabrook as of late 2023, at Red Bluff and SH 146 on the northwest corner in TxDOT right of way. The contractor in the phase of widening the southbound side of SH 146 and has experienced some contractor delays that report the complete widening is still over a year out. Once the southbound lane is constructed, the traffic will transfer, and the northbound side will be constructed. Two new MSE walls are expected to be constructed with this project and the continuation of the 'Bay Area Theme' with the sailboat motif and Seabrook logo will be incorporated into that intersection on three sides.

The project includes the widening of the existing four-lane undivided roadway to a six-lane divided facility (three lanes in each direction) and constructing four frontage roadways (two lanes in each direction) in selected locations, with the addition of pedestrian and bicycle facilities that come into the City limits at the intersection of Red Bluff and SH 146.

The **Port of Houston Rail Spur** project, which began in the early 2020, secured a new construction team on the project in 2023. During this fiscal year, the Port's new contractor completed rail installation across Old SH 146, Northbound and Southbound frontage roads of SH 146. Safety arms that will work with the Quiet Zones were installed but electrical and testing have not been initiated. The completed rail project will traverse SH 146 on the northern boundary of the city and create three (3) new at grade crossing on SH 146 and Old SH 146 serving rail service into the city's industrial districts and the Port of Houston.

The Port of Houston Southern Access Road presented on September 17, 2024, to the City Council about plans for the construction of the Bayport Southern Access Road. During the meeting, the public and City Council viewed a presentation about the proposed alignment from Red Bluff and extending in the Bayport complex. By exhibit, the throughfare in first phase was stated to begin at grade with possible future aerial additions. In the Houston Galveston Area Council (H-GAC), there are 3 identified projects associated with this area: 1) Todville Road Connection constructing a 2-lane raised median; 2) Bayport Cruise Terminal – widen to 4-lane; and 3) Westbound Southern Access Road construction of a direct connector westbound southern access road SH 146 to northbound SH 146.

The Old SH 146 Expansion project by Texas Department of Transportation (TxDOT) has initiated a project to reconstruct the intersection of Old SH 146 and Red Bluff Road. This project includes widening the intersection to six lanes—three lanes in each direction—to improve traffic flow and reduce congestion. Additionally, TxDOT plans to widen portions of Old SH 146, expanding it to four lanes (two lanes in each direction) to accommodate increasing traffic demands.

Economic Condition and Outlook

Property values, as projected, for the fiscal year were approximately \$1.8 billion with strong economic development projects continuing to make progress. During the 2023-2024 fiscal year, the City did experience a drop in permits and added valuation for new residential and commercial developments.

- **Seabrook Towne Center (The Edge)** – In May 2023, the Seabrook Economic Development Corporation finalized an incentive agreement to support the Seabrook Towne Center (The Edge) development. As of the close of FY 2024, vertical construction had not yet commenced. However, progress was made on site preparation, including the completion of sanitary sewer line relocations within the Planned Unit Development (PUD) area. The project is planned to include a 324-unit luxury multi-family apartment complex, approximately 37,000 square feet of leasable retail space, an entertainment plaza, and surrounding walkable trails. Additionally, the development will feature several commercial parcels fronting State Highway 146 and Lakeside Drive.
- **Seabrook Plaza One LLC** – A PUD for the project was approved in March 2023, followed by the Seabrook Economic Development Corporation's approval of an incentive agreement in September 2023. The agreement includes a \$2,000,000 grant payment and an additional \$550,000, or 50%, toward drainage system modifications. As of the end of fiscal year 2024, construction had not yet commenced. The project, located on a 15-acre site along Clear Lake, is planned to include a 170-room boutique hotel, a 76-room extended stay hotel, a 21,500-square-foot conference center and ballroom, approximately 25,000 square feet of retail space, and a 260-unit luxury multi-family residential complex.
- **Residential – Ellis Cove** – This new subdivision continued during the fiscal year for a 48 single family development just off Respdorph near the Seabrook Town Center.
- **Residential – Lake Mija Village, Section 3** – Single family construction continued on Section 3 for Lake Mija Village with an estimated 75 single family homes in the subdivision just off Lake Mija.
- **Residential – Oak Alley Estates** – This smaller residential project consisting of 10 single family units completed four units and continues its progress just of E. Meyer and N. Meyer.
- **Residential – Old Seabrook Village, Section A and B** – This 88 single family Planned Unit Development consisting of Sections A-C continued development during the year adding to sections A and B. The new section saw a slow in plans due to market conditions.

Long-Term Financial Planning

Debt Management Policy

The City Council has adopted a series of financial standards and policies for operating and debt management. To establish guidelines for debt financing, the City Council approved Resolution 2015-01, Debt Management Policy, for expenditures including facilities, land, capital equipment, and infrastructure improvements. The policy minimizes the impact of debt payments on current and future revenues.

Comprehensive Master Plan

The Comprehensive Master Plan 2040 completed its last update in 2022 and is being utilized as new developments and applications are submitted.

Capital Improvement Plan

The City annually adopts a five-year Capital Improvement Plan with the approval of a one-year annual budget during the current fiscal year that includes the short-term improvement plan for water, wastewater, drainage, and other municipal facilities. For this fiscal year, multiple projects were identified for initiation in water, wastewater, and streets.

SH 146 Expansion Stabilization Fund

In December 2011, the City adopted an ordinance establishing a Budget Stabilization Fund. Using surplus revenues from both the general and the enterprise funds from 2011, \$800,000 was set aside to offset any adverse impact caused from the construction on SH 146. This is a separate fund and is in addition to the City's 25% of operating expenditures and additional unrestricted fund balance in the general fund and the 15% in the enterprise fund. To date, the City has not utilized this special fund.

Certificates of Obligation

In 2016, the City issued Certificates of Obligation in the amount of \$2,500,000. This project made way for commercial development in the Seabrook Town Center development. The City entered into an agreement with the Seabrook Economic Development Corporation to make the debt service payments on the Certificates of Obligation as they relate to economic development. The project for this issuance was as follows:

- Ground water storage tank and water plant (CIP # W4)

In 2017, the City issued Certificates of Obligation, Series 2016A for the amount of \$6,165,000. Projects included in this issuance were as follows:

- Todville Sewer Line Replacement from Main Street to Meyer (CIP # WW4)
- Wastewater Treatment Plant Upgrades – Phase 2 (Clarifier) (CIP # WW6)
- Wastewater Treatment Plant at Pine Gully (CIP # WW9)

In 2020, the City issued Certificates of Obligation, Series 2020 for the amount of \$9,090,000. Projects for the issuance were as follows:

- Wastewater Treatment Plant Retrofit (CIP # WW9)
- El Mar Ditch Drainage Project – (CIP # D2)
- Seascape Subdivision Drainage Project (CIP # D11)
- Baybrook Subdivision Drainage Project (CIP # D12)
- Smart Water Meter Conversion (AMI) System (CIP # FAC6)

All projects were activated and in different phases of completion except for CIP # D2. This project did not proceed after issuance of debt was not approved by City Council. The funds were redirected through the capital improvement meetings for the CIP # S13 and the drainage improvements in the City owned side streets.

In 2024, the City issued Certificates of Obligation, Series 2024 for the amount of \$10,000,000. Projects for the issuance were for:

- Street Program

Bond Program 2023

On August 1, 2023, the City Council approved Ordinance 2023-19, Calling for a Special Bond Election on November 7, 2023. The following are the propositions that were presented to the qualified voters:

- Proposition A - \$27,800,000 *Public Safety Building
- Proposition B - \$ 2,400,000 EMS Renovation to Fire Station
- Proposition C - \$ 1,905,000 Fire Engine and Fire Training Tower

*Failed: Proposition A – Public Safety Building

Major Initiatives

The following capital projects are in progress and are initiatives at different stages of implementation being design, procurement, or construction.

Water

1. Red Acres Subdivision Water Line (CIP# W9)
2. Old SH 146 Interconnect (CIP# W16)
3. SH 146 Frontage Road to Red Bluff Water Line Interconnect (CIP# W21)
4. Seascape Water Lines (CIP# W31)

Wastewater

5. Pine Gully Wastewater Treatment Plant (CIP # WW9)
6. Portable Generators for Lift Stations (CIP# WW16)
7. Lakeside Sanitary Sewer Relocation (CIP# WW20)
8. Lift Station No. 5 Force Main Improvements (CIP# WW14)
9. Main Street Wastewater Plant Demo (CIP# WW19)
10. Pine Gully Lift Station Force main Bore (CIP# WW21)

Facilities

11. City Hall Generator (CIP# FAC22)
12. Fire Station Generator (CIP# FAC33)
13. Fiber Loop (CIP# FAC31)
14. EMS & EOC Building Feasibility Study (CIP# FAC25)

Parks

15. Pelican Bay Municipal Pool Facility (CIP# P24)

Overview of the Budget Process

The City of Seabrook's budget process is a multi-step procedure which transforms taxpayer requests and resources into government services and expenditures. The City of Seabrook is committed to align community goals, performance measures and council priorities to the City's budget. The following is the budget process for the City.

Definition and Authority

The budget document is a financial plan that aligns all revenues and expenditures with the services provided to Seabrook residents, based on established budgetary policies and procedures. The budget and accounting year are established in Section 5.01 of the City Charter which establishes the fiscal year will begin the first day of October and end the last day of September. The City Charter also requires the City Manager submit a proposed balanced budget to City Council at least sixty (60 days prior to the end of the fiscal year. The budget shall provide a complete financial plan of all City funds and activities for the current fiscal year and ensuing five (5) fiscal years. Additional information that shall be included in the budget, but not limited to is as follows:

- A budget message explaining the budget both in fiscal terms and in terms of the work programs, the proposed financial policies, describe the important features of the budget and indicate any major changes in revenue and expenses.
- Statement with estimated revenues and proposed expenditures for the proposed budget and ensuing five (5) years
- Tax levies, rates and collections for the proceeding three (3) years.

Budget Preparation Process

Activities of the general, debt service, and special revenue funds are included in the annual appropriated budget. The City Manager, Finance Department and Department Directors analyzed data and prepared the upcoming Fiscal Year budget. The annual process began in March with the Finance department analyzing financial estimates and historical data to work on upcoming projections. Additionally, Staff held the first strategic planning meeting for the year. Budget kick-off was held in April. The City's budget team consists of the City Manager, Department Directors, Finance Director and key members of the Finance Department. During the kickoff meeting the Finance Director distributed the budget and goal sheets to the Department Directors and held an overview of the budget process including expectations and explanation of revenue projections. The Finance Department works with the Directors to facilitate the completion of the department budgets.

All Department Directors submit the detailed budget sheets and decision packages to the finance department. Once the budget sheets and decision packages are reviewed by the finance department the budget and supporting documents are submitted to the City Manager. Department directors meet with the City Manager to go over their budgets. The Finance Director implements any changes that result from the City Manager and Directors meetings. The Finance Department works on revenue projections, reviews the budget and submits the Proposed Budget to City Council to meet the City Charters sixty day required deadline, sometime in late July.

Once the Proposed Budget has been submitted to City Council a series of budget workshops are conducted to allow Council to have additional input and change to the budget. During this period the finance department receives and estimated appraisal tax roll from Harris County Appraisal District.

Property tax is the largest revenue source for the General Fund operating budget. Estimating these revenues can have a huge impact on the level of service the City can provide the citizens. Once the finance department has the estimated tax roll, revenue estimates are recalculated, and the budget document is reviewed and public notices are prepared.

City Charter Article 5 Section 5(b states Council shall post in the City Hall and publish in the official newspaper a general summary of their proposed budget and a notice stating:

- 1) The times and places where copies of the message and budget are available for inspection by the public, and
- 2) The time and place, not less than two (2) weeks after such publication, for a public hearing on the budget.

After the public hearing the budget shall be finally adopted by ordinance by one reading not later than the twenty seventh (27) of the last month of the fiscal year.

Budgetary Control

Monthly financial reports are delivered to City Council to ensure budgetary control. The monthly performance report highlights monthly revenue and expenditures, percentages and year-to-date totals to show any variances in the appropriated funds. The monthly reports are distributed to City Council, Economic Development Board, the City Manager and the Department Directors. The City Manager is authorized to approve line item transfers within a department, however, if the overall department expenditures is increased the budget amendment must be approved by City Council.

Certificate of Achievement

The City of Seabrook received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the year ended September 30, 2023. This was the 45th consecutive year that the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting standards and applicable legal requirements.

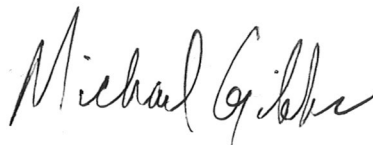
A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for an award.

Acknowledgments

The preparation of this report was accomplished with the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the departments who assisted and contributed to its preparation. We would also like to thank the Mayor, members of the City Council, and the City Manager for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

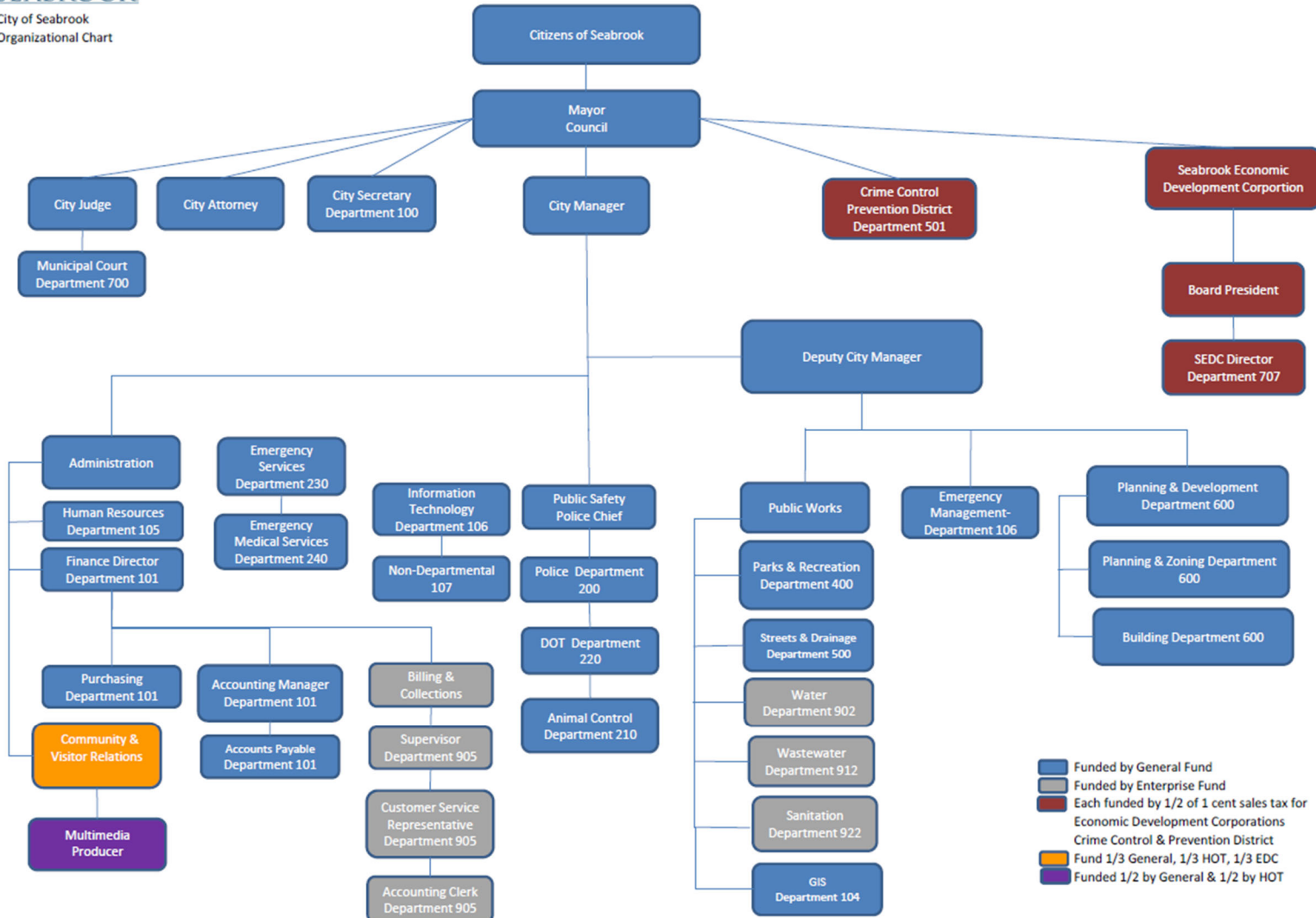


Gayle Cook
City Manager



Michael Gibbs
Director of Finance

CITY OF SEABROOK, TEXAS
ORGANIZATIONAL CHART
September 30, 2024





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Seabrook
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrell

Executive Director/CEO

CITY OF SEABROOK, TEXAS
PRINCIPAL OFFICIALS
For year ended September 30, 2024

City Officials

Thomas G. Kolupski
Jackie Rasco
Rob Hefner
Tom Tollett
Mike Giangrosso
Walter "Buddy" Hammann III
Joe Machol

Elective Position

Mayor
Council Member – Position One
Council Member – Position Two
Council Member – Position Three
Council Member – Position Four
Council Member – Position Five, Mayor Pro Tem
Council Member – Position Six

Key Staff

Gayle Cook
Sean Landis
Michael Gibbs
Rachel Lewis
Rolf Nelson
Kevin Padgett
Dick Gregg

Position

City Manager
Assistant City Manager
Director of Finance
City Secretary
Police Chief
Director of Public Services
Municipal Judge

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
City Council Members of the
City of Seabrook, Texas

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements 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 Seabrook, Texas (the "City"), as of and for the year ended September 30, 2024, 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 referred to above 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, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the City, 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

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 twelve months beyond the financial statements currently known information that may raise substantial doubt shortly thereafter.

(Continued)

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 and Government Auditing Standards 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 and *Government Auditing Standards*, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits liability and related ratios, and schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2025 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.


Crowe LLP

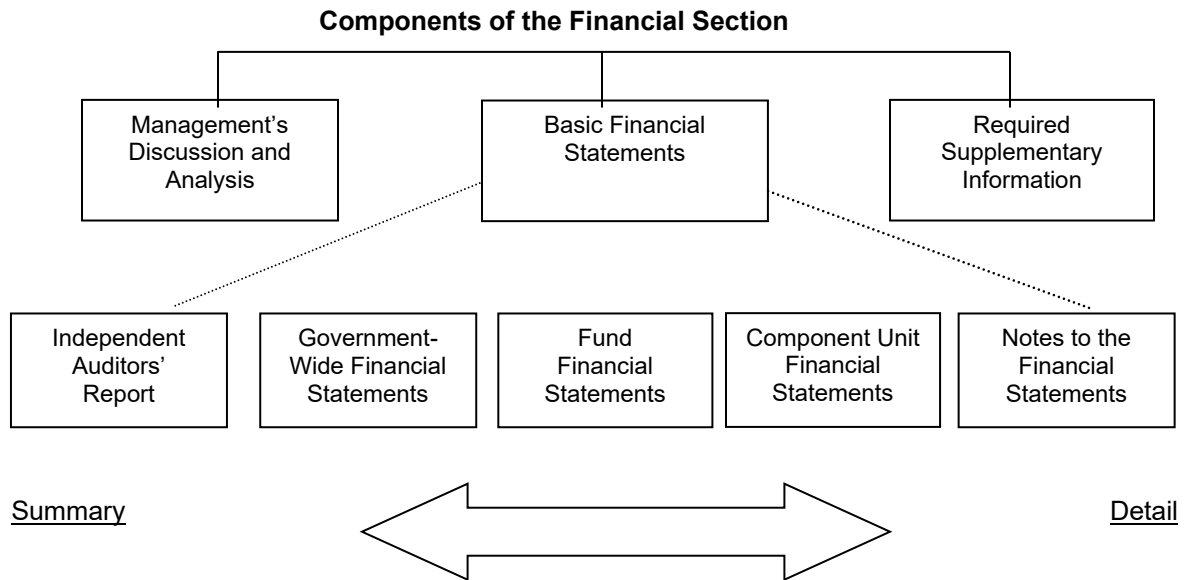
Houston, Texas
May 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Seabrook, Texas (the "City") for the year ended September 30, 2024. 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. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's basic financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference 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 nonfinancial 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.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The Statement of Activities presents information showing how the City's net position changed during the most recent 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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including public safety, public works, community development, and general administrative services. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water, wastewater, and civic center rentals.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The crime control and prevention district, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

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 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 year. Such information may be useful in evaluating the City'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 City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 10 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, debt service, and capital projects funds, which are considered to be major funds for reporting purposes.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains two different types of proprietary 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 water, sewer, and sanitation operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the management of its public safety vehicles and equipment. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund, schedule of changes in net pension liability and related ratios – Texas Municipal Retirement System (TMRS), schedule of changes in the total OPEB liability and related ratios – Supplemental Death Benefits Fund, and a schedule of contributions for TMRS. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$110,087,434 as of September 30, 2024. This compares with \$100,590,433 from the prior fiscal year. The largest portion of the City's net position, 76%, reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is 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.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and other assets	\$ 37,597,777	\$ 26,245,749	\$ 15,370,627	\$ 16,720,446	\$ 52,968,404	\$ 42,966,195
Capital assets, net	44,798,395	44,337,528	67,766,117	60,334,682	112,564,512	104,672,210
Total assets	<u>82,396,172</u>	<u>70,583,277</u>	<u>83,136,744</u>	<u>77,055,128</u>	<u>165,532,916</u>	<u>147,638,405</u>
DEFERRED OUTFLOWS ON RESOURCES						
Deferred charge on refunding	66,307	103,416	4,169	8,338	70,476	111,754
Deferred outflows - pensions	2,144,054	3,728,773	301,298	504,599	2,445,352	4,233,372
Deferred outflows - OPEB	61,928	68,643	-	-	61,928	68,643
Total deferred outflows on resources	<u>2,272,289</u>	<u>3,900,832</u>	<u>305,467</u>	<u>512,937</u>	<u>2,577,756</u>	<u>4,413,769</u>
LIABILITIES						
Long-term liabilities	34,239,426	22,947,306	18,812,188	20,093,066	53,051,614	43,040,372
Other liabilities	1,578,574	4,337,563	2,613,479	3,611,141	4,192,053	7,948,704
Total liabilities	<u>35,818,000</u>	<u>27,284,869</u>	<u>21,425,667</u>	<u>23,704,207</u>	<u>57,243,667</u>	<u>50,989,076</u>
DEFERRED INFLOWS ON RESOURCES						
Deferred inflows - pensions	343,885	20,065	57,859	16,317	401,744	36,382
Deferred inflows - OPEB	112,593	141,579	-	-	112,593	141,579
Deferred inflows - leases	265,234	294,704	-	-	265,234	294,704
Total deferred inflows on resources	<u>721,712</u>	<u>456,348</u>	<u>57,859</u>	<u>16,317</u>	<u>779,571</u>	<u>472,665</u>
NET POSITION						
Net investment in capital assets	33,779,784	31,557,834	49,894,164	41,427,075	83,673,948	72,984,909
Restricted	6,551,176	6,235,065	4,972,406	4,881,538	11,523,582	11,116,603
Unrestricted	7,797,789	8,949,993	7,092,115	7,538,928	14,889,904	16,488,921
Total net position	<u>\$ 48,128,749</u>	<u>\$ 46,742,892</u>	<u>\$ 61,958,685</u>	<u>\$ 53,847,541</u>	<u>\$ 110,087,434</u>	<u>\$ 100,590,433</u>

A portion of the primary government's net position, \$11,523,582 or 10%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$14,889,904 or 14%, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$9,497,001 as compared to the prior year. Overall, total assets increased primarily related to proceeds from the issuance of new debt. Capital assets increased mostly due to ongoing construction in progress. Total liabilities increased compared to prior year primarily related to increases in long-term liability amounts at the end of the year as a result of the issuance of new debt. Compared to the prior year, deferred outflows of resources decreased mainly due to changes in actuarially determined amounts for the net difference between projected and actual investment earnings.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Statement of Activities

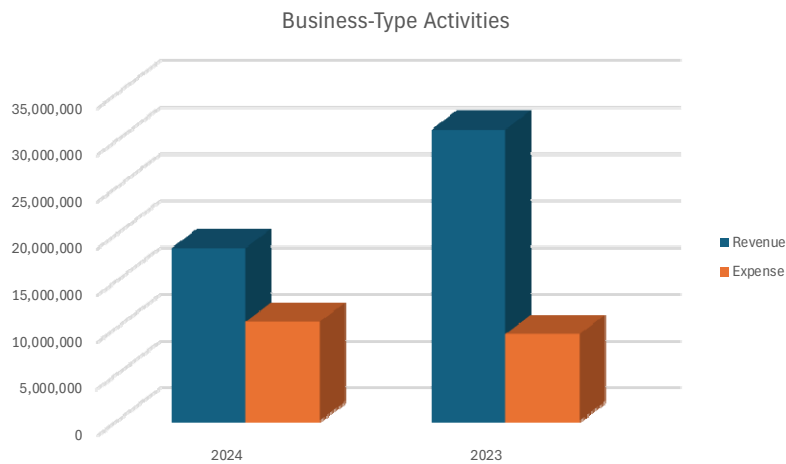
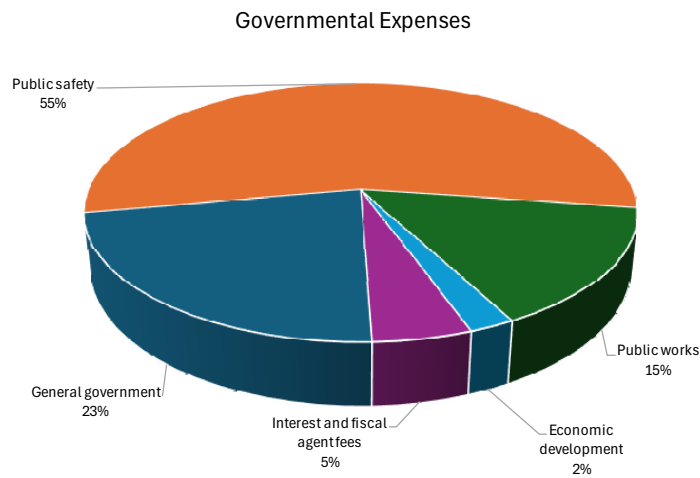
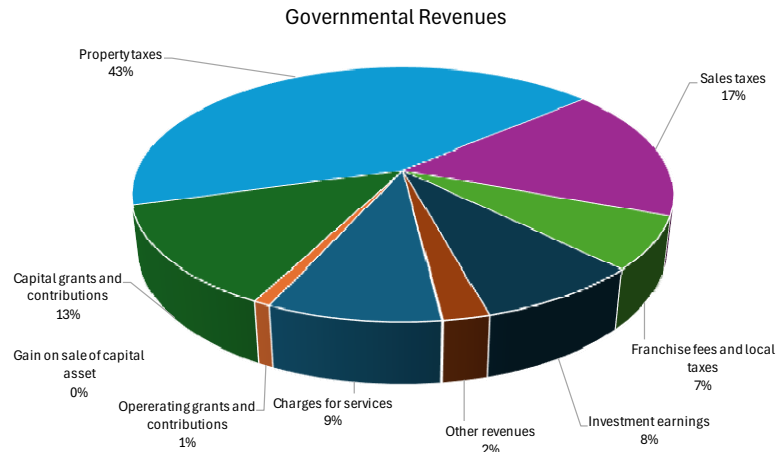
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 1,740,033	\$ 1,326,293	\$ 11,918,031	\$ 11,927,424	\$ 13,658,064	\$ 13,253,717
Operating grants and contributions	172,876	863,698	-	-	172,876	863,698
Capital grants and contributions	2,600,469	-	5,579,994	18,410,179	8,180,463	18,410,179
General revenues:						
Property taxes	8,557,112	8,125,813	-	-	8,557,112	8,125,813
Sales taxes	3,348,696	3,693,971	-	-	3,348,696	3,693,971
Franchise fees and local taxes	1,331,273	1,243,064	419,903	422,135	1,751,176	1,665,199
Investment earnings	1,660,015	1,069,225	527,453	336,432	2,187,468	1,405,657
Other revenues	467,165	590,348	21,507	27,330	488,672	617,678
Gain on sale of capital asset	14,767	-	-	-	14,767	-
Total revenues	<u>19,892,406</u>	<u>16,912,412</u>	<u>18,466,888</u>	<u>31,123,500</u>	<u>38,359,294</u>	<u>48,035,912</u>
Expenses						
General government	4,168,822	4,517,144	-	-	4,168,822	4,517,144
Public safety	10,038,953	9,122,987	-	-	10,038,953	9,122,987
Public works	2,752,134	2,794,535	-	-	2,752,134	2,794,535
Economic development	417,428	476,929	-	-	417,428	476,929
Interest and fiscal agent fees	905,071	482,521	-	-	905,071	482,521
Utilities	-	-	10,579,885	9,270,928	10,579,885	9,270,928
Total expenses	<u>18,282,408</u>	<u>17,394,116</u>	<u>10,579,885</u>	<u>9,270,928</u>	<u>28,862,293</u>	<u>26,665,044</u>
Increase in net position before transfers	1,609,998	(481,704)	7,887,003	21,852,572	9,497,001	21,370,868
Transfers	(224,141)	1,776,319	224,141	(1,776,319)	-	-
Change in net position	1,385,857	1,294,615	8,111,144	20,076,253	9,497,001	21,370,868
Beginning net position	46,742,892	45,448,277	53,847,541	33,771,288	100,590,433	79,219,565
Ending net position	<u>\$ 48,128,749</u>	<u>\$ 46,742,892</u>	<u>\$ 61,958,685</u>	<u>\$ 53,847,541</u>	<u>\$ 110,087,434</u>	<u>\$ 100,590,433</u>

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Graphic presentations of selected data from the governmental activities summary tables follow to assist in the analysis of the City's activities.



(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

For the year ended September 30, 2024, revenues from governmental activities totaled \$19,892,406, which is an increase of \$2,979,994 from the prior year. This net increase is primarily related to an increase in capital grants and contribution. Capital grants and contributions increased due to an increase in grant Coronavirus State and Local Fiscal Recovery grant revenues.

For the year ended September 30, 2024, expenses from governmental activities totaled \$18,282,408, which is an increase of \$888,292 from the prior year. This net change can be attributed to increases in public safety and interest and fiscal agent fees. These functions increased primarily due to Hurricane Beryl debris clean up expenses, as well as issuance costs related to the issuance of new debt.

Operating revenues for business-type activities increased from the prior year. Capital grants and contributions decreased by \$12,830,185 as a result of a decrease in grant activity for the wastewater plant project in the current year. Charges for services in the amount of \$11,918,031 were comparable to the prior year. Operating expenses for business-type activities increased from the prior year. Utility expenses increased by \$1,308,957 primarily due to increases in contractual and professional fees and repairs and maintenance.

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 on 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.

The City's governmental funds reflect a combined fund balance of \$33,475,889. Of this, \$52,864 is nonspendable, \$23,852,875 is restricted for various purposes, \$895,366 is committed for a stabilization fund to cover potential future budget shortfalls, \$1,600,000 is committed for a sound mitigation project, \$1,035,522 is assigned for capital projects, and \$16,030 is assigned for animal control. The remaining balance of \$6,023,232 is unassigned in the general fund.

There was a net increase in the combined fund balance of \$14,605,838 compared to the prior year, primarily due to increases in proceeds from the issuance of new debt.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$6,023,232, while total fund balance reached \$8,571,162. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41% of total general fund expenditures, while total fund balance represents 58% of the same amount. Total general fund revenues increased slightly in the current year primarily related to increases in property tax revenue. This increase is primarily due to an increase in assessed values. Total general fund expenditures also increased primarily related to increases in public safety due to Hurricane Beryl debris clean up costs.

The debt service fund has a total fund balance of \$2,220,721, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$99,958, which is a result premium from the issuance of new debt.

The fund balance in the capital projects fund was \$18,372,069, which is an increase of \$14,728,434 when compared to the prior year. This increase is primarily related to proceeds from the issuance of new debt.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Proprietary Funds – The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were less than the original and amended budgeted revenues by a net \$521,388 during 2024. This net variance is primarily related to less property tax, sales tax and licenses and permits revenue than what was anticipated. Actual expenditures were less than original and amended budgeted expenditures by \$63,237 during 2024. The greatest variance was in the public safety function.

CAPITAL ASSETS

At the end of the current year, the City's governmental and business-type activities had invested \$44,798,395 and \$67,766,117, respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$460,867 for governmental activities and a net increase of \$7,431,435 for business-type activities.

More detailed information about the City's capital assets is presented in note 3 of the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total bonds and certificates of obligation outstanding of \$43,336,499. Of this amount, \$14,410,000 was general obligation debt, \$1,046,000 was revenue bond debt, \$24,805,000 was certificates of obligation, and the remaining \$3,075,499 was a loan from the State Infrastructure Bank.

More detailed information about the City's long-term liabilities is presented in note 3 of the financial statements.

Current underlying ratings on debt issues are as follows:

<u>Debt Type</u>	<u>Moody's Investors Services</u>	<u>Standard and Poor's</u>
General obligation bonds	Aa3	AA
Revenue bonds	Aa3	AA

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council provided staff with their vision for the future of the City and specific policy guidance with which to propose the fiscal year 2025 budget. The City's general fund revenue is principally made up of property taxes, sales taxes, and franchise fees. The revenue projections for the budget are based on historical data and estimates from the finance department and individual department heads, but they have been projected conservatively.

City Council approved a general fund budget of \$16 million for the 2025 fiscal year. The 2025 budget incorporated a tax rate of \$0.455156 per \$100 of valuation, which was approximately a 1% decrease from the prior year.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Michael Gibbs, Director of Finance, City Hall, 1700 First Street, Seabrook, TX, 77586; telephone (281) 291-5677; or for general City information, visit the City's website at www.seabrooktx.gov.

BASIC FINANCIAL STATEMENTS

CITY OF SEABROOK, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit
ASSETS				
Cash and cash equivalents	\$ 35,846,380	\$ 6,557,393	\$ 42,403,773	\$ 4,588,102
Receivables, net of allowances	1,438,819	3,736,697	5,175,516	188,144
Lease Receivable	259,714	-	259,714	-
Due from primary government	-	-	-	81,136
Prepays and other assets	52,864	-	52,864	-
Restricted assets:				
Temporarily restricted cash and cash equivalents	-	5,076,537	5,076,537	-
Capital assets:				
Nondepreciable capital assets	15,257,030	47,029,167	62,286,197	-
Depreciable capital assets, net	29,541,365	20,736,950	50,278,315	-
	44,798,395	67,766,117	112,564,512	-
Total assets	82,396,172	83,136,744	165,532,916	4,857,382
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	66,307	4,169	70,476	-
Deferred outflows - pensions	2,144,054	301,298	2,445,352	-
Deferred outflows - OPEB	61,928	-	61,928	-
Total deferred outflows of resources	2,272,289	305,467	2,577,756	-
LIABILITIES				
Accounts payable and accrued liabilities	858,984	2,515,080	3,374,064	2,895
Due to component unit	81,136	-	81,136	-
Unearned revenue	583,691	-	583,691	-
Accrued bond interest	54,763	98,399	153,162	-
Long-term liabilities				
Portion due within one year	2,290,247	993,593	3,283,840	-
Portion due in more than one year	31,949,179	17,818,595	49,767,774	-
Total liabilities	35,818,000	21,425,667	57,243,667	2,895
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pensions	343,885	57,859	401,744	-
Deferred inflows - OPEB	112,593	-	112,593	-
Deferred inflows- leases	265,234	-	265,234	-
Total deferred inflows of resources	721,712	57,859	779,571	-
NET POSITION				
Net investment in capital assets	33,779,784	49,894,164	83,673,948	-
Restricted for				
Debt service	2,255,569	591,878	2,847,447	-
Public safety	1,991,611	-	1,991,611	-
Parks	270,924	-	270,924	-
Tourism	1,949,813	-	1,949,813	-
Governmental programming	83,259	-	83,259	-
Capital projects	-	4,380,528	4,380,528	-
Economic development	-	-	-	4,854,487
Unrestricted	7,797,789	7,092,115	14,889,904	-
Total net position	\$ 48,128,749	\$ 61,958,685	\$ 110,087,434	\$ 4,854,487

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2024

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Government Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ 4,168,822	\$ 872,047	\$ -	\$ -	\$ (3,296,775)	\$ -	\$ (3,296,775)	\$ -
Public safety	10,038,953	577,083	-	-	(9,461,870)	-	(9,461,870)	-
Public works	2,752,134	290,903	172,876	2,600,469	312,114	-	312,114	-
Economic development	417,428	-	-	-	(417,428)	-	(417,428)	-
Interest and fiscal agent fees	905,071	-	-	-	(905,071)	-	(905,071)	-
Total governmental activities	<u>18,282,408</u>	<u>1,740,033</u>	<u>172,876</u>	<u>2,600,469</u>	<u>(13,769,030)</u>	<u>-</u>	<u>(13,769,030)</u>	<u>-</u>
Business-type activities								
Utilities	10,579,885	11,918,031	-	5,579,994	-	6,918,140	6,918,140	-
Total business-type activities	<u>10,579,885</u>	<u>11,918,031</u>	<u>-</u>	<u>5,579,994</u>	<u>-</u>	<u>6,918,140</u>	<u>6,918,140</u>	<u>-</u>
Total primary government	<u>\$ 28,862,293</u>	<u>\$ 13,658,064</u>	<u>\$ 172,876</u>	<u>\$ 8,180,463</u>	<u>(13,769,030)</u>	<u>6,918,140</u>	<u>(6,850,890)</u>	<u>-</u>
Component Units								
Seabrook Economic Development Corp	\$ 518,302	\$ -	\$ -	\$ -	-	-	-	(518,302)
Total component units	<u>\$ 518,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(518,302)</u>
General revenues								
Property taxes					8,557,112	-	8,557,112	-
Sales taxes					3,348,696	-	3,348,696	1,090,226
Franchise fees and local taxes					692,869	419,903	1,112,772	-
Other taxes					638,404	-	638,404	-
Investment revenue					1,660,015	527,453	2,187,468	218,352
Other revenues					467,165	21,507	488,672	2,194
Gain on sale of capital asset					14,767	-	14,767	-
Transfers					(224,141)	224,141	-	-
Total general revenues and transfers					<u>15,154,887</u>	<u>1,193,004</u>	<u>16,347,891</u>	<u>1,310,772</u>
Change in net position					1,385,857	8,111,144	9,497,001	792,470
Beginning net position					<u>46,742,892</u>	<u>53,847,541</u>	<u>100,590,433</u>	<u>4,062,017</u>
Ending net position					<u>\$ 48,128,749</u>	<u>\$ 61,958,685</u>	<u>\$ 110,087,434</u>	<u>\$ 4,854,487</u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	General	Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,002,231	\$ 2,228,012	\$ 18,964,871	\$ 3,954,432	\$ 34,149,546
Receivables, net	954,324	89,611	-	394,884	1,438,819
Due from other funds	6,081	-	-	-	6,081
Lease receivable	259,714	-	-	-	259,714
Prepaid items	52,564	-	-	300	52,864
Total assets	<u>\$ 10,274,914</u>	<u>\$ 2,317,623</u>	<u>\$ 18,964,871</u>	<u>\$ 4,349,616</u>	<u>\$ 35,907,024</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 701,273	\$ 1,210	\$ 99,060	\$ 32,968	\$ 834,511
Deposits payable	-	-	-	300	300
Due to other funds	56,700	6,081	-	-	62,781
Due to component unit	81,136	-	-	-	81,136
Due to others	22,223	-	-	-	22,223
Unearned revenue	85,538	-	493,742	4,411	583,691
Total liabilities	<u>946,870</u>	<u>7,291</u>	<u>592,802</u>	<u>37,679</u>	<u>1,584,642</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - EMS services	229,039	-	-	-	229,039
Unavailable revenue - property taxes	262,609	89,611	-	-	352,220
Deferred inflows- leases	265,234	-	-	-	265,234
Total deferred inflows of resources	<u>756,882</u>	<u>89,611</u>	<u>-</u>	<u>-</u>	<u>846,493</u>
FUND BALANCES					
Nonspendable					
Prepays	52,564	-	-	300	52,864
Restricted for					
Debt service	-	2,220,721	-	-	2,220,721
Public safety	-	-	-	1,991,611	1,991,611
Parks	-	-	-	270,924	270,924
Tourism	-	-	-	1,949,813	1,949,813
Governmental programming	-	-	-	83,259	83,259
Capital projects	-	-	17,336,547	-	17,336,547
Committed for					
Stabilization fund	895,366	-	-	-	895,366
Sound mitigation project	1,600,000	-	-	-	1,600,000
Assigned for					
Capital projects	-	-	1,035,522	-	1,035,522
Animal control	-	-	-	16,030	16,030
Unassigned	6,023,232	-	-	-	6,023,232
Total fund balances	<u>8,571,162</u>	<u>2,220,721</u>	<u>18,372,069</u>	<u>4,311,937</u>	<u>33,475,889</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,274,914</u>	<u>\$ 2,317,623</u>	<u>\$ 18,964,871</u>	<u>\$ 4,349,616</u>	<u>\$ 35,907,024</u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balances for governmental funds	\$ 33,475,889
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources are, therefore, not reported in the governmental funds.

Capital assets - nondepreciable	15,257,030
Capital assets - depreciable/amortizable	27,633,520

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	581,259
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Internal service funds are used by management to charge the costs of certain capital assets and maintenance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.

Unrestricted net position	1,751,584
Net investment in capital assets	1,907,845

Some liabilities, including bonds payable, are not reported as liabilities in the governmental funds.

Accrued interest payable	(54,763)
Deferred charge on refunding	66,307
Deferred outflows - pensions	2,144,054
Deferred inflows - pensions	(343,885)
Deferred outflows - OPEB	61,928
Deferred inflows - OPEB	(112,593)
Noncurrent liabilities due in one year	(2,290,247)
Noncurrent liabilities due in more than one year	<u>(31,949,179)</u>

Net position of governmental activities	<u>\$ 48,128,749</u>
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See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 6,562,224	\$ 1,974,711	\$ -	\$ -	\$ 8,536,935
Sales taxes	2,311,313	-	-	1,037,383	3,348,696
Franchise fees and local taxes	665,146	-	-	27,723	692,869
Other taxes	-	-	-	638,404	638,404
Licenses and permits	290,903	-	-	-	290,903
Fines and forfeitures	505,198	-	-	71,885	577,083
Charges for services	820,184	-	-	19,618	839,802
Intergovernmental	167,352	-	2,600,469	5,524	2,773,345
Investment revenue	557,821	166,654	639,771	186,897	1,551,143
Other revenue	342,552	-	-	124,613	467,165
Total revenues	<u>12,222,693</u>	<u>2,141,365</u>	<u>3,240,240</u>	<u>2,112,047</u>	<u>19,716,345</u>
Expenditures					
Current					
General government	3,772,566	-	-	124,243	3,896,809
Public safety	8,537,714	-	169,682	901,209	9,608,605
Public works	2,375,291	-	-	-	2,375,291
Economic development	-	-	-	419,052	419,052
Capital outlay	-	-	2,978,702	424,426	3,403,128
Debt service					
Principal	-	1,608,217	-	138,557	1,746,774
Interest and fiscal agent fees	-	686,946	-	1,443	688,389
Issuance costs	-	-	237,980	-	237,980
Total expenditures	<u>14,685,571</u>	<u>2,295,163</u>	<u>3,386,364</u>	<u>2,008,930</u>	<u>22,376,028</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,462,878)</u>	<u>(153,798)</u>	<u>(146,124)</u>	<u>103,117</u>	<u>(2,659,683)</u>
Other Financing Sources (Uses)					
Bonds issued	-	-	13,865,000	-	13,865,000
Lease proceeds	-	-	-	346,387	346,387
Premium on bonds	-	253,756	677,980	-	931,736
Transfers in	2,394,742	-	331,578	-	2,726,320
Transfers (out)	(331,578)	-	-	(272,344)	(603,922)
Total other financing sources (uses)	<u>2,063,164</u>	<u>253,756</u>	<u>14,874,558</u>	<u>74,043</u>	<u>17,265,521</u>
Net change in fund balances	(399,714)	99,958	14,728,434	177,160	14,605,838
Beginning fund balances	<u>8,970,876</u>	<u>2,120,763</u>	<u>3,643,635</u>	<u>4,134,777</u>	<u>18,870,051</u>
Ending fund balances	<u>\$ 8,571,162</u>	<u>\$ 2,220,721</u>	<u>\$ 18,372,069</u>	<u>\$ 4,311,937</u>	<u>\$ 33,475,889</u>

See notes to financial statements.

CITY OF SEABROOK, 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, 2024

Net changes in fund balances - total governmental funds	\$ 14,605,838
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Amounts reported for governmental activities in the Statement of Activities are different because:

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/amortization expense.

Capital outlay	976,230
Depreciation/amortization expense	(1,482,139)
Disposals	(53,034)

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 issuance costs, premiums, discounts, and similar items when they are first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal payments	1,746,774
Bond proceeds	(13,865,000)
Lease proceeds	(346,387)
Bond premium	(931,736)
Amortization of premium	75,347
Amortization of deferred charges	(37,109)
Accrued interest	(16,940)

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.

Property tax	20,177
EMS services	32,245

Governmental funds report the payment of pension contributions as an expenditure; whereas, these payments are treated as reduction in the net pension liability/(asset) on the Statement of Activities.

Compensated absences	(72,605)
Net pension liability	2,129,295
Total OPEB liability	(27,808)
Change in deferred outflows - pensions	(1,584,719)
Change in deferred inflows - pensions	(323,820)
Change in deferred outflows - OPEB	(6,715)
Change in deferred inflows - OPEB	28,986

An internal service fund is used by management to charge the costs of certain capital assets and maintenance to individual funds. The net revenue (expense) is reported with governmental activities.

	518,977
Change in net position of governmental activities	<u>\$ 1,385,857</u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,557,393	\$ 1,696,834
Accounts receivable (net of allowance for uncollectibles)	3,736,697	-
Due from other funds	-	56,700
Restricted cash and cash equivalents		
Capital projects - impact fees	4,380,528	-
Capital projects - bond proceeds	104,131	-
Debt service	591,878	-
Prepaid expense	-	-
Total current assets	<u>15,370,627</u>	<u>1,753,534</u>
Noncurrent assets		
Capital assets:		
Land	1,605,575	-
Buildings	3,424,368	-
Infrastructure	28,440,081	-
Equipment	3,999,413	2,897,953
Construction in progress	45,423,592	-
Less accumulated depreciation	<u>(15,126,912)</u>	<u>(990,108)</u>
Total capital assets (net)	<u>67,766,117</u>	<u>1,907,845</u>
Total noncurrent assets	<u>67,766,117</u>	<u>1,907,845</u>
Total assets	<u>83,136,744</u>	<u>3,661,379</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	4,169	-
Deferred outflows - pensions	301,298	-
Total deferred outflows of resources	<u>305,467</u>	<u>-</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,750,217	1,950
Accrued interest payable	98,399	-
Customer deposits	764,863	-
Bonds payable - current	773,251	-
Note payable - current	178,176	-
Compensated absences- current	42,166	-
Total current liabilities	<u>3,607,072</u>	<u>1,950</u>

(Continued)

CITY OF SEABROOK, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
Noncurrent liabilities		
Bonds payable - noncurrent (net of premiums and discounts)	14,131,503	-
Note payable - noncurrent	2,897,323	-
Net pension liability	738,467	-
Compensated absences- noncurrent	<u>51,302</u>	<u>-</u>
Total noncurrent liabilities	<u>17,818,595</u>	<u>-</u>
Total liabilities	<u>21,425,667</u>	<u>1,950</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pensions	<u>57,859</u>	<u>-</u>
Total deferred inflows of resources	<u>57,859</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	49,894,164	1,907,845
Restricted for		
Capital projects - impact fees	4,380,528	-
Debt service	591,878	-
Unrestricted	<u>7,092,115</u>	<u>1,751,584</u>
Total net position	<u><u>\$ 61,958,685</u></u>	<u><u>\$ 3,659,429</u></u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
Operating revenues		
Water service	\$ 5,173,178	\$ -
Sewer service	3,932,920	-
Sanitation service	2,811,933	-
Franchise fees	419,903	-
Service fees	-	255,026
Other revenue	21,507	-
Total operating revenues	<u>12,359,441</u>	<u>255,026</u>
Operating expenses		
Personnel services	1,448,939	-
Supplies and materials	151,003	6,900
Contractual services	6,694,156	-
Repairs and maintenance	856,295	-
Depreciation	896,800	214,528
Total operating expenses	<u>10,047,193</u>	<u>221,428</u>
Operating income	<u>2,312,248</u>	<u>33,598</u>
Nonoperating revenues (expenses)		
Gain on sale of capital assets	-	67,801
Loss on disposal of assets	(6,105)	-
Intergovernmental revenue	5,579,994	-
Investment revenue	527,453	108,872
Interest expense and fiscal charges	(532,692)	-
Total nonoperating revenues	<u>5,568,650</u>	<u>176,673</u>
Income before contributions and transfers	7,880,898	210,271
Contributions and Transfers		
Capital contribution	2,527,874	133,476
Transfers in	86,014	272,344
Transfers (out)	(2,383,642)	(97,114)
Total contributions and transfers	<u>230,246</u>	<u>308,706</u>
Change in net position	8,111,144	518,977
Beginning net position	53,847,541	3,140,452
Ending Net Position	<u>\$ 61,958,685</u>	<u>\$ 3,659,429</u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
Cash flows from operating activities		
Receipts from customers and users	\$ 15,066,839	\$ 198,326
Payments to suppliers	(8,740,603)	(4,950)
Payments to employees	(1,462,490)	-
Net cash provided by operating activities	<u>4,863,746</u>	<u>193,376</u>
Cash flows from noncapital financing activities		
Transfers from other funds	86,014	272,344
Transfers (to) other funds	(2,383,642)	(97,114)
Net cash provided (used) by noncapital financing activities	<u>(2,297,628)</u>	<u>175,230</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(5,806,465)	(1,100,862)
Intergovernmental	5,579,994	-
Proceeds from sale of capital assets	-	67,801
Interest and fiscal charges	(631,007)	-
Principal paid on capital debt	(928,518)	-
Net cash (used) in capital and related financing activities	<u>(1,785,996)</u>	<u>(1,033,061)</u>
Cash flows from investing activities		
Interest on investments	<u>527,453</u>	<u>108,872</u>
Net cash provided by investing activities	<u>527,453</u>	<u>108,872</u>
Net increase/(decrease) in cash and cash equivalents	1,307,575	(555,583)
Beginning cash and cash equivalents	<u>10,326,355</u>	<u>2,252,417</u>
Ending cash and cash equivalents	<u>\$ 11,633,930</u>	<u>\$ 1,696,834</u>
Ending cash and cash equivalents		
Unrestricted cash and cash equivalents	\$ 6,557,393	\$ 1,696,834
Restricted cash and cash equivalents	5,076,537	-
	<u>\$ 11,633,930</u>	<u>\$ 1,696,834</u>

(Continued)

CITY OF SEABROOK, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 2,312,248	\$ 33,598
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	896,800	214,528
Changes in operating assets and liabilities		
(Increase) decrease in current assets		
Accounts receivable	2,657,154	-
Due from other funds	-	(56,700)
Prepays	240	-
Deferred outflows - pensions	203,301	-
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	(1,039,389)	1,950
Compensated absences	14,770	-
Customer deposits	50,244	-
Net pension liability	(273,164)	-
Deferred inflows - pensions	41,542	-
Net cash provided by operating activities	<u>\$ 4,863,746</u>	<u>\$ 193,376</u>
Noncash investing, capital, and financing activities		
Contributions of capital assets	<u>\$ 2,527,874</u>	<u>\$ 133,476</u>

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The City of Seabrook, Texas (the "City") was incorporated on October 14, 1961 and adopted the "Home Rule Charter" on August 11, 1979, pursuant to the laws of the State of Texas (the "State") which provide for a Council-Manager form of government. The City Council is the principal legislative body

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the City Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services; public works to include municipal court, drainage, building and code inspection, planning, engineering, street repair and maintenance, park maintenance, and recreational activities for citizens; economic development; and general administrative services.

The City is an independent political subdivision of the State governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The component units as listed below, although legally separate, are considered part of the reporting entity. No other entities, organizations, or functions have been included as part of the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely Presented Component Unit

Seabrook Economic Development Corporation (SEDC) has been included in the reporting entity as a discretely presented component unit. The SEDC was created by the City under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and development activities on behalf of the City. The Board of Directors (the "Board") is appointed by, and serves at the discretion of, the City Council. SEDC's Board is comprised of the Mayor, a City Council member, and five members who are not employees or City officials, all of whom are appointed by City Council. City Council approval is required for annual budgets and bonded debt issuance. However, the SEDC does not service the City exclusively. In the event of dissolution, net position of the SEDC shall be conveyed to the City. Separate financial statements of the SEDC may be obtained from the finance department of the City.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit

Crime Control and Prevention District: The Seabrook Crime Control and Prevention District (the “Board”) has been included in the reporting entity as a blended component unit. The District was created by the City under the authority granted by Chapter 363 of the Texas Local Government Code and Section 323.105 of the Texas Tax Code for the purpose of strengthening and enhancing crime control activities of the City. Management of the City has operational responsibility for the component unit. The District provides services exclusively to the City.

An election was held on May 7, 2005 approving the creation of the District and the collection of a one-half cent sales tax to fund its operations, effective on October 1, 2005.

The Board of Directors (the “Board”) is substantively the same as City Council. Their respective positions on the Board will be held until their City Council seat is vacated, at which time the incoming elected member of City Council will fill the position on the Board. The District was to remain in existence for a period of five years and may then be extended upon approval by the voters. On May 8, 2010, voters approved the renewal of the District for a period of 20 years. In the event of dissolution, net position of the District shall be conveyed to the City.

The District is reported as a special revenue fund and does not issue separate financial statements.

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 activities of the primary government and its component unit. *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.

Basis of Presentation – Government-Wide 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 City’s enterprise funds. Separate financial statements are provided for governmental and proprietary funds.

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 in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City’s water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements: The fund financial statements provide information about the City’s funds. 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in other funds. The principal sources of revenues include local property taxes, sales taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, community development, and public works. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on all long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds are considered nonmajor funds for reporting purposes.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

The City reports the following proprietary funds:

The *enterprise fund* is used to account for the operations that provide water and wastewater collection and the construction of related facilities. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The acquisition, maintenance, and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), and other City funds.

The *internal service fund* accounts for fleet management provided to other departments on a cost-reimbursement basis.

During the course of operations, the City 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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 and proprietary fund 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 City 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 leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, 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 City.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance:

Cash and Cash Equivalents: 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.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City maintains pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and cash equivalents."

Investments: Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

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

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

Inventories and Prepaid Items: Inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets: Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

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. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	50 years
Machinery and equipment	5 to 25 years
Water and sewer system	40 to 50 years
Infrastructure	10 to 50 years

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- 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.
- Deferred inflows related to leases are amortized over the terms of the leases.

At the fund level, the City 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 emergency medical services (EMS). These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

Compensated Employee Absences: Employees earn vacation based on years of service with the City. Amounts accumulated may be paid to employees upon termination of employment or during employment. Employees must take vacation within 12 months after earning it. Vacation not taken within 12 months after earning may be accumulated from one year to the next, not to exceed 240 hours.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sick leave and long-term disability are not accrued but recognized when paid, since no liability exists upon termination of employment, with the exception of Civil Service employees. Civil Service personnel are compensated for accrued sick leave for up to 90 days upon termination of employment.

The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

Long-Term Obligations: In government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

Leases: The City is a lessor for a lease of a tower license. 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 are composed of fixed payments from the lessee.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Net Position Flow Assumption: Sometimes the City 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 City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions: Sometimes the City 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 City'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.

Fund Balance Policies: Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City 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 City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager to assign fund balance. The City 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.

The City strives to maintain an unassigned fund balance equivalent to 25 percent of budgeted expenditures, based on current year expenditures. The purpose of the unassigned fund balance is to alleviate significant unanticipated budget shortfalls and to ensure the orderly provisions of services to

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

citizens. Should unassigned fund balance fall below the goal or have a deficiency, the City will seek to adjust budget resources in the subsequent fiscal years to restore the balance.

The City approved an ordinance to establish a stabilization fund to supplement the budget and to compensate for the potential loss of revenue caused by the future construction on State Highway (SH) 146. The stabilization fund will be used to afford the City one budget year to assess the impact of SH 146 expansion and construction, allowing the City to adjust services, personnel, and operations to cover any operating deficit due to business and/or property losses. It is the City's policy that City Council may commit fund balance for this purpose since this potential revenue shortfall is outside the normal course of the City's operations.

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, 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.

Pensions: For the 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.

Other Postemployment Benefits: The City participates in a defined benefit group-term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

Revenues and Expenditures/Expenses:

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.

Property Taxes: Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

Proprietary Funds Operating and Nonoperating Revenues and Expenses: Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 enterprise and internal service funds are charges to customers for sales and services. The enterprise 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 the enterprise and internal service 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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects fund, which adopts a project length budget. 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 charter in the approved budget is the department level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended September 30, 2024. All special revenue funds have adopted budgets.

Expenditures in Excess of Appropriations: For the year ended September 30, 2024, expenditures exceeded appropriations at the legal level of control as follows:

Crime Control Prevention District	\$276,634
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NOTE 3 - DETAILED NOTES ON ALL FUNDS

Deposits and Investments: As of September 30, 2024, the City and SEDC had the following cash equivalents:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	<u>\$ 50,090,088</u>	0.08
Portfolio weighted average maturity		0.08

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. The City's investment policy limits investments in public fund investment pools rated as to investment quality not less than "AAA" or "AAAm," or an equivalent rating by at least one nationally recognized rating service. Investments in SEC-registered and regulated money market mutual funds must have an investment quality not less than "AAA-," or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2024, the City's investments in investment pools were rated "AAA" or "AAAm" by Standard & Poor's.

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. The City's investment policy requires funds on deposit at the

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

depository bank to be collateralized by securities. As of September 30, 2024, fair market values of pledged securities and FDIC coverage 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.

TexPool - TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool ('AAAm'). As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, debt service fund, the nonmajor governmental funds in the aggregate, and the component unit, including the applicable allowances for uncollectible accounts.

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Component Unit</u>
Property taxes	441,472	\$ 155,846	\$ -	\$ -
Sales taxes	395,321	-	177,819	188,144
Ambulance fees	529,016	-	-	-
Franchise fees	38,951	-	6,187	-
Other taxes	-	-	201,926	-
Other receivables	72,288	-	8,952	-
Less allowance	<u>(522,724)</u>	<u>(66,235)</u>	<u>-</u>	<u>-</u>
Total	<u>954,324</u>	<u>\$ 89,611</u>	<u>\$ 394,884</u>	<u>\$ 188,144</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	<u>Unavailable Revenue</u>
Delinquent property taxes receivable - general fund	\$ 262,609
Delinquent property taxes receivable - debt service fund	89,611
Delinquent emergency medical services receivable	<u>229,039</u>
Total	<u><u>\$ 581,259</u></u>

Leases Receivable: The City has entered into a lease agreement related to the lease of certain areas of the Crown Castle tower license agreement. The lease spans 12 years, and the City will receive yearly payments of \$29,470 plus interest for the leases. The City recognized \$29,470 in lease revenue during the current fiscal year related to these leases. As of September 30, 2024, the City's receivable for lease payments was \$259,714. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. September 30, 2024, the balance of the deferred inflow of resources was \$265,234.

The remaining principal and interest payments from the lease and amortization of the deferred inflows are as follows:

Fiscal Year Ended <u>September 30,</u>	<u>Lease Receipts</u>			<u>Amortization of Deferred Inflows</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$ 23,106	\$ 10,101	\$ 33,207	\$ 29,470
2026	24,929	9,274	34,203	29,470
2027	26,848	8,381	35,229	29,470
2028	28,866	7,420	36,286	29,470
2029	30,988	6,387	37,375	29,470
2030-2033	<u>124,977</u>	<u>13,635</u>	<u>138,612</u>	<u>117,884</u>
	<u><u>\$ 259,714</u></u>	<u><u>\$ 55,198</u></u>	<u><u>\$ 314,912</u></u>	<u><u>\$ 265,234</u></u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

	Beginning Balance	Increase/ Reclassifications	(Decreases)/ Reclassifications	Ending Balance
<u>Governmental activities</u>				
Capital assets not being depreciated/ amortized				
Land	\$ 14,848,184	\$ -	\$ -	\$ 14,848,184
Construction in progress	210,084	225,366	(26,604)	408,846
Total capital assets not being depreciated/amortized	15,058,268	225,366	(26,604)	15,257,030
Other capital assets				
Infrastructure	28,718,566	6,105	-	28,724,671
Buildings and improvements	19,620,960	61,000	(7,520)	19,674,440
Machinery and equipment	11,474,651	1,598,314	(359,313)	12,713,652
Right-to-use asset	-	346,387	-	346,387
Total other capital assets	59,814,177	2,011,806	(366,833)	61,459,150
Less accumulated depreciation/ amortization for				
Infrastructure	(13,998,031)	(550,456)	-	(14,548,487)
Buildings and improvements	(7,802,686)	(504,321)	7,520	(8,299,487)
Machinery and equipment	(8,734,200)	(572,613)	306,279	(9,000,534)
Right-to-use asset	-	(69,277)	-	(69,277)
Total accumulated depreciation/ amortization	(30,534,917)	(1,696,667)	313,799	(31,917,785)
Other capital assets, net	29,279,260	315,139	(53,034)	29,541,365
Governmental activities capital assets, net	\$ 44,337,528	\$ 540,505	\$ (79,638)	\$ 44,798,395
				66,307
				17,336,547
				(28,421,465)
				\$ 33,779,784

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation was charged to governmental activities functions as follows:

General government	\$ 423,645
Public safety	520,537
Public works	<u>752,485</u>
Total governmental activities depreciation and amortization	<u>\$ 1,696,667</u>

Construction in progress and other significant commitments under related construction contracts as of September 30, 2024 were \$458,438.

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
<u>Business-type activities</u>				
Capital assets not being depreciated				
Land	\$ 1,605,575	\$ -	\$ -	\$ 1,605,575
Construction in progress	<u>40,437,005</u>	<u>5,577,868</u>	<u>(591,281)</u>	<u>45,423,592</u>
Total capital assets not being depreciated	<u>42,042,580</u>	<u>5,577,868</u>	<u>(591,281)</u>	<u>47,029,167</u>
Other capital assets				
Water and sewer system	25,305,925	3,134,156	-	28,440,081
Buildings and improvements	3,424,368	-	-	3,424,368
Machinery and equipment	<u>3,829,552</u>	<u>207,492</u>	<u>(37,631)</u>	<u>3,999,413</u>
Total other capital assets	<u>32,559,845</u>	<u>3,341,648</u>	<u>(37,631)</u>	<u>35,863,862</u>
Less accumulated depreciation for				
Water and sewer system	(9,367,760)	(620,698)	-	(9,988,458)
Buildings and improvements	(2,346,227)	(74,990)	-	(2,421,217)
Machinery and equipment	<u>(2,553,756)</u>	<u>(201,112)</u>	<u>37,631</u>	<u>(2,717,237)</u>
Total accumulated depreciation	<u>(14,267,743)</u>	<u>(896,800)</u>	<u>37,631</u>	<u>(15,126,912)</u>
Other capital assets, net	<u>18,292,102</u>	<u>2,444,848</u>	<u>-</u>	<u>20,736,950</u>
Business-type activities capital assets, net	<u>\$ 60,334,682</u>	<u>\$ 8,022,716</u>	<u>\$ (591,281)</u>	<u>\$ 67,766,117</u>
Plus deferred loss on refunding				4,169
Plus unspent bond proceeds				104,131
Less associated debt				<u>(17,980,253)</u>
Net investment in capital assets				<u>\$ 49,894,164</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 896,800
Total business-type activities depreciation expense	<u>\$ 896,800</u>

Construction in progress and remaining commitments under related construction contracts for proprietary fund projects as of September 30, 2024 were \$1,439,189.

Long-Term Debt: The following is a summary of changes in the City's total long-term liabilities for the year end. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balances	Additions	(Reductions)	Ending Balances	Amounts Due Within One Year
<u>Governmental activities</u>					
Direct borrowings/placements:					
General obligation bonds	\$ 5,300,000	\$ -	\$ (1,250,000)	\$ 4,050,000	\$ 1,285,000
Certificates of obligation	275,000	-	(70,000)	205,000	70,000
Bonds, notes, and other payables:					
Certificates of obligation	2,634,657	9,715,000	(13,217)	12,336,440	136,749
General obligation bonds	6,335,000	4,150,000	(275,000)	10,210,000	365,000
Deferred amounts:					
For issuance discounts/premiums	555,806	931,736	(75,347)	1,412,195	-
	<u>15,100,463</u>	<u>14,796,736</u>	<u>(1,683,564)</u>	<u>28,213,635</u>	<u>* 1,856,749</u>
Other liabilities					
Net pension liability (asset)	6,296,350	-	(2,129,295)	4,167,055	-
Total OPEB liability	304,796	27,808	-	332,604	7,528
Leases	-	346,387	(138,557)	207,830	* 51,634
Compensated absences	1,245,697	437,113	(364,508)	1,318,302	374,336
Total governmental activities	<u>\$ 22,947,306</u>	<u>\$ 15,608,044</u>	<u>\$ (4,315,924)</u>	<u>\$ 34,239,426</u>	<u>\$ 2,290,247</u>
Long-term debt due in more than one year				<u>\$ 31,949,179</u>	
*Debt associated with capital assets				<u>\$ 28,421,465</u>	

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Business-type activities</u>					
Direct borrowings/placements:					
Note - State loan	\$ 3,248,234	\$ -	\$ (172,735)	\$ 3,075,499	\$ 178,176
Revenue bonds	1,260,000	-	(214,000)	1,046,000	225,000
General obligation bonds	300,000	-	(150,000)	150,000	150,000
Certificates of obligation	1,430,000	-	(165,000)	1,265,000	170,000
Bonds, notes, and other payables:					
Certificates of obligation	11,225,343	-	(226,783)	10,998,560	228,251
Deferred amounts:					
For issuance discounts/premiums	1,539,160	-	(93,966)	1,445,194	-
	<u>19,002,737</u>	<u>-</u>	<u>(1,022,484)</u>	<u>17,980,253</u>	<u>951,427</u>
Other liabilities					
Net pension liability (asset)	1,011,631	-	(273,164)	738,467	-
Compensated absences	<u>78,698</u>	<u>69,870</u>	<u>(55,100)</u>	<u>93,468</u>	<u>42,166</u>
Total governmental activities	<u>\$ 20,093,066</u>	<u>\$ 69,870</u>	<u>\$ (1,350,748)</u>	<u>\$ 18,812,188</u>	<u>\$ 993,593</u>
Long-term debt due in more than one year				<u>\$ 17,818,595</u>	
*Debt associated with capital assets				<u>\$ 17,980,253</u>	

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. The governmental activities compensated absences, net pension liability, and total OPEB liability are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The City's long-term debt includes all outstanding bonded debt secured by the full faith and credit of the City. The bonds are certificates of obligation and general obligation bonds that are secured by the full faith and credit of the City and are paid from taxes levied on all taxable property located within the City.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The following is a summary of the terms of general obligation bonds, certificates of obligation, revenue bonds, and lease and subscription liabilities outstanding as of September 30, 2024:

<u>Description</u>	<u>Interest Rate</u>	<u>Balance</u>
<u>Governmental Activities</u>		
General obligation bonds		
Series 2003	4.40%	\$ 385,000
Series 2013 refunding	1.86%	505,000
Series 2015	2.00-3.25%	6,060,000
Series 2017 refunding	1.96%	3,160,000
Series 2024	4.25 5.00%	4,150,000
Total general obligation bonds		<u>14,260,000</u>
Certificates of obligation		
Series 2010	3.64%	205,000
Series 2020	2.00-4.00%	2,621,440
Series 2024	4.00-5.00%	9,715,000
Total certificates of obligation		<u>12,541,440</u>
Lease		
Police body cameras	5.00%	207,830
Total governmental activities long-term debt		<u>\$ 27,009,270</u>
<u>Business-Type Activities</u>		
General obligation bonds		
Series 2013 refunding	1.86%	\$ 150,000
Total general obligation bonds		<u>150,000</u>
Certificates of obligation		
Series 2016	2.13%	1,265,000
Series 2016A	2.00%	4,695,000
Series 2020	2.00-4.00%	6,303,560
Total certificates of obligation		<u>12,263,560</u>
Revenue bonds		
Series 2003 refunding	4.45%	155,000
Series 2008	4.12%	891,000
Total revenue bonds		<u>1,046,000</u>
State loan		
State Infrastructure Bank Loan 2018	3.15%	3,075,499
Total state loan		<u>3,075,499</u>
Total business-type activities long-term debt		<u>\$ 16,535,059</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Annual debt service requirements to retire outstanding obligations and direct borrowings are as follows:

Fiscal Year Ended September 30,	Governmental Activities		Governmental Activities		Business-Type Activities		Business-Type Activities	
	Direct Borrowings/Placement		Governmental Activities		Direct Borrowings/Placement		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,355,000	\$ 95,735	\$ 501,749	\$ 942,632	\$ 723,176	\$ 167,413	\$ 228,251	\$ 436,106
2026	1,435,000	59,111	478,217	923,596	760,788	145,520	236,783	429,541
2027	1,465,000	29,807	498,217	905,082	783,578	119,350	246,783	420,705
2028	-	-	1,111,826	885,667	375,549	92,294	638,174	411,470
2029	-	-	1,154,168	845,495	386,709	82,203	660,832	385,943
2030-2034	-	-	6,435,986	3,546,252	1,487,952	262,009	3,719,014	1,511,653
2035-2039	-	-	3,876,862	2,465,832	1,018,747	65,425	4,028,138	742,568
2040-2044	-	-	3,884,415	1,515,327	-	-	1,240,585	64,423
2045-2049	-	-	4,605,000	577,000	-	-	-	-
	<u>\$ 4,255,000</u>	<u>\$ 184,653</u>	<u>\$ 22,546,440</u>	<u>\$ 12,606,883</u>	<u>\$ 5,536,499</u>	<u>\$ 934,214</u>	<u>\$ 10,998,560</u>	<u>\$ 4,402,409</u>

In April 2024, the City issued General Obligation Bonds, Series 2024 in the amount of \$4,150,000. The bond will be used for renovating, expanding, developing and equipping the Seabrook Fire Station; this includes additions for emergency medical services, emergency management services, an emergency center, and all matters incident or necessary thereto. The bond will mature during fiscal year 2044 and have an interest rate ranging from 4% to 5%.

In April 2024, the City issued Certificates of Obligation, Series 2024 in the amount of \$9,715,000. The certificates will be used for the design, engineering, acquisition and construction of certain public works and the purchase of equipment for authorized needs and purposes. The certificates will mature during fiscal year 2044 and have an interest rate ranging from 4% to 5%.

Leases Payable: The City has entered into lease agreements as lessee for the use of police body cameras. As of September 30, 2024, the value of the lease liability was \$207,830. The City is required to make monthly payments of \$52,500. The interest rate is based on the incremental borrowing rate of 5%. In addition, the City's right to- use lease asset will be amortized using a straight-line basis over the remaining term of the leases. The value of the right-to-use assets as of the end of the current fiscal year was \$346,387 and had accumulated amortization of \$69,277. The future principal and interest payments as of September 30, 2024 for governmental activities were as follows:

Fiscal Year Ended September 30,	Governmental Activities	
	Lease	
	Principal	Interest
2025	\$ 51,634	\$ 866
2026	51,849	651
2027	52,065	435
2028	52,282	218
	<u>\$ 207,830</u>	<u>\$ 2,170</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Federal Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

Interfund Transactions: The interfund balances as of year end were as follows.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>
General	Debt service	\$ 6,081
Internal service	General	56,700
		<u>\$ 62,781</u>

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amounts</u>
Capital projects	General	\$ 331,578
Internal service	Nonmajor governmental	272,344
General	Internal service	11,100
Utility	Internal service	86,014
General	Utility	2,383,642
		<u>\$ 3,084,678</u>

Transfers from the general fund to the capital project fund were subsidies for construction in progress expenditures. Other transfers between funds are utilized to move unrestricted fund revenues to finance various programs that must be accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for grant programs and governmental expenditures.

Restricted Assets: The utility enterprise fund has restricted certain cash and investments for customer deposits and construction.

NOTE 4 - OTHER INFORMATION

Risk Management: The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's (TML) Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

The City also provides workers' compensation insurance through the TML Workers' Compensation Fund (the "Fund"). Workers' compensation premiums are subject to change when audited by the Fund. At September 30, 2024, the City believed the amounts paid on workers' compensation would not change significantly from the amounts recorded.

Contingent Liabilities: 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 that 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. No claim liabilities are reported at year end.

Pension Plans:

Texas Municipal Retirement System

Plan Description: The City participates as one of 934 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the "Board"); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at tmrs.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 member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	2024	2023
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	30% of CPI	30% of CPI

Employees Covered by Benefit Terms: At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	91
Inactive employees entitled to, but not yet receiving, benefits	62
Active employees	114
 Total	 267

Contributions: Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, 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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.11% and 16.37% in calendar years 2023 and 2024 , respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2024 were \$1,419,877, which are equal to the required contributions.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
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

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 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 is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to 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 n 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global public equity	35%	6.7%
Core fixed income	6%	4.7%
Non-core fixed income	20%	8.0%
Other public and private markets	12%	8.0%
Real estate	12%	7.6%
Hedge funds	5%	6.4%
Private equity	<u>10%</u>	11.6%
Total	<u>100%</u>	

Discount Rate: The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Changes in the NPL:

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 1,472,641	\$ -	\$ 1,472,641
Interest	3,097,577	-	3,097,577
Difference between expected and actual experience	(336,387)	-	(336,387)
Changes in assumptions	(165,681)	-	(165,681)
Contributions - employer	-	1,386,571	(1,386,571)
Contributions - employee	-	603,383	(603,383)
Net investment income	-	4,509,563	(4,509,563)
Benefit payments, including refunds of employee contributions	(2,285,418)	(2,285,418)	-
Administrative expense	-	(28,707)	28,707
Other changes	-	(201)	201
Net Changes	1,782,732	4,185,191	(2,402,459)
Balance at December 31, 2022	46,296,414	38,988,433	7,307,981
Balance at December 31, 2023	<u>\$ 48,079,146</u>	<u>\$ 43,173,624</u>	<u>\$ 4,905,522</u>

Sensitivity of the NPL to Changes in the Discount Rate: The following presents the NPL of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability/(asset)	<u>\$ 11,049,340</u>	<u>\$ 4,905,522</u>	<u>\$ (209,789)</u>

Pension Plan Fiduciary Net Position: Detailed information about TMRS's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at www.tmr.com.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions: For the fiscal year ended September 30, 2024, the City recognized pension expense of \$1,170,801.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 295,274	\$ 274,955
Changes in assumptions	-	126,789
Net difference between projected and actual investment earnings	1,055,665	-
Contributions subsequent to the measurement date	<u>1,094,413</u>	<u>-</u>
Total	<u>\$ 2,445,352</u>	<u>\$ 401,744</u>

\$1,094,413 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year ended September 30,</u>	<u>Pension Expense</u>
2025	\$ 313,626
2026	341,336
2027	700,433
2028	<u>(406,200)</u>
Total	<u>\$ 949,195</u>

Other Postemployment Benefits:

TMRS - Supplemental Death Benefits

Plan Description: The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

Benefits: The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

Participation in the SDBF as of December 31, 2023 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	61
Inactive employees entitled to, but not yet receiving, benefits	10
Active employees	<u>114</u>
 Total	 <u><u>185</u></u>

Total OPEB Liability: The City's total OPEB liability of \$332,604 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	3.77%*
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	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).
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables 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 Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Changes in the Total OPEB Liability:

	Total OPEB <u>Liability</u>
Changes for the year:	
Service cost	\$ 11,189
Interest	12,256
Difference between expected and actual experience	607
Changes of assumptions	15,826
Benefit payments*	<u>(8,607)</u>
Net changes	31,271
Balance at September 30, 2022	<u>301,333</u>
Balance at September 30, 2023	<u>\$ 332,604</u>

* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the City's yearly contributions for retirees.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount <u>Rate (2.77%)</u>	Discount <u>Rate (3.77%)</u>	1% Increase in Discount <u>Rate (4.77%)</u>
City's total OPEB liability	<u>\$ 396,903</u>	<u>\$ 332,604</u>	<u>\$ 282,062</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: At September 30, 2024, the City recognized OPEB expense of \$17,707. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes in actuarial assumptions	\$ 54,548	\$ 106,920
Differences between expected and actual economic experience	695	5,673
Contributions subsequent to the measurement date	<u>6,685</u>	<u>-</u>
Total	<u>\$ 61,928</u>	<u>\$ 112,593</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

\$6,685 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2025.

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year ended September 30.</u>	<u>OPEB Expense</u>
2025	\$ (5,500)
2026	(9,442)
2027	(14,727)
2028	(20,860)
2029	(7,088)
Thereafter	<u>267</u>
Total	<u>\$ (57,350)</u>

Tax Abatements and Economic Incentives:

The City and the SEDC have authority under Texas Local Government Code, Chapters 380 and 505, to adopt programs that promote local economic development, spur economic improvement, stimulate commercial activity, generate additional sales tax, and enhance the property tax base of the City. These programs may abate or rebate property taxes and sales taxes that are paid by the recipient. The programs may also include incentive payments or reductions in fees that are not tied to taxes. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact, or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses into the City. Agreements generally contain recapture provisions which mandate repayment or termination if recipients do not meet the required provisions of the economic incentives.

Programs may rebate a flat amount or percentage of property taxes or sales taxes that are received by the City or the SEDC. They may result in fee reductions such as utility charges or building inspection fees. Some agreements may take the form of one-time incentive payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure, or other expenses. As of fiscal year 2024, the SEDC has granted the following incentive agreements:

The SEDC agreed to rebate the amount of SEDC sales tax paid by Merloaded, LLC relating to a restaurant in an amount not to exceed \$40,000, or for a period of up to ten years, whichever occurs first. During fiscal year 2024, the SEDC rebated \$6,309 in sales taxes paid by Merloaded, LLC.

The SEDC agreed to rebate the amount of SEDC sales tax paid by Mario's Pizza relating to a restaurant in an amount not to exceed \$74,813, for a period of up to ten years after Mario's Pizza completes relocation. During fiscal year 2024, the SEDC rebated \$4,615 in sales taxes paid by Mario's Pizza.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Property taxes	\$ 6,957,067	\$ 6,957,067	\$ 6,562,224	(394,843)	\$ 6,044,300
Sales taxes	2,585,725	2,585,725	2,311,313	(274,412)	2,544,164
Franchise fees	730,013	730,013	665,146	(64,867)	712,162
Licenses and permits	500,000	500,000	290,903	(209,097)	276,441
Fines and forfeitures	450,998	450,998	505,198	54,200	300,923
Charges for services	758,527	758,527	820,184	61,657	723,499
Intergovernmental	112,937	112,937	167,352	54,415	446,310
Investment revenue	329,377	329,377	510,484	181,107	391,610
Other revenue	272,100	272,100	342,552	70,452	290,753
Total revenues	<u>12,696,744</u>	<u>12,696,744</u>	<u>12,175,356</u>	<u>(521,388)</u>	<u>11,730,162</u>
Expenditures					
General government					
Legislative	324,412	318,063	318,063	-	382,173
Administrative	680,034	644,039	644,039	-	1,510,807
Information technology	537,825	534,999	534,999	-	521,845
Nondepartmental	535,692	456,768	456,768	-	877,606
Community development	756,445	788,114	788,114	-	689,788
Legal	229,400	120,745	120,745	-	-
Public affairs	236,411	211,986	211,986	-	-
Finance	731,166	697,852	697,852	-	-
Total general government	<u>4,031,385</u>	<u>3,772,566</u>	<u>3,772,566</u>	<u>-</u>	<u>3,982,219</u>
Public safety					
Public safety	6,848,994	6,834,927	6,774,906	60,021	6,609,632
Emergency management	112,978	101,946	101,946	-	131,197
Animal control	279,950	270,787	270,787	-	264,968
DOT-CVE	399,436	291,672	288,456	3,216	269,899
Municipal court	572,195	530,393	530,393	-	517,655
Hurricane Beryl	-	571,226	571,226	-	-
Total public safety	<u>8,213,553</u>	<u>8,600,951</u>	<u>8,537,714</u>	<u>63,237</u>	<u>7,793,351</u>
Public works					
Parks	1,158,302	1,068,103	1,068,103	-	949,822
Public works	1,345,568	1,307,188	1,307,188	-	1,252,610
	<u>2,503,870</u>	<u>2,375,291</u>	<u>2,375,291</u>	<u>-</u>	<u>2,202,432</u>
Total expenditures	<u>14,748,808</u>	<u>14,748,808</u>	<u>14,685,571</u>	<u>63,237</u>	<u>13,978,002</u>
Excess of revenues over expenditures	<u>(2,052,064)</u>	<u>(2,052,064)</u>	<u>(2,510,215)</u>	<u>(458,151)</u>	<u>(2,247,840)</u>

(Continued)

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Other financing sources (uses)					
Transfers in	2,383,642	2,383,642	2,394,742	11,100	5,543,541
Transfers (out)	<u>(331,578)</u>	<u>(331,578)</u>	<u>(331,578)</u>	<u>-</u>	<u>(292,000)</u>
Total other financing (uses)	<u>2,052,064</u>	<u>2,052,064</u>	<u>2,063,164</u>	<u>11,100</u>	<u>5,251,541</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(447,051)</u>	<u>\$ (447,051)</u>	<u>\$ 3,003,701</u>
Beginning fund balance			<u>8,075,510</u>		
Ending fund balance			<u>\$ 7,628,459</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. Reconciliation of general fund balance to fund financial statements:

Net effect of subfunds within the general	
fund without appropriated budgets	<u>942,703</u>
	<u>\$ 8,571,162</u>

CITY OF SEABROOK, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the year ended September 30, 2024

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 1,472,641	\$ 1,384,219	\$ 1,326,064	\$ 1,305,168	\$ 1,154,034	\$ 1,039,984	\$ 1,025,430	\$ 969,041	\$ 848,138	\$ 868,525
Interest (on the total pension liability)	3,097,577	2,943,902	2,753,205	2,629,179	2,495,569	2,378,239	2,286,065	2,164,619	2,088,380	2,004,153
Difference between expected and actual experience	(336,387)	53,414	735,786	(92,932)	181,638	136,392	(97,278)	475,863	189,720	(201,421)
Change of assumptions	(165,681)	-	-	-	121,784	-	-	-	570,417	-
Benefit payments, including refunds of employee contributions	(2,285,418)	(2,012,745)	(2,025,238)	(2,003,650)	(2,094,707)	(1,652,132)	(2,059,777)	(1,617,253)	(1,428,117)	(1,487,513)
Net change in total pension liability	1,782,732	2,368,790	2,789,817	1,837,765	1,858,318	1,902,483	1,154,440	1,992,270	2,268,538	1,183,744
Beginning total pension liability	46,296,414	43,927,624	41,137,807	39,300,042	37,441,724	35,539,241	34,384,801	32,392,531	30,123,993	28,940,249
Ending total pension liability	<u>\$ 48,079,146</u>	<u>\$ 46,296,414</u>	<u>\$ 43,927,624</u>	<u>\$ 41,137,807</u>	<u>\$ 39,300,042</u>	<u>\$ 37,441,724</u>	<u>\$ 35,539,241</u>	<u>\$ 34,384,801</u>	<u>\$ 32,392,531</u>	<u>\$ 30,123,993</u>
Plan fiduciary net position										
Contributions - employer	\$ 1,386,571	\$ 1,258,793	\$ 1,265,378	\$ 1,222,777	\$ 1,081,777	\$ 1,001,258	\$ 954,625	\$ 807,730	\$ 759,316	\$ 807,068
Contributions - employee	603,383	564,329	552,899	539,007	486,348	439,538	434,767	412,107	379,116	413,007
Net investment income	4,509,563	(3,082,742)	4,897,752	2,668,641	4,782,392	(962,606)	3,996,792	1,852,069	40,850	1,513,501
Benefit payments, including refunds of employee contributions	(2,285,418)	(2,012,745)	(2,025,238)	(2,003,650)	(2,094,707)	(1,652,132)	(2,059,777)	(1,617,253)	(1,428,117)	(1,487,513)
Administrative expense	(28,707)	(26,692)	(22,672)	(17,279)	(27,037)	(18,609)	(20,714)	(20,918)	(24,879)	(15,799)
Other	(201)	31,851	154	(675)	(812)	(972)	(1,050)	(1,127)	(1,229)	(1,299)
Net change in plan fiduciary net position	4,185,191	(3,267,206)	4,668,273	2,408,821	4,227,961	(1,193,523)	3,304,643	1,432,608	(274,943)	1,228,965
Beginning plan fiduciary net position	38,988,433	42,255,639	37,587,365	35,178,543	30,950,581	32,144,104	28,839,461	27,406,853	27,681,796	26,452,831
Ending plan fiduciary net position	<u>\$ 43,173,624</u>	<u>\$ 38,988,433</u>	<u>\$ 42,255,638</u>	<u>\$ 37,587,364</u>	<u>\$ 35,178,542</u>	<u>\$ 30,950,581</u>	<u>\$ 32,144,104</u>	<u>\$ 28,839,461</u>	<u>\$ 27,406,853</u>	<u>\$ 27,681,796</u>
Net Pension Liability	<u>\$ 4,905,522</u>	<u>\$ 7,307,981</u>	<u>\$ 1,671,986</u>	<u>\$ 3,550,443</u>	<u>\$ 4,121,500</u>	<u>\$ 6,491,143</u>	<u>\$ 3,395,137</u>	<u>\$ 5,545,340</u>	<u>\$ 4,985,678</u>	<u>\$ 2,442,197</u>
Plan fiduciary net position as a percentage of total pension liability	89.80%	84.21%	96.19%	91.37%	89.51%	82.66%	90.45%	83.87%	84.61%	91.89%
Covered Payroll	\$ 8,606,900	\$ 8,061,846	\$ 7,745,699	\$ 7,700,104	\$ 6,947,829	\$ 6,257,427	\$ 6,210,964	\$ 5,887,247	\$ 5,415,949	\$ 5,413,615
Net pension liability as a percentage of covered payroll	57.00%	90.65%	21.59%	46.11%	59.32%	103.74%	54.66%	94.19%	92.06%	45.11%

CITY OF SEABROOK, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the year ended September 30, 2024

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,419,877	\$ 1,369,531	\$ 1,247,906	\$ 1,243,032	\$ 1,244,320	\$ 1,046,439	\$ 976,004	\$ 920,301	\$ 789,851	\$ 766,607
Contributions in relation to the actuarially determined contribution	(1,419,877)	(1,369,531)	(1,247,906)	(1,243,032)	(1,244,320)	(1,046,439)	(976,004)	(920,301)	(789,851)	(766,607)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$8,606,900	\$8,561,183	\$7,929,016	\$7,734,305	\$7,875,897	\$6,670,465	\$6,178,270	\$6,167,712	\$5,719,105	\$5,414,848
Contributions as a percentage of covered payroll	16.50%	16.00%	15.74%	16.07%	15.80%	15.69%	15.80%	14.92%	13.81%	14.16%

Notes to Required Supplementary Information:

- Valuation Date: 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	22 years (longest amortization ladder)
Asset valuation method	10 year smoothed market; 12.00% 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: There were no benefit changes during the year.

CITY OF SEABROOK, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS
For the year ended September 30, 2024

	Measurement Year*						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability							
Service cost	\$ 11,189	\$ 21,767	\$ 19,364	\$ 15,400	\$ 10,422	\$ 10,638	\$ 9,316
Interest (on the total OPEB liability)	12,256	8,136	8,151	9,233	9,683	8,777	8,566
Difference between expected and actual experience	607	(3,128)	(1,652)	(6,221)	888	(1,835)	-
Change of assumptions	15,826	(153,487)	13,837	55,703	53,454	(19,676)	21,889
Benefit payments**	<u>(8,607)</u>	<u>(6,449)</u>	<u>(6,197)</u>	<u>(2,310)</u>	<u>(2,084)</u>	<u>(1,877)</u>	<u>(1,863)</u>
Net change in total OPEB liability	31,271	(133,161)	33,503	71,805	72,363	(3,973)	37,908
Beginning total OPEB liability	<u>301,333</u>	<u>434,494</u>	<u>400,991</u>	<u>329,186</u>	<u>256,823</u>	<u>260,796</u>	<u>222,888</u>
Ending total OPEB liability	<u>\$ 332,604</u>	<u>\$ 301,333</u>	<u>\$ 434,494</u>	<u>\$ 400,991</u>	<u>\$ 329,186</u>	<u>\$ 256,823</u>	<u>\$ 260,796</u>
Covered Payroll	\$ 8,606,900	\$ 8,061,846	\$ 7,745,699	\$ 7,700,104	\$ 6,947,829	\$ 6,257,427	\$ 6,210,964
Net OPEB liability as a percentage of covered payroll	3.86%	3.74%	5.61%	5.21%	4.74%	4.10%	4.20%

*Only seven years of information is currently available. The City will build this schedule over the next four-year period.

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

1. Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.
2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	3.77%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements GASB Statement No. 68.
Mortality rates - service retirees	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).
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% 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 floor.

COMBINING STATEMENTS AND SCHEDULES

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Property taxes	\$ 2,066,855	\$ 1,979,064	\$ 1,974,711	\$ (4,353)	\$ 2,040,850
Investment revenue	36,000	420,410	166,654	(253,756)	139,932
Total revenues	<u>2,102,855</u>	<u>2,399,474</u>	<u>2,141,365</u>	<u>(258,109)</u>	<u>2,180,782</u>
Expenditures					
Debt service					
Principal	1,608,217	1,608,217	1,608,217	-	1,566,749
Interest and fiscal charges	441,638	694,263	686,946	7,317	484,923
Total expenditures	<u>2,049,855</u>	<u>2,302,480</u>	<u>2,295,163</u>	<u>7,317</u>	<u>2,051,672</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>53,000</u>	<u>96,994</u>	<u>(153,798)</u>	<u>(250,792)</u>	<u>129,110</u>
Other financing sources (uses)					
Premium on bonds	-	-	253,756	253,756	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>253,756</u>	<u>253,756</u>	<u>-</u>
Net change in fund balance	<u>\$ 53,000</u>	<u>\$ 96,994</u>	<u>99,958</u>	<u>\$ 2,964</u>	<u>\$ 129,110</u>
Beginning fund balance			<u>2,120,763</u>		
Ending fund balance			<u>\$ 2,220,721</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
For the year September 30, 2024

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects.

Hotel/Motel Occupancy Tax Fund

This fund is used to account for revenues generated from a hotel and motel occupancy tax and expenditures for improvements that serve the purpose of attracting visitors and tourists.

Municipal Court Programs Fund

This fund is used to account for municipal court revenue from court fines and fees that are legally restricted to be used for child safety, court security, judicial efficiency, and court technology programs.

Park Improvement Fees Fund

This fund is used to account for the collection of fees to be used for park improvement activities.

Crime Control and Prevention District Fund

This fund is used to account for revenues derived from a special sales tax collected and restricted to maintain and expand police department programs that will deliver a higher quality of service to Seabrook citizens while aiding in the prevention and control of crime.

Public Safety Programs Fund

This fund is used to account for expenditures for various public safety projects funded primarily through grants and contributions.

Cable PEG Fees Fund

This fund is used to account for cable fees collected to provide public, educational, and governmental (PEG) programming to its citizens.

Animal Control Fund

This fund is used to account for the operations of the City's animal control department and for the purchase and repair of equipment and facilities used in animal control.

CITY OF SEABROOK, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Hotel and Motel Occupancy Tax	Municipal Court Programs	Park Improvement Fees	Crime Control and Prevention District	Public Safety Programs	Cable PEG Fees	Animal Control	
ASSETS								
Cash and cash equivalents	\$ 1,762,757	\$ 136,903	\$ 273,135	\$ 1,315,539	\$ 372,996	\$ 77,072	\$ 16,030	\$ 3,954,432
Receivables, net	201,926	-	-	177,819	8,952	6,187	-	394,884
Prepaid items	-	300	-	-	-	-	-	300
Total assets	<u>\$ 1,964,683</u>	<u>\$ 137,203</u>	<u>\$ 273,135</u>	<u>\$ 1,493,358</u>	<u>\$ 381,948</u>	<u>\$ 83,259</u>	<u>\$ 16,030</u>	<u>\$ 4,349,616</u>
LIABILITIES								
Accounts payable and accrued liabilities	\$ 12,370	\$ -	\$ -	\$ 18,998	\$ 1,600	\$ -	\$ -	\$ 32,968
Deposits payable	-	-	300	-	-	-	-	300
Unearned revenue	2,500	-	1,911	-	-	-	-	4,411
Total liabilities	<u>14,870</u>	<u>-</u>	<u>2,211</u>	<u>18,998</u>	<u>1,600</u>	<u>-</u>	<u>-</u>	<u>37,679</u>
FUND BALANCES								
Nonspendable								
Prepaid items	-	300	-	-	-	-	-	300
Restricted for								
Public safety	-	136,903	-	1,474,360	380,348	-	-	1,991,611
Parks	-	-	270,924	-	-	-	-	270,924
Tourism	1,949,813	-	-	-	-	-	-	1,949,813
Governmental programming	-	-	-	-	-	83,259	-	83,259
Assigned	-	-	-	-	-	-	16,030	16,030
Total fund balances	<u>1,949,813</u>	<u>137,203</u>	<u>270,924</u>	<u>1,474,360</u>	<u>380,348</u>	<u>83,259</u>	<u>16,030</u>	<u>4,311,937</u>
Total liabilities and fund balances	<u>\$ 1,964,683</u>	<u>\$ 137,203</u>	<u>\$ 273,135</u>	<u>\$ 1,493,358</u>	<u>\$ 381,948</u>	<u>\$ 83,259</u>	<u>\$ 16,030</u>	<u>\$ 4,349,616</u>

CITY OF SEABROOK, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Hotel and Motel Occupancy Tax	Municipal Court Programs	Park Improvement Fees	Crime Control and Prevention District	Public Safety Programs	Cable PEG Fees	Animal Control	
Revenues								
Sales and use taxes	\$ -	\$ -	\$ -	\$ 1,037,383	\$ -	\$ -	\$ -	\$ 1,037,383
Franchise fees	-	-	-	-	-	27,723	-	27,723
Hotel occupancy tax	638,404	-	-	-	-	-	-	638,404
Fines and forfeitures	-	43,114	-	-	28,771	-	-	71,885
Charges for services	-	-	19,618	-	-	-	-	19,618
Intergovernmental	-	-	-	-	5,524	-	-	5,524
Investment revenue	82,870	2,098	13,660	67,218	15,977	4,640	434	186,897
Other revenue	8,886	-	-	2,477	113,250	-	-	124,613
Total revenues	730,160	45,212	33,278	1,107,078	163,522	32,363	434	2,112,047
Expenditures								
Current								
General government	-	-	-	-	-	124,243	-	124,243
Public safety	-	25,472	-	755,951	116,111	-	3,675	901,209
Economic development	404,560	-	14,492	-	-	-	-	419,052
Capital outlay	-	-	5,518	346,387	72,521	-	-	424,426
Debt service								
Principal	-	-	-	138,557	-	-	-	138,557
Interest and fiscal agent fees	-	-	-	1,443	-	-	-	1,443
Total expenditures	404,560	25,472	20,010	1,242,338	188,632	124,243	3,675	2,008,930
Excess (deficiency) of revenues over (under) expenditures	325,600	19,740	13,268	(135,260)	(25,110)	(91,880)	(3,241)	103,117
Other financing sources (uses)								
Lease proceeds	-	-	-	346,387	-	-	-	346,387
Transfers (out)	-	-	-	(272,344)	-	-	-	(272,344)
Total other financing sources (uses)	-	-	-	74,043	-	-	-	74,043
Net change in fund balance	325,600	19,740	13,268	(61,217)	(25,110)	(91,880)	(3,241)	177,160
Beginning fund balance	1,624,213	117,463	257,656	1,535,577	405,458	175,139	19,271	4,134,777
Ending fund balance	\$ 1,949,813	\$ 137,203	\$ 270,924	\$ 1,474,360	\$ 380,348	\$ 83,259	\$ 16,030	\$ 4,311,937

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL HOTEL AND MOTEL OCCUPANCY TAX FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Hotel and motel occupancy tax	\$ 502,396	\$ 502,396	\$ 638,404	\$ 136,008	\$ 499,732
Investment revenue	27,107	27,107	82,870	55,763	60,342
Other revenue	8,175	8,175	8,886	711	66,919
Total revenues	<u>537,678</u>	<u>537,678</u>	<u>730,160</u>	<u>192,482</u>	<u>626,993</u>
Expenditures					
Current					
Economic development	<u>508,084</u>	<u>508,084</u>	<u>404,560</u>	<u>103,524</u>	<u>458,115</u>
Total expenditures	<u>508,084</u>	<u>508,084</u>	<u>404,560</u>	<u>103,524</u>	<u>458,115</u>
Net change in fund balance	<u>\$ 29,594</u>	<u>\$ 29,594</u>	325,600	<u>\$ 296,006</u>	<u>\$ 168,878</u>
Beginning fund balance			<u>1,624,213</u>		
Ending fund balance			<u>\$ 1,949,813</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL MUNICIPAL COURT PROGRAMS FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Fines and forfeitures	\$ 32,347	\$ 32,347	\$ 43,114	\$ 10,767	\$ 24,489
Investment revenue	853	853	2,098	1,245	1,776
Total revenues	<u>33,200</u>	<u>33,200</u>	<u>45,212</u>	<u>12,012</u>	<u>26,265</u>
Expenditures					
Current					
Public safety	<u>27,438</u>	<u>38,225</u>	<u>25,472</u>	<u>12,753</u>	<u>11,500</u>
Total expenditures	<u>27,438</u>	<u>38,225</u>	<u>25,472</u>	<u>12,753</u>	<u>11,500</u>
Net change in fund balance	<u>\$ 5,762</u>	<u>\$ (5,025)</u>	19,740	<u>\$ 24,765</u>	<u>\$ 14,765</u>
Beginning fund balance			<u>117,463</u>		
Ending fund balance			<u>\$ 137,203</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARK IMPROVEMENT FEES FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Charges for services	\$ 10,313	\$ 10,313	\$ 19,618	\$ 9,305	\$ 20,271
Investment revenue	703	703	13,660	12,957	14,310
Total revenues	<u>11,016</u>	<u>11,016</u>	<u>33,278</u>	<u>22,262</u>	<u>34,581</u>
Expenditures					
Current					
Economic development	-	14,492	14,492	-	12,960
Capital outlay	<u>246,144</u>	<u>246,144</u>	<u>5,518</u>	<u>240,626</u>	<u>134,942</u>
Total expenditures	<u>246,144</u>	<u>260,636</u>	<u>20,010</u>	<u>240,626</u>	<u>147,902</u>
Net change in fund balance	<u>\$ (235,128)</u>	<u>\$ (249,620)</u>	13,268	<u>\$ 262,888</u>	<u>\$ (113,321)</u>
Beginning fund balance			<u>257,656</u>		
Ending fund balance			<u>\$ 270,924</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CRIME CONTROL AND PREVENTION DISTRICT FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Sales taxes	\$ 1,136,199	\$ 1,136,199	\$ 1,037,383	\$ (98,816)	\$ 1,149,807
Investment revenue	25,537	25,537	67,218	41,681	45,186
Other revenue	-	-	2,477	2,477	3,688
Total revenues	<u>1,161,736</u>	<u>1,161,736</u>	<u>1,107,078</u>	<u>(54,658)</u>	<u>1,198,681</u>
Expenditures					
Current					
Public safety	827,730	825,704	755,951	69,753	748,580
Capital outlay	-	-	346,387	(346,387)	-
Debt service	-	-	-	-	-
Principal	-	138,557	138,557	-	-
Interest and fiscal agent fees	-	1,443	1,443	-	-
Total expenditures	<u>827,730</u>	<u>965,704</u>	<u>1,242,338</u>	<u>(276,634) *</u>	<u>748,580</u>
Excess of revenues over expenditures	<u>334,006</u>	<u>196,032</u>	<u>(135,260)</u>	<u>(331,292)</u>	<u>450,101</u>
Other financing sources (uses)					
Lease proceeds	-	-	346,387	346,387	-
Transfers (out)	<u>(272,344)</u>	<u>(272,344)</u>	<u>(272,344)</u>	<u>-</u>	<u>(193,671)</u>
Total other financing (uses)	<u>(272,344)</u>	<u>(272,344)</u>	<u>74,043</u>	<u>346,387</u>	<u>(193,671)</u>
Net change in fund balance	<u>\$ 61,662</u>	<u>\$ (76,312)</u>	<u>(61,217)</u>	<u>\$ 15,095</u>	<u>\$ 256,430</u>
Beginning fund balance			<u>1,535,577</u>		
Ending fund balance			<u>\$ 1,474,360</u>		

Notes to Required Supplementary Information:

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

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC SAFETY PROGRAMS FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Fines and forfeitures	\$ 26,287	\$ 26,287	\$ 28,771	\$ 2,484	\$ 25,326
Intergovernmental	2,400	2,400	5,524	3,124	2,212
Investment revenue	8,395	8,395	15,977	7,582	15,944
Other revenue	<u>111,679</u>	<u>111,679</u>	<u>113,250</u>	<u>1,571</u>	<u>111,189</u>
Total revenues	<u>148,761</u>	<u>148,761</u>	<u>163,522</u>	<u>14,761</u>	<u>154,671</u>
Expenditures					
Current					
Public safety	121,112	121,225	116,111	5,114	86,148
Capital outlay	<u>134,349</u>	<u>196,598</u>	<u>72,521</u>	<u>124,077</u>	<u>76,110</u>
Total expenditures	<u>255,461</u>	<u>317,823</u>	<u>188,632</u>	<u>129,191</u>	<u>162,258</u>
Net change in fund balance	<u>\$ (106,700)</u>	<u>\$ (169,062)</u>	(25,110)	<u>\$ 143,952</u>	<u>\$ (7,587)</u>
Beginning fund balance			<u>405,458</u>		
Ending fund balance			<u>\$ 380,348</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CABLE PEG FEES FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Franchise fees	\$ 33,781	\$ 33,781	\$ 27,723	\$ (6,058)	\$ 31,170
Investment revenue	<u>6,220</u>	<u>6,220</u>	<u>4,640</u>	<u>(1,580)</u>	<u>6,871</u>
Total revenues	<u>40,001</u>	<u>40,001</u>	<u>32,363</u>	<u>(7,638)</u>	<u>38,041</u>
Expenditures					
Current					
General government	<u>46,000</u>	<u>138,386</u>	<u>124,243</u>	<u>14,143</u>	<u>29,731</u>
Total expenditures	<u>46,000</u>	<u>138,386</u>	<u>124,243</u>	<u>14,143</u>	<u>29,731</u>
Net change in fund balance	<u>\$ (5,999)</u>	<u>\$ (98,385)</u>	<u>(91,880)</u>	<u>\$ 6,505</u>	<u>\$ 8,310</u>
Beginning fund balance			<u>175,139</u>		
Ending fund balance			<u>\$ 83,259</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ANIMAL CONTROL FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Interest	\$ 30	\$ 30	\$ 434	\$ 404	\$ 176
Other revenue	3,434	3,434	-	(3,434)	-
Total revenues	<u>3,464</u>	<u>3,464</u>	<u>434</u>	<u>(3,030)</u>	<u>176</u>
Expenditures					
Current					
Public safety	7,650	7,650	3,675	3,975	-
Total expenditures	<u>7,650</u>	<u>7,650</u>	<u>3,675</u>	<u>3,975</u>	<u>-</u>
Net change in fund balance	<u>\$ (4,186)</u>	<u>\$ (4,186)</u>	(3,241)	<u>\$ 945</u>	<u>\$ 176</u>
Beginning fund balance			<u>19,271</u>		
Ending fund balance			<u>\$ 16,030</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

STATISTICAL SECTION

CITY OF SEABROOK, TEXAS
STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the government's overall financial health.

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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

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These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.

DEBT CAPACITY.....	87
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These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION.....	91
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

OPERATING INFORMATION.....	93
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports from the relevant year.

CITY OF SEABROOK, TEXAS
NET POSITION BY COMPONENT
Last Ten Years
(Accrual Basis of Accounting)

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities										
Net investment in capital assets	\$ 33,779,784	\$ 31,557,834	\$ 34,022,511	\$ 30,820,312	\$ 28,175,351	\$ 27,201,835	\$ 26,318,825	\$ 25,265,858	\$ 23,619,809	\$ 22,278,266
Restricted	6,551,176	6,235,065	5,738,814	5,539,625	4,876,957	4,672,760	4,757,197	4,694,544	5,170,228	4,861,342
Unrestricted	<u>7,797,789</u>	<u>8,949,993</u>	<u>5,686,952</u>	<u>6,756,244</u>	<u>7,127,429</u>	<u>7,053,199</u>	<u>6,521,332</u>	<u>5,949,341</u>	<u>5,987,299</u>	<u>4,193,837</u>
Total governmental activities net position	<u>\$ 48,128,749</u>	<u>\$ 46,742,892</u>	<u>\$ 45,448,277</u>	<u>\$ 43,116,181</u>	<u>\$ 40,179,737</u>	<u>\$ 38,927,794</u>	<u>\$ 37,597,354</u>	<u>\$ 35,909,743</u>	<u>\$ 34,777,336</u>	<u>\$ 31,333,445</u>
Business-type activities										
Net investment in capital assets	\$ 49,894,164	\$ 41,427,075	\$ 22,199,475	\$ 8,050,272	\$ 6,958,646	\$ 8,283,669	\$ 8,812,420	\$ 4,673,874	\$ 10,976,731	\$ 10,898,317
Restricted	4,972,406	4,881,538	4,433,873	4,433,874	4,300,283	3,145,604	2,674,389	2,683,443	2,522,751	2,495,389
Unrestricted	<u>7,092,115</u>	<u>7,538,928</u>	<u>7,137,940</u>	<u>9,294,829</u>	<u>9,687,504</u>	<u>6,717,220</u>	<u>5,914,543</u>	<u>8,759,092</u>	<u>1,783,998</u>	<u>1,449,615</u>
Total business-type activities net position	<u>\$ 61,958,685</u>	<u>\$ 53,847,541</u>	<u>\$ 33,771,288</u>	<u>\$ 21,778,975</u>	<u>\$ 20,946,433</u>	<u>\$ 18,146,493</u>	<u>\$ 17,401,352</u>	<u>\$ 16,116,409</u>	<u>\$ 15,283,480</u>	<u>\$ 14,843,321</u>
Primary government										
Net investment in capital assets	\$ 83,673,948	\$ 72,984,909	\$ 56,221,986	\$ 38,870,584	\$ 35,133,997	\$ 35,485,504	\$ 35,131,245	\$ 29,939,732	\$ 34,596,540	\$ 33,176,583
Restricted	11,523,582	11,116,603	10,172,687	9,973,499	9,177,240	7,818,364	7,431,586	7,377,987	7,692,979	7,356,731
Unrestricted	<u>14,889,904</u>	<u>16,488,921</u>	<u>12,824,892</u>	<u>16,051,073</u>	<u>16,814,933</u>	<u>13,770,419</u>	<u>12,435,875</u>	<u>14,708,433</u>	<u>7,771,297</u>	<u>5,643,452</u>
Total primary government net position	<u>\$ 110,087,434</u>	<u>\$ 100,590,433</u>	<u>\$ 79,219,565</u>	<u>\$ 64,895,156</u>	<u>\$ 61,126,170</u>	<u>\$ 57,074,287</u>	<u>\$ 54,998,706</u>	<u>\$ 52,026,152</u>	<u>\$ 50,060,816</u>	<u>\$ 46,176,766</u>

CITY OF SEABROOK, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses										
Governmental activities										
General government	\$ 4,168,822	\$ 4,517,144	\$ 4,092,940	\$ 3,796,799	\$ 3,680,753	\$ 3,890,689	\$ 3,900,540	\$ 3,338,192	\$ 3,454,477	\$ 3,848,282
Public safety	10,038,953	9,122,987	8,060,818	8,103,724	8,837,709	7,124,146	6,629,558	6,668,690	6,104,299	4,786,353
Public works	2,752,134	2,794,535	2,699,573	1,992,198	2,380,054	2,509,691	2,438,285	2,283,662	2,209,046	1,899,510
Economic development	417,428	476,929	543,142	294,254	524,516	689,091	812,566	778,571	617,333	348,324
Other intergovernmental charges	905,071	482,521	508,528	553,692	561,811	543,882	592,887	681,853	762,518	838,721
Total governmental activities expenses	<u>18,282,408</u>	<u>17,394,116</u>	<u>15,905,001</u>	<u>14,740,667</u>	<u>15,984,843</u>	<u>14,757,499</u>	<u>14,373,836</u>	<u>13,750,968</u>	<u>13,147,673</u>	<u>11,721,190</u>
Business-type activities										
Utilities	<u>10,579,885</u>	<u>9,270,928</u>	<u>8,034,750</u>	<u>8,004,669</u>	<u>6,754,222</u>	<u>6,076,489</u>	<u>6,035,659</u>	<u>5,901,487</u>	<u>5,279,016</u>	<u>4,832,090</u>
Total business-type activities expenses	<u>10,579,885</u>	<u>9,270,928</u>	<u>8,034,750</u>	<u>8,004,669</u>	<u>6,754,222</u>	<u>6,076,489</u>	<u>6,035,659</u>	<u>5,901,487</u>	<u>5,279,016</u>	<u>4,832,090</u>
Total primary government expenses	<u>\$ 28,862,293</u>	<u>\$ 26,665,044</u>	<u>\$ 23,939,751</u>	<u>\$ 22,745,336</u>	<u>\$ 22,739,065</u>	<u>\$ 20,833,988</u>	<u>\$ 20,409,495</u>	<u>\$ 19,652,455</u>	<u>\$ 18,426,689</u>	<u>\$ 16,553,280</u>
Program revenues										
Governmental activities										
Charges for services	\$ 1,740,033	\$ 1,326,293	\$ 1,948,404	\$ 1,504,924	\$ 1,665,033	\$ 973,666	\$ 1,035,570	\$ 1,143,174	\$ 876,229	\$ 902,015
Operating grants and contributions	172,876	863,698	405,973	462,317	1,187,359	432,945	487,907	282,408	334,239	238,472
Capital grants and contributions	<u>2,600,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,408</u>	<u>2,453</u>	<u>294,298</u>	<u>260,223</u>	<u>478,432</u>	<u>232,198</u>
Total governmental activities program revenues	<u>4,513,378</u>	<u>2,189,991</u>	<u>2,354,377</u>	<u>1,967,241</u>	<u>2,854,800</u>	<u>1,409,064</u>	<u>1,817,775</u>	<u>1,685,805</u>	<u>1,688,900</u>	<u>1,372,685</u>

(Continued)

CITY OF SEABROOK, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type activities										
Charges for services	\$ 11,918,031	\$ 11,927,424	\$ 10,703,944	\$ 9,514,435	\$ 8,370,924	\$ 7,905,427	\$ 8,000,219	\$ 7,644,570	\$ 6,817,957	\$ 6,379,326
Capital grants and contributions	5,579,994	18,410,179	11,035,992	993,752	2,600,228	303,446	427,662	236,655	73,878	141,601
Total business-type activities revenues	17,498,025	30,337,603	21,739,936	10,508,187	10,971,152	8,208,873	8,427,881	7,881,225	6,891,835	6,520,927
Total primary government program revenues	\$ 22,011,403	\$ 32,527,594	\$ 24,094,313	\$ 12,475,428	\$ 13,825,952	\$ 9,617,937	\$ 10,245,656	\$ 9,567,030	\$ 8,580,735	\$ 7,893,612
Net (expense)/revenue										
Governmental activities	\$ (13,769,030)	\$ (15,204,125)	\$ (13,550,624)	\$ (12,773,426)	\$ (13,130,043)	\$ (13,348,435)	\$ (12,556,061)	\$ (12,065,163)	\$ (11,458,773)	\$ (10,348,505)
Business-type activities	6,918,140	21,066,675	13,705,186	2,503,518	4,216,930	2,132,384	2,392,222	1,979,738	1,612,819	1,688,837
Total primary government net (expense) revenue	\$ (6,850,890)	\$ 5,862,550	\$ 154,562	\$ (10,269,908)	\$ (8,913,113)	\$ (11,216,051)	\$ (10,163,839)	\$ (10,085,425)	\$ (9,845,954)	\$ (8,659,668)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 8,557,112	\$ 8,125,813	\$ 8,064,350	\$ 8,145,649	\$ 7,612,682	\$ 7,027,755	\$ 6,975,344	\$ 6,441,270	\$ 6,452,911	\$ 6,004,934
Sales and use taxes	3,348,696	3,693,971	3,510,399	3,396,295	2,994,232	2,776,366	2,946,279	3,037,188	2,901,318	2,768,645
Franchise fees and local taxes	1,331,273	1,243,064	1,197,595	1,254,909	1,113,688	1,329,757	1,426,481	1,229,769	1,264,528	1,294,765
Investment revenue	1,660,015	1,069,225	171,800	9,411	149,979	334,911	229,697	117,990	60,941	8,544
Other revenues	467,165	547,548	638,174	792,443	632,640	1,036,348	1,064,992	608,779	2,210,157	814,897
Special item	14,767	42,800	62,327	-	-	-	-	-	525,000	-
Transfers	(224,141)	1,776,319	2,238,075	2,062,935	2,084,076	2,173,738	1,822,415	1,762,574	1,487,809	1,688,330
Total governmental activities	15,154,887	16,498,740	15,882,720	15,661,642	14,587,297	14,678,875	14,465,208	13,197,570	14,902,664	12,580,115
Business-type activities										
Franchise fees	419,903	422,135	378,111	345,335	344,369	298,573	299,010	292,975	-	-
Investment revenue	527,453	336,432	69,138	8,432	107,906	263,537	203,399	94,532	18,721	2,442
Other revenues	21,507	27,330	7,795	38,195	214,811	224,385	212,727	228,258	296,428	290,465
Transfers	224,141	(1,776,319)	(2,238,075)	(2,062,935)	(2,084,076)	(2,173,738)	(1,822,415)	(1,762,574)	(1,487,809)	(1,688,330)
Total business-type activities	1,193,004	(990,422)	(1,783,031)	(1,670,973)	(1,416,990)	(1,387,243)	(1,107,279)	(1,146,809)	(1,172,660)	(1,395,423)
Total primary government	\$ 16,347,891	\$ 15,508,318	\$ 14,099,689	\$ 13,990,669	\$ 13,170,307	\$ 13,291,632	\$ 13,357,929	\$ 12,050,761	\$ 13,730,004	\$ 11,184,692
Changes in net position										
Governmental activities	\$ 1,385,857	\$ 1,294,615	\$ 2,332,096	\$ 2,888,216	\$ 1,457,254	\$ 1,330,440	\$ 1,909,147	\$ 1,132,407	\$ 3,443,891	\$ 2,231,610
Business-type activities	8,111,144	20,076,253	11,992,313	832,542	2,799,940	745,141	1,284,943	539,954	440,159	293,414
Total primary government	\$ 9,497,001	\$ 21,370,868	\$ 14,324,409	\$ 3,720,758	\$ 4,257,194	\$ 2,075,581	\$ 3,194,090	\$ 1,672,361	\$ 3,884,050	\$ 2,525,024

CITY OF SEABROOK, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES
Last Ten Years
(Accrual Basis of Accounting)

Function	Change 2023-2024	Fiscal Year									
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Property	0.8%	\$ 8,557,112	\$ 8,125,813	\$ 8,064,350	\$ 8,145,649	\$ 7,612,682	\$ 7,027,755	\$ 6,975,344	\$ 6,441,270	\$ 6,452,911	\$ 6,004,934
Sales and use	5.2%	3,348,696	3,693,971	3,510,399	3,396,295	2,994,232	2,776,366	2,946,279	3,037,188	2,901,318	2,768,645
Franchise fees and local taxes	3.8%	1,331,273	1,243,064	1,197,595	1,254,909	1,113,688	1,329,757	1,426,481	1,229,769	1,264,528	1,294,765
Totals	2.3%	<u>\$ 13,237,081</u>	<u>\$ 13,062,848</u>	<u>\$ 12,772,344</u>	<u>\$ 12,796,853</u>	<u>\$ 11,720,602</u>	<u>\$ 11,133,878</u>	<u>\$ 11,348,104</u>	<u>\$ 10,708,227</u>	<u>\$ 10,618,757</u>	<u>\$ 10,068,344</u>

CITY OF SEABROOK, TEXAS
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General fund										
Nonspendable	\$ 52,564	\$ 77,856	\$ 48,545	\$ 55,889	\$ 52,707	\$ 67,459	\$ 86,334	\$ 38,780	\$ 84,443	\$ 142,883
Committed	2,495,366	2,495,366	2,455,709	2,449,729	2,449,307	2,441,637	822,402	2,409,881	2,404,292	801,976
Assigned	-	-	-	-	-	-	-	21,000	21,000	21,000
Unassigned	<u>6,023,232</u>	<u>6,397,654</u>	<u>3,423,264</u>	<u>5,072,555</u>	<u>6,564,500</u>	<u>6,925,563</u>	<u>8,025,330</u>	<u>5,830,055</u>	<u>5,052,164</u>	<u>5,149,807</u>
Total governal fund	<u>\$ 8,571,162</u>	<u>\$ 8,970,876</u>	<u>\$ 5,927,518</u>	<u>\$ 7,578,173</u>	<u>\$ 9,066,514</u>	<u>\$ 9,434,659</u>	<u>\$ 8,934,066</u>	<u>\$ 8,299,716</u>	<u>\$ 7,561,899</u>	<u>\$ 6,115,666</u>
All other governmental funds										
Nonspendable	\$ 300	\$ 1,204	\$ 40,870	\$ 44,257	\$ -	\$ 62,762	\$ 103,953	\$ 34,630	\$ 31,896	\$ 23,333
Restricted	23,852,875	8,452,418	12,028,292	11,061,868	7,982,410	5,023,848	4,757,197	4,868,848	11,536,398	12,484,357
Assigned	<u>1,051,552</u>	<u>1,445,553</u>	<u>1,445,377</u>	<u>1,442,093</u>	<u>1,441,141</u>	<u>522,655</u>	<u>522,655</u>	-	-	-
Total all other governmental funds	<u>\$ 24,904,727</u>	<u>\$ 9,899,175</u>	<u>\$ 13,514,539</u>	<u>\$ 12,548,218</u>	<u>\$ 9,423,551</u>	<u>\$ 5,609,265</u>	<u>\$ 5,383,805</u>	<u>\$ 4,903,478</u>	<u>\$ 11,568,294</u>	<u>\$ 12,507,690</u>

CITY OF SEABROOK, TEXAS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes and fees	\$ 13,216,904	\$ 13,022,185	\$ 12,793,272	\$ 12,539,258	\$ 11,709,039	\$ 11,095,136	\$ 11,349,124	\$ 10,759,116	\$ 10,567,809	\$ 10,077,143
Licenses and fees	290,903	276,441	770,103	318,576	368,305	291,126	392,499	346,990	162,395	234,429
Fines and forfeitures	577,083	350,738	415,051	401,555	627,683	556,447	514,887	615,090	596,813	526,530
Charges for services	839,802	743,770	763,250	784,793	669,045	126,093	128,184	181,094	117,021	141,056
Intergovernmental	2,773,345	863,698	405,973	462,317	1,184,743	435,398	490,391	362,416	764,278	470,670
Investment revenue	1,551,143	992,834	160,117	8,717	138,414	357,272	221,271	114,471	60,941	8,544
Other revenues	467,165	547,548	416,865	557,226	632,640	598,998	1,058,957	608,779	2,210,157	814,897
Total revenues	19,716,345	16,797,214	15,724,631	15,072,442	15,329,869	13,460,470	14,155,313	12,987,956	14,479,414	12,273,269
Expenditures										
General government	3,896,809	4,011,950	3,630,593	3,479,615	3,709,753	3,422,795	3,495,141	3,075,333	3,060,008	3,680,496
Public safety	9,608,605	8,639,579	8,035,131	7,852,225	8,394,178	6,391,905	6,099,004	5,744,384	5,526,619	4,550,492
Public works	2,375,291	2,202,432	1,942,671	1,845,927	1,900,645	2,060,579	2,175,847	1,993,389	2,334,366	1,805,990
Economic development	419,052	471,075	549,179	298,109	520,730	681,919	809,430	691,646	613,263	349,247
Capital outlay	3,403,128	1,283,160	2,265,947	81,116	442,360	219,453	193,970	6,351,653	2,211,265	1,361,769
Debt service:			1,526,749							
Principal	1,746,774	1,566,749	514,056	1,491,749	1,440,000	1,410,000	1,345,000	1,265,000	1,215,000	935,000
Interest and fiscal agent fees	688,389	484,923	-	563,089	506,334	525,677	583,780	619,594	768,742	699,810
Bond issuance costs	237,980	-	-	-	52,737	-	-	59,046	-	126,244
Refunding contribution	-	-	-	-	-	-	-	105,881	-	-
Total expenditures	22,376,028	18,659,868	18,464,326	15,611,830	16,966,737	14,712,328	14,702,172	19,905,926	15,729,263	13,509,048
Excess (deficiency) of revenues over (under) expenditures	(2,659,683)	(1,862,654)	(2,739,695)	(539,388)	(1,636,868)	(1,251,858)	(546,859)	(6,917,970)	(1,249,849)	(1,235,779)
Other financing sources (uses)										
Transfers in	2,726,320	5,543,541	5,083,888	4,576,674	3,045,973	2,040,825	2,352,098	1,854,983	2,549,695	1,736,381
Transfer out	(603,922)	(4,252,893)	(3,028,527)	(2,636,177)	(1,117,597)	(559,492)	(690,562)	(924,746)	(793,009)	(48,051)
Refunding bonds issued	-	-	-	-	-	-	-	5,365,000	-	-
Proceeds from debt	14,211,387	-	-	-	2,669,904	-	-	-	-	8,380,000
Premium on bonds issued	931,736	-	-	-	484,729	-	-	-	-	305,494
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	(5,304,266)	-	-
Insurance proceeds	-	-	-	235,217	-	-	-	-	-	-
Total other financing sources (uses)	17,265,521	1,290,648	2,055,361	2,175,714	5,083,009	1,481,333	1,661,536	990,971	1,756,686	10,373,824
Net change in fund balances	\$ 14,605,838	\$ (572,006)	\$ (684,334)	\$ 1,636,326	\$ 3,446,141	\$ 229,475	\$ 1,114,677	\$ (5,926,999)	\$ 506,837	\$ 9,138,045
Debt service as a percentage of noncapital expenditures	12.49%	12.30%	12.62%	13.34%	12.67%	14.23%	14.05%	14.67%	15.53%	14.13%

CITY OF SEABROOK, TEXAS
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Real property	\$ 2,073,262,438	\$ 1,931,682,141	\$ 1,745,644,123	\$ 1,649,341,446	\$ 1,555,906,561	\$ 1,420,712,298	\$ 1,363,048,039	\$ 1,263,608,355	\$ 1,149,250,879	\$ 1,050,841,139
Personal property	195,594,679	160,676,614	149,950,968	150,017,016	142,704,467	134,321,104	120,684,600	104,585,004	101,798,001	83,736,870
Less: Tax exempt property	<u>(396,305,206)</u>	<u>(360,190,868)</u>	<u>(322,822,093)</u>	<u>(306,343,957)</u>	<u>(289,422,871)</u>	<u>(268,916,146)</u>	<u>(251,105,865)</u>	<u>(226,833,984)</u>	<u>(206,733,522)</u>	<u>(183,332,730)</u>
Total Taxable Assessed Value ⁽¹⁾	<u>\$ 1,872,551,911</u>	<u>\$ 1,732,167,887</u>	<u>\$ 1,572,772,998</u>	<u>\$ 1,493,014,505</u>	<u>\$ 1,409,188,157</u>	<u>\$ 1,286,117,256</u>	<u>\$ 1,232,626,774</u>	<u>\$ 1,141,359,375</u>	<u>\$ 1,044,315,358</u>	<u>\$ 951,245,279</u>
Total Direct Tax Rate	\$ 0.457755	\$ 0.476526	\$ 0.524444	\$ 0.543613	\$ 0.551983	\$ 0.551983	\$ 0.574911	\$ 0.565177	\$ 0.612611	\$ 0.640030

Source: Harris County Certified Tax Rolls and Corrections

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.
 Tax rates are per \$100 of assessed value.

Note: In 2002, the City approved creation of the Harris County Municipal Utility District (HC MUD 373) and agreed to pay HC MUD 373 12 percent of the taxes collected by the City on land and improvements for entities within the HC MUD 373 jurisdiction for a term of seven and a half years, so long as the HC MUD 373 has any bonded indebtedness. Total direct rates exclude the HC MUD 373 tax of \$0.355 because it only affects 298 tax accounts within the City.

CITY OF SEABROOK, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City by fund:										
General	0.35219	0.35657	0.39011	0.39985	0.40314	0.40314	0.41941	0.39457	0.42346	0.45951
Debt service	0.10557	0.11995	0.13434	0.14376	0.14884	0.14884	0.15551	0.17060	0.18916	0.18052
Total direct rates	<u>0.45776</u>	<u>0.47652</u>	<u>0.52445</u>	<u>0.54361</u>	<u>0.55198</u>	<u>0.55198</u>	<u>0.57492</u>	<u>0.56517</u>	<u>0.61262</u>	<u>0.64003</u>
Clear Creek Independent School District	0.97460	1.11460	1.17970	1.26590	1.31000	1.40000	1.40000	1.40000	1.40000	1.40000
Harris County	0.35007	0.34373	0.37693	0.39116	0.40713	0.41858	0.41801	0.41656	0.41656	0.41731
Harris County Flood Control District	0.03105	0.03055	0.03349	0.03142	0.02792	0.02877	0.28310	0.02829	0.02829	0.02736
Port of Houston Authority	0.00574	0.00799	0.00872	0.00991	0.01074	0.01155	0.01256	0.01334	0.01334	0.01531
Harris County Hospital District	0.14343	0.14831	0.16221	0.16671	0.16591	0.17108	0.17110	0.17179	0.17000	0.17000
Harris County Dept. of Education	0.00480	0.00490	0.00499	0.00499	0.00500	0.00519	0.00520	0.00520	0.00520	0.00600
Total Direct and Overlapping Rates ⁽¹⁾	<u>\$ 1.96745</u>	<u>\$ 2.12660</u>	<u>\$ 2.29049</u>	<u>\$ 2.41370</u>	<u>\$ 2.47868</u>	<u>\$ 2.58715</u>	<u>\$ 2.86489</u>	<u>\$ 2.60035</u>	<u>\$ 2.64601</u>	<u>\$ 2.67601</u>

Tax rates per \$100 of assessed valuation

Source: Harris Central Appraisal District

(1) Overlapping rates are those of local and county governments that apply within the City of Seabrook.

Note: In 2002, the City approved creation of the Harris County Municipal Utility District (HC MUD 373) and agreed to pay HC MUD 373 12 percent of the taxes collected by the City on land and improvements for entities within the HC MUD 373 jurisdiction for a term of seven and a half years, so long as the HC MUD 373 has any bonded indebtedness. Total direct rates exclude the HC MUD 373 tax of \$0.355 because it only affects 298 tax accounts within the City.

CITY OF SEABROOK, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Ten Years Ago

<u>Property Taxpayer</u>	2024			2015		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Taxable Assessed Value</u>
Western Rim Investors	\$ 76,715,507	1	4.10%	\$ -	0	0.00%
Aireit Bayport 146 DC LP	49,500,000	2	2.64%	-	0	0.00%
Seabrook Properties LLC.	45,272,247	3	2.42%	-	0	0.00%
Vista Shores 2011LP	32,251,952	4	1.72%	10,290,397	4	1.08%
WREF Bar Harbor LP	31,636,076	5	1.69%	-	0	0.00%
Sinbad Landing Corp.	28,584,636	6	1.53%	15,635,635	1	1.64%
Duke Reality LP	22,554,605	7	1.20%	-	0	0.00%
Marina Max	19,761,742	8	1.06%	-	0	0.00%
3000 Nasa Parkway LLC	18,121,584	9	0.97%	8,474,143	5	0.89%
Grove at Searock LLC	16,283,313	10	0.87%	-	0	0.00%
Nasa Road Apartments LLC	-	-	0.00%	6,966,678	7	0.73%
Repsdorph Road LTD	-	-	0.00%	15,578,988	2	1.64%
DMH 90	-	-	0.00%	11,738,989	3	1.23%
Lamrock 3/2001LP	-	-	0.00%	6,870,649	8	0.72%
Centerpoint Energy Inc.	-	-	0.00%	7,494,860	6	0.79%
Omkar Group Seabrook LP	-	-	0.00%	5,261,535	9	0.55%
Seabrook Hospitality	-	-	0.00%	4,689,967	10	0.50%
Subtotal	340,681,662		18.20%	93,001,841		9.77%
Other taxpayers	1,531,870,249		81.80%	858,243,438		90.23%
Total taxable assessed value*	<u>\$ 1,872,551,911</u>		<u>100.00%</u>	<u>\$ 951,245,279</u>		<u>100.00%</u>

Source: Harris County Tax Assessor-Collector's records.

CITY OF SEABROOK, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax levy	\$ 8,618,798	\$ 8,075,029	\$ 8,042,633	\$ 7,977,305	\$ 7,612,966	\$ 6,997,431	\$ 6,960,493	\$ 6,411,690	\$ 6,329,284	\$ 5,984,940
Current tax collected	\$ 8,494,568	\$ 7,968,492	\$ 7,965,081	\$ 7,869,493	\$ 7,525,983	\$ 6,902,533	\$ 6,887,981	\$ 6,344,390	\$ 6,248,998	\$ 5,908,134
Percentage of current tax collections	98.56%	98.68%	99.04%	98.65%	98.86%	98.64%	98.96%	98.95%	98.73%	98.72%
Collections in subsequent years	-	55,663	55,891	88,952	65,349	76,202	52,724	51,882	67,828	66,419
Total tax collections to date	<u>\$ 8,494,569</u>	<u>\$ 8,024,156</u>	<u>\$ 8,020,973</u>	<u>\$ 7,958,446</u>	<u>\$ 7,591,333</u>	<u>\$ 6,978,736</u>	<u>\$ 6,940,706</u>	<u>\$ 6,396,273</u>	<u>\$ 6,316,827</u>	<u>\$ 5,974,554</u>
Total collections as a percentage of current levy	98.56%	98.68%	99.61%	99.71%	99.69%	99.71%	99.69%	99.74%	99.78%	99.80%

CITY OF SEABROOK, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Primary government										
Governmental activities:										
General obligation bonds	\$ 14,726,094	\$ 11,803,022	\$ 13,715,316	\$ 15,199,828	\$ 16,197,805	\$ 17,593,645	\$ 18,959,485	\$ 20,265,325	\$ 21,394,753	\$ 22,590,010
Certificates of obligation	13,487,541	3,297,441	2,991,406	3,073,155	3,610,396	540,000	600,000	655,000	705,000	750,000
Leases	207,830	-	-	-	-	-	-	-	-	-
Subtotal	<u>28,421,465</u>	<u>15,100,463</u>	<u>16,706,722</u>	<u>18,272,983</u>	<u>19,808,201</u>	<u>18,133,645</u>	<u>19,559,485</u>	<u>20,920,325</u>	<u>22,099,753</u>	<u>23,340,010</u>
Business-type activities:										
Revenue bonds	\$ 1,046,000	\$ 1,260,000	\$ 1,465,000	\$ 1,665,000	\$ 1,856,000	\$ 2,039,000	\$ 2,209,000	\$ 2,377,000	\$ 2,653,000	\$ 2,918,000
Certificates of obligation	13,708,754	14,194,503	14,666,719	15,133,937	15,591,155	7,680,000	8,005,000	8,320,000	2,500,000	-
General obligation bonds	150,000	300,000	445,000	585,000	725,000	1,614,440	1,785,128	1,955,815	1,145,000	1,155,000
Notes payable	3,075,499	3,248,234	3,415,694	3,490,110	3,562,254	3,632,195	3,700,000	-	-	-
Subtotal	<u>17,980,253</u>	<u>19,002,737</u>	<u>19,992,413</u>	<u>20,874,047</u>	<u>21,734,409</u>	<u>14,965,635</u>	<u>15,699,128</u>	<u>12,652,815</u>	<u>6,298,000</u>	<u>4,073,000</u>
Total primary government	<u>\$ 46,401,718</u>	<u>\$ 34,103,200</u>	<u>\$ 36,699,135</u>	<u>\$ 39,147,030</u>	<u>\$ 41,542,610</u>	<u>\$ 33,099,280</u>	<u>\$ 35,258,613</u>	<u>\$ 33,573,140</u>	<u>\$ 28,397,753</u>	<u>\$ 27,413,010</u>
Personal income	\$ 809,281,658	\$ 826,032,402	\$ 822,105,864	\$ 803,229,960	\$ 797,085,120	\$ 796,559,396	\$ 740,316,290	\$ 725,800,284	\$ 557,459,388	\$ 52,444,395
Debt as a percentage of personal income	5.73%	4.13%	4.46%	4.87%	5.21%	4.16%	4.76%	4.63%	5.09%	5.23%
Population	15,118	15,118	15,112	15,036	14,931	14,826	14,554	14,287	13,716	12,843
Debt per capita	\$ 3,069	\$ 2,256	\$ 2,429	\$ 2,603	\$ 2,782	\$ 2,232	\$ 2,423	\$ 2,350	\$ 2,070	\$ 2,134

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF SEABROOK, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Taxable Assessed Value										
All property	\$1,872,551,911	\$1,732,167,887	\$1,572,772,998	\$1,493,014,505	\$1,409,188,157	\$1,286,117,256	\$1,232,626,774	\$1,141,359,375	\$1,044,315,358	\$ 951,245,279
Net bonded debt										
Gross bonded debt	\$ 42,072,389	\$ 29,594,966	\$ 31,818,441	\$ 33,991,920	\$ 36,124,356	\$ 27,428,085	\$ 29,349,613	\$ 20,920,325	\$ 25,744,753	\$ 24,495,010
Less debt service funds	<u>2,220,721</u>	<u>2,120,763</u>	<u>1,991,653</u>	<u>1,943,158</u>	<u>1,913,432</u>	<u>1,795,563</u>	<u>1,785,719</u>	<u>1,783,732</u>	<u>1,796,375</u>	<u>1,799,611</u>
Total net bonded debt	<u>\$ 39,851,668</u>	<u>\$ 27,474,203</u>	<u>\$ 29,826,788</u>	<u>\$ 32,048,762</u>	<u>\$ 34,210,924</u>	<u>\$ 25,632,522</u>	<u>\$ 27,563,894</u>	<u>\$ 19,136,593</u>	<u>\$ 23,948,378</u>	<u>\$ 22,695,399</u>
Ratio of net bonded debt to assessed value	2.13%	1.59%	1.90%	2.15%	2.43%	1.99%	2.24%	1.68%	2.29%	2.39%
Population	15,118	15,118	15,112	15,036	14,931	14,826	14,554	14,287	13,716	12,843
Net bonded debt per capita	\$ 2,636	\$ 1,817	\$ 1,974	\$ 2,131	\$ 2,291	\$ 1,729	\$ 1,894	\$ 1,339	\$ 1,746	\$ 1,767

CITY OF SEABROOK, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

	Net Bonded Debt <u>Outstanding</u> ⁽¹⁾	Estimated Percentage <u>Applicable</u> ⁽²⁾	Estimated Share of Overlapping <u>Debt</u> ⁽¹⁾
Debt Repaid with Property Taxes			
Governmental unit			
Clear Creek Independent School District	\$ 1,176,243	4.58%	\$ 53,872
Harris County ⁽³⁾	2,577,839	0.21%	5,413
Harris County Flood Control District	991,095	0.21%	2,081
Port of Houston Authority	426,134	0.21%	895
Harris County Municipal Utility District 373	865	100.00%	<u>865</u>
Subtotal, overlapping debt			63,127
City Direct Debt (in thousands)	\$ 28,214	100.00%	<u>28,214</u>
Total direct and overlapping debt			<u>\$ 91,340</u>

Sources: Harris County Auditor's Office
Accounting records of the City and the various taxing authorities

(1) Dollars in thousands

(2) Excludes toll road tax bonds. The City's policy and practice have been to provide payment of debt service on the outstanding Toll Road Tax Bonds from toll revenues and certain other funds, and to date no tax has been collected to provide for such debt service.

(3) Excludes commercial paper transactions. Harris County and the Harris County Flood Control District have established a general obligation commercial paper program payable from ad valorem taxes for the purpose of financing various short-term assets and temporary construction financing for certain long-term fixed assets. The commercial paper program consists of six series totaling \$655 million. To date, specific projects have been approved for no more than \$462.8 million.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

CITY OF SEABROOK, TEXAS
PLEDGED-REVENUE COVERAGE
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Gross Revenues ⁽¹⁾	\$ 12,886,894	\$ 12,713,321	\$ 11,229,146	\$ 9,906,394	\$ 9,038,010	\$ 8,472,410	\$ 8,715,355	\$ 8,260,336	\$ 7,133,106	\$ 6,672,233
Operating Expenses ⁽²⁾	<u>9,150,393</u>	<u>7,916,986</u>	<u>6,785,238</u>	<u>6,763,194</u>	<u>5,546,860</u>	<u>5,472,137</u>	<u>5,084,986</u>	<u>4,897,551</u>	<u>4,512,995</u>	<u>4,155,276</u>
Net Revenues Available for Debt Service	<u>\$ 3,736,501</u>	<u>\$ 4,796,335</u>	<u>\$ 4,443,908</u>	<u>\$ 3,143,200</u>	<u>\$ 3,491,150</u>	<u>\$ 3,000,273</u>	<u>\$ 3,630,369</u>	<u>\$ 3,362,785</u>	<u>\$ 2,620,111</u>	<u>\$ 2,516,957</u>
Debt Service Requirements ⁽³⁾										
Principal	\$ 214,000	\$ 205,000	\$ 200,000	\$ 191,000	\$ 183,000	\$ 170,000	\$ 168,000	\$ 276,000	\$ 265,000	\$ 265,000
Interest	<u>52,902</u>	<u>61,810</u>	<u>70,495</u>	<u>78,793</u>	<u>86,746</u>	<u>94,130</u>	<u>101,430</u>	<u>112,192</u>	<u>123,933</u>	<u>155,894</u>
Total	<u>\$ 266,902</u>	<u>\$ 266,810</u>	<u>\$ 270,495</u>	<u>\$ 269,793</u>	<u>\$ 269,746</u>	<u>\$ 264,130</u>	<u>\$ 269,430</u>	<u>\$ 388,192</u>	<u>\$ 388,933</u>	<u>\$ 420,894</u>
Coverage	14.00	17.98	16.43	11.65	12.94	11.36	13.47	8.66	6.74	5.98

⁽¹⁾ Total revenues including interest

⁽²⁾ Total operating expenses less depreciation

⁽³⁾ Includes revenue bonds only

CITY OF SEABROOK, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

<u>Fiscal</u> <u>Year</u>	<u>Population</u> ⁽¹⁾⁽⁵⁾	<u>Personal</u> <u>Income</u> ⁽⁴⁾	<u>Per Capita</u> <u>Personal</u> <u>Income</u> ⁽⁵⁾	<u>Median</u> <u>Age</u> ⁽⁵⁾	<u>School</u> <u>Enrollment</u> ⁽²⁾	<u>Unemployment</u> <u>Rate</u> ⁽³⁾⁽⁵⁾
2015	12,843	\$ 524,443,905	\$ 40,835	36.8	\$ 1,763	4.9%
2016	13,716	557,459,388	40,643	36.8	1,778	505.0%
2017 ⁽⁶⁾	14,287	725,800,284	50,801	39.8	1,754	3.1%
2018	14,554	740,316,290	50,866	39.8	1,674	4.2%
2019	14,826	796,599,396	53,726	37.2	1,681	2.5%
2020	14,931	797,085,120	53,383	37.6	1,574	1.0%
2021	15,036	803,229,960	53,419	37.7	1,742	3.4%
2022	15,112	822,105,864	54,403	34.7	1,607	4.7%
2023	15,118	826,032,402	54,639	34.8	1,536	2.9%
2024	15,118	809,281,658	53,531	34.8	1,420	4.1%

Data Sources:

- (1) Records of the City
- (2) Clear Creek Independent School District
- (3) Tracer
- (4) Personal income information is a total for the year.
- (5) Sperlings Best Places
- (6) Retail Coach

CITY OF SEABROOK, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

<u>Employer</u>	<u>Fiscal Year</u>			
	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Total City Employment (%)</u>	<u>Employees</u>	<u>Total City Employment (%)</u>
Technical Automation Service Corporation	230	18.57%	189	18.12%
City of Seabrook	118	9.53%	99	9.49%
Tookies Seafood	108	8.72%	-	0.00%
Kroger	95	7.67%	100	9.59%
Seabrook Intermediate School	93	7.51%	91	8.72%
Bay Area Elementary	90	7.26%	80	7.67%
Lakewood Yacht Club	68	5.49%	70	6.71%
Maas Nursery and Landscaping	52	4.20%	38	3.64%
Kiwo, Inc.	48	3.87%	22	2.11%
McDonald's	47	3.79%	35	3.36%
Bay Area Trees and Landscape	46	3.71%	46	4.41%
Mario's Flying Pizza	46	3.71%	40	3.84%
Seabrook Classic Café	45	3.63%	49	4.70%
Merlion	38	3.07%	-	0.00%
Hooters	35	2.82%	80	7.67%
Marine Max	35	2.82%	32	3.07%
Burkes Outlet	25	2.02%	-	0.00%
Gulf Coast Limestone	<u>20</u>	1.61%	<u>72</u>	6.90%
Total	<u>1,239</u>	<u>100.00%</u>	<u>1,043</u>	<u>100.00%</u>

Sources: Bay Area Economic Partnership, City records

CITY OF SEABROOK, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Government:										
City manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Legislative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Marketing	1.00	1.00	1.00	1.00	1.80	0.80	0.80	0.80	1.00	0.50
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75
Purchasing	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Finance	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.50
Aministrative Assistants	-	-	-	-	1.00	1.00	-	-	-	-
GIS	2.00	2.00	2.00	2.00	1.00	-	-	-	-	-
Information technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Streets and drainage	9.43	9.43	9.43	9.43	9.38	8.38	8.38	8.72	8.38	8.17
Community development	5.30	5.30	5.30	5.30	5.30	5.30	6.00	6.00	5.00	5.00
Municipal court	5.00	5.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50	4.50
Subtotal	33.73	33.73	33.73	33.73	34.48	31.48	29.68	30.02	28.88	27.92
Public Safety:										
Police	35.25	35.25	35.25	35.25	33.25	33.75	32.50	33.00	37.00	36.00
Emergency management	2.00	2.00	2.00	2.00	2.00	1.50	1.00	1.00	1.00	1.00
Animal control	3.00	3.00	3.00	3.00	2.70	2.70	2.70	2.20	1.68	1.48
Commerical vehicle enforcement	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-
Crime district	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.00	5.00	5.00
Emergency Medical Services	7.42	7.42	7.00	7.00	7.00	-	-	-	-	-
Subtotal	55.92	55.92	55.50	55.50	53.20	46.20	44.70	44.20	44.68	43.48
Enterprise Operations:										
Water	7.53	7.53	7.53	7.53	7.48	7.48	7.48	7.81	7.48	7.03
Sewer	4.91	4.91	4.91	4.91	4.86	4.86	4.86	5.19	4.86	4.78
Billing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Subtotal	15.44	15.44	15.44	15.44	15.34	15.34	15.34	16.00	15.34	14.81
Parks and Recreation	9.65	9.65	9.65	9.65	8.60	8.60	7.60	7.91	7.91	9.78
Hotel Tax	2.00	2.00	1.00	1.00	1.20	1.20	1.20	1.20	1.00	1.00
Economic Development	1.70	1.70	1.70	1.70	1.70	1.70	2.00	2.00	2.00	1.00
Total	118.44	118.44	117.02	117.02	114.52	104.52	100.52	101.33	99.81	97.99

Source: Economic development department

CITY OF SEABROOK, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Function/Program										
Police										
Arrests	514	397	405	589	644	662	839	1,580	1,120	686
Accident reports	222	237	275	232	230	271	259	648	241	358
Citations	2,477	2,574	2,280	2,594	3,361	5,365	2,130	5,315	5,871	3,620
Offense reports	1,320	843	950	1,148	1,119	870	707	848	823	442
Calls for service	20,594	18,566	11,878	10,770	12,132	12,132	12,772	6,589	13,170	10,084
Fire										
Emergency responses	716	712	588	875	599	490	459	410	386	326
Fire incidents	35	25	24	34	25	27	20	30	20	24
Total calls for service	1,047	975	770	909	749	666	663	621	555	605
Average response time	5:41	3:34	2:48	4:41	4:19	4:13	4:57	4:54	5:00	5:00
EMS										
Emergency responses	1,553	1,362	1,215	1,208	905	-	-	-	-	-
Transports	885	760	650	620	25	-	-	-	-	-
No transports	668	602	565	588	749	-	-	-	-	-
Average response time	5:06	4:54	3:55	4:35	4:37	-	-	-	-	-
Water										
New accounts	286	282	368	384	378	371	252	359	362	346
Average daily consumption (thousands of gallons)	1,612	1,593	1,715	1,622	1,768	1,625	1,802	1,708	1,602	1,602
Total consumption	461,029	461,029	587,125	592,046	442,981	593,675	658,942	623,545	618,735	584,860
Peak daily consumption (thousands of gallons)	3,370	2,836	2,643	2,527	2,677	2,454	2,296	2,881	2,989	2,974
Sewer										
Average daily sewage treatment (thousands of gallons)	857	1,109	1,160	1,290	1,315	1,431	1,262	1,300	1,220	1,393
Total consumption	312,763	404,827	417,612	459,240	481,723	522,331	458,634	475,586	444,910	510,623
Peak daily consumption (thousands of gallons)	5,191	5,729	4,450	7,060	7,055	7,730	5,192	8,127	5,310	6,947

Source: Various City departments

CITY OF SEABROOK, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Function/Program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrols	26	26	26	26	26	26	26	17	17	17
Fire stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles - centerlines)	44.3	44.3	44.1	43.3	43.3	43.3	43.0	43.0	42.6	42.6
Streetlights	1,053	1,053	1,053	1,053	1,053	1,053	1,050	1,048	1,048	1,048
Parks and recreation										
Parks	19	19	19	19	19	19	19	19	19	19
Parks acreage	232	232	232	232	232	232	232	232	232	232
Baseball/softball diamonds	3	3	3	3	3	3	3	3	3	3
Swimming pools	2	2	2	2	2	2	2	2	2	2
Community centers	1	1	1	2	2	2	2	2	2	2
Water										
Water mains (miles)	58.3	58.3	58.1	57.3	57.3	57.3	57.3	56.8	56.4	56.4
Fires hydrants	570	570	525	516	516	516	514	510	505	503
Storage capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.1	2.1
Sewer										
Sanitary swers (miles)	56.5	56.5	56.3	55.5	55.5	55.5	55.5	55.3	54.9	54.9
Strom swers (miles)	24.4	24.4	24.4	23.6	23.6	23.6	23.4	23.4	23.2	23.2
Open ditch/creek/canal drainage (miles)	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5
Treatment capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

Source: Various City departments

CITY OF SEABROOK
SINGLE AUDIT REPORT
September 30, 2024

CITY OF SEABROOK

SINGLE AUDIT REPORT
September 30, 2024

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and City Council
Of the City of Seabrook, Texas:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements 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 as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Houston, Texas
May 30, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and City Council
Of the City of Seabrook, Texas:

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited the City of Seabrook's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended September 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements 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 as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 30, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.


Crowe LLP

Houston, Texas
May 30, 2025

CITY OF SEABROOK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF THE TREASURY			
Direct Award			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 2,600,469
Total U.S. Department of the Treasury			<u>2,600,469</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Award			
Homeland Security Grant Program	97.067	4902501	6,020
Pass-through Texas Division of Emergency Management			
Hazard Mitigation Grant Program	97.039	DR-4332-0358	<u>4,324,784</u>
Total U.S. Department of Homeland Security			<u>4,330,804</u>
 Total federal awards expended			 <u>\$ 6,931,273</u>

See accompanying notes to the schedule.

CITY OF SEABROOK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2024

NOTE 1 – REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the federal awards expended by City of Seabrook (the City) for the year ended September 30, 2024.

NOTE 2 - BASIS OF ACCOUNTING

The Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 4 – INDIRECT COST RATE

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5 – PRIOR YEAR EXPENDITURES

Expenditures in the amount of \$696,024 related to the federal program Hazard Mitigation Grant Program, Assistance Listing 97.039, were incurred in the prior year but withheld as retainage and paid out in fiscal year 2024. Accordingly, these expenditures have been listed on the fiscal year 2024 SEFA.

CITY OF SEABROOK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2024

Section I - Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ices) identified?	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:					
Material weakness(es) identified?	No				
Significant deficiency(ies) identified?	None Reported				
Type of auditor's report issued on compliance for major federal programs:	Unmodified				
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No				
Identification of major federal programs:					
<table><tbody><tr><td><u>Award Listing Number</u></td><td><u>Name of Federal program or Cluster</u></td></tr><tr><td>21.027</td><td>Coronavirus State and Local Fiscal Recovery Funds</td></tr></tbody></table>	<u>Award Listing Number</u>	<u>Name of Federal program or Cluster</u>	21.027	Coronavirus State and Local Fiscal Recovery Funds	
<u>Award Listing Number</u>	<u>Name of Federal program or Cluster</u>				
21.027	Coronavirus State and Local Fiscal Recovery Funds				
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000				
Auditee qualified as low-risk auditee?	Yes				

Section II - Financial Statement Findings

No matters were reported.

Section III – Federal Awards Findings and Questioned Costs

No matters were reported.

CITY OF SEABROOK
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
September 30, 2024

None noted.



MEETING MINUTES
JUNE 3, 2025

SEABROOK CITY COUNCIL
REGULAR CITY COUNCIL MEETING

Mayor Jim Sweeney called the Seabrook Council Meeting to order at 6:00 p.m. in the Council Chambers in Seabrook City Hall. Present were City Councilmembers Jim Sweeney, Buddy Hammann, Tyler Kubena, Jared Sessum, Tom Tollett, Angela Cervantes, Summer Sanford. Also in attendance were: City Manager Gayle Cook and City Secretary Rachel Lewis. Pledges were conducted.

1. PUBLIC COMMENTS AND ANNOUNCEMENTS

Karyl Reed	1202 4th Street, Seabrook	Against Soul Freak EDC funding
Mel Jarnigin	910 Hall Avenue, Seabrook	Against Soul Freak EDC funding
Diane Gow	910 Hall Avenue, Seabrook	Against Soul Freak EDC funding
Kelly Stewart	2510 Hollybrook, Seabrook	Pine Gully Pier
Lucile Rhame	1822 Wallington, Seabrook	Traffic issues and speed bumps

1.1 Mayor, City Council and/or members of the City staff may make announcements about City/Community events. City Council

Councilmember Kubena announced the following events:

Cookies with a Cop on June 11, 2025

Movie Night at Meador Park on June 14, 2025

2. PRESENTATIONS

2.1 Mayor Sweeney to recognize the Seabrook Office of the City Secretary for receiving the Municipal Clerk's Office Achievement of Excellence Award, as awarded by the Texas Municipal Clerks Association.

Mayor Sweeney recognized City Secretary Rachel Lewis and Deputy City Secretary Mandy Morales for receiving the Achievement of Excellence award, awarded by the Texas Municipal Clerk's Association.

3. CONSENT AGENDA

3.1 Approve the minutes of the May 20, 2025 City Council Meeting.

3.2 Approve a correction to item 4.2 of the minutes from the February 18, 2025 City Council meeting.

Motion:	To Approve Consent Agenda
Made By:	Mayor Pro Tem, At-Large Position 5 Hammann
Seconded By:	At-Large Position 3 Tollett
Vote:	Passed unanimously by all present

3.3 Consider and take all appropriate action on the ratification of a business development incentive agreement by Soulfreak Holdings LLC, as approved by the

Seabrook Economic Development Corporation (SEDC) on May 7, 2025, in accordance with the previously posted Business Incentive Program Project Resolution for New Business Development at 1305 Main Street, in an amount not to exceed \$41,400.00.

Councilmember Hammann requested this item be pulled from the Consent Agenda for discussion. He recommended that this item be sent back for EDC to discuss the comments raised by the public. Councilmember Cervantes raised a question concerning the landowner and City Attorney David Olson stated that the landowner could be a party to the agreement.

Motion:	To send back to EDC
Made By:	Mayor Pro Tem, At-Large Position 5 Hammann
Seconded By:	At-Large Position 3 Tollett
Vote:	Passed unanimously by all present

4. NEW BUSINESS

4.1 Consider and take all appropriate action on Resolution 2025-12, supporting a no wake zone in the Clear Lake Area for the Texas Outlaw Challenge.

Motion:	To Approve
Made By:	Mayor Pro Tem, At-Large Position 5 Hammann
Seconded By:	At-Large Position 3 Tollett
Vote:	Passed unanimously by all present

4.2 Consider and take all appropriate action on Resolution 2025-13, Establishing a Special Fund called Port Houston Funds.

Councilmember Cervantes asked if the \$1.6 million Rail Spur funds would be kept separate from this proposed fund. City Manager Gayle Cook stated those funds were included in a past resolution and would remain separate, unless the vote was to dissolve the past resolution.

Motion:	To Approve
Made By:	At-Large Position 2 Sessum
Seconded By:	At-Large Position 1 Kubena
Vote:	Passed unanimously by all present

4.3 Consider and take all appropriate action on a first and final reading of Ordinance 2025-13, Fiscal Year 2025 Budget Amendment No. 3.

Motion:	To Approve
Made By:	Mayor Pro Tem, At-Large Position 5 Hammann
Seconded By:	At-Large Position 6 Sanford
Vote:	Passed unanimously by all present

4.4 Consider and take all appropriate action on Resolution 2025-14, Establishment of Ad Hoc Citywide Signage Committee.

City Manager Cook stated she recommended that Council bring forth nominees to serve on the committee at a future meeting.

Motion:	To Approve
Made By:	Mayor Pro Tem, At-Large Position 5 Hammann
Seconded By:	At-Large Position 6 Sanford
Vote:	unanimously by all present

4.5 Consider and take all appropriate action on Task Order 1 Witt O'Briens Professional Services Agreement (PSA) including an amount not to exceed \$8,000.00.

Motion:	To Approve
Made By:	Mayor Pro Tem, At-Large Position 5 Hammann
Seconded By:	At-Large Position 2 Sessum
Vote:	Passed unanimously by all present

5. DISCUSSION

5.1 Discussion and update regarding the Pine Gully Pier demolition, design, design alternatives, current grant application status and future funding direction(s).

City Manager Cook presented the history of the decisions on the Pier. **See Attachment A.** She stated this was an update and the City was waiting to get word back regarding grant funding. That information would be presented to Council once received. She also stated the previous plans paid at \$180,000 could still be utilized.

Councilmember Tollett stated he recommended leaving some of the unused piers to sustain the wildlife.

6. ROUTINE BUSINESS

6.1 City Manager update and report to City Council on various items that require no action, including Legislative Updates, Seabrook Boards and Commissions, Transportation Projects, and City of Seabrook CIP Projects.

City Manager Gayle Cook presented the update. **See Attachment B.**

6.2 Establish future meeting dates and agenda items.

City Secretary Rachel Lewis informed Council the next Regular City Council Meeting was scheduled for June 17, 2025, and a Specil City Council Budget Workshop was scheduled for June 24, 2025.

There being no further business, Mayor Sweeney adjourned the meeting at 6:49 p.m.

Signature Page:

APPROVED: _____ DATE: _____
Jim Sweeney
Mayor

ATTEST: _____
Rachel Lewis, TRMC
City Secretary

**SEABROOK ECONOMIC DEVELOPMENT CORPORATION
PERFORMANCE AGREEMENT**

This Performance Agreement (this "Agreement") is made by and between the Seabrook Economic Development Corporation, a State of Texas Type B economic development corporation (the "SEDC"), and **5735 Bayport Plaza LLC** (the "Company") (with the SEDC and the Company each being a "Party", and collectively the "Parties"), and is entered into by the Parties as of the Effective Date as defined herein.

RECITALS

WHEREAS, the SEDC has established certain programs in accordance with Chapters 501, 502, and 505 of the Texas Local Government Code to promote local economic development and stimulate business and commercial activity (the "Projects") within the City of Seabrook (the "City"), and when the Projects involve a direct incentive to a company, Chapter 501 of the Texas Local Government Code requires the SEDC to memorialize such incentive in a performance agreement with such company (a "Performance Agreement"); and

WHEREAS, the Parties have concluded and hereby find that this Agreement promotes economic development in the City and that this Agreement is a Performance Agreement, providing for the SEDC's provision of a direct incentive to the Company; and

WHEREAS, to ensure that the direct incentive of the SEDC provided under this Agreement is utilized in a manner consistent with Chapters 501, 502, and 505 of the Texas Local Government Code, the Company has agreed to comply with certain conditions for receiving the SEDC's direct incentive, as provided herein; and

WHEREAS, the Company is the owner of certain property generally located at 5735 Bayport Boulevard (SH 146) Seabrook, Texas 77586, and more particularly described (the "Property"), in the attached **Exhibit "A"**; and

WHEREAS, the SEDC has received a grant application (the "Application") from the Company regarding certain improvements to be made to the Property (the "Program"), with the Application which includes a description of the Program being attached to this Agreement as **Exhibit "B"**; and

WHEREAS, the SEDC has current funds on hand in the full amount of the grant contemplated in the Application (the "Grant"), and the SEDC desires to provide the Grant according to the terms and conditions of this Agreement, including the requirement that the Company pay back the Grant if certain performance measures are not met by the Company as provided herein; **and NOW, THEREFORE:**

IN CONSIDERATION OF THE MUTUAL BENEFITS DESCRIBED IN THIS AGREEMENT, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

SECTION 1. RECITALS

The facts and statements included in the Recitals to this Agreement are hereby incorporated into this Agreement for all intents and purposes.

SECTION 2. AUTHORITY

A. The SEDC's participation in this Agreement is authorized by Chapters 501, 502, and 505 of the Texas Local Government Code. At a meeting of the Board of Directors of the SEDC (the "Board") on April 10, 2025, the Board determined that the Program is qualifies for one of the Projects previously approved by the Board and the Council, with the Projects being authorized in Section 501, 502, and 505 of the Texas Local Government Code and authorized the SEDC to offer a direct incentive to the Company. This Agreement satisfies Chapters 501, 502, and 505 of the Texas Local Government Code and serves as a Performance Agreement reflecting the obligations of the SEDC and Company regarding the direct incentive.

B. The SEDC has taken all necessary actions and obtained all necessary approvals to enter into this Agreement, which includes the City Council of the City (the "Council") approving the Project authorizing this Agreement by resolution through two (2) readings at meetings of the Council, with a copy of such **Resolution** being attached to this Agreement as **Exhibit "F"**.

C. The SEDC acknowledges that the Company's participation in this Agreement and the Company's decision to commit substantial resources and money to acquire and develop the Property are made in reliance upon the SEDC's performance of its obligations under this Agreement and is subject to the Company's performance of its obligations under this Agreement.

SECTION 3. DEFINITIONS

In addition to the terms defined in the Recitals or elsewhere in this Agreement, as used in this Agreement, the following words or phrases shall have the following meanings:

(1) "Capital Investment" means funds expended in good faith by the Company in furtherance of the Program, including but not limited to site work, construction costs, materials, landscaping, and required signage.

(2) "Certificate of Occupancy" means a certificate of occupancy issued by the City in accordance with its standard practices and may include a temporary certificate of occupancy. A Certificate of Occupancy shall not include a certificate of occupancy issued in error, by mistake, or based upon a misrepresentation of facts by the Company or its agent.

(3) "Economic Development Grant Payment" means the reimbursement amount to be paid to the Company by the SEDC upon the Company's satisfaction of the terms of this Agreement, in an amount not to exceed, as provided herein.

(4) "Effective Date" means the last date this Agreement is signed by all Parties.

(5) “Force Majeure” means any contingency or cause beyond the reasonable control of a Party including, without limitation: war, riots, acts of terrorism, acts of the public enemy, insurrections, civil commotion; labor disputes, a general inability to obtain labor or materials or reasonable substitutes for either, unusual delay in transportation, strikes, slowdowns or work stoppages; acts of God, casualties, explosions, floods, fire, earthquake, tornado, hurricane or other severe and adverse weather conditions; pandemics, epidemics, infectious disease outbreaks, public health emergencies, health and safety circumstances that require individual isolation, quarantine or quarantine-like restrictions; delays caused by actions or inactions, or other acts or omissions on the part of any public utility or state or federal government (or de facto governmental entity), state or federal government official or their respective agents or employees; and, delays caused by state or federal governmental restrictions, regulations, or controls.

(6) “Jobs” means employment of individuals working at or on the Property as a result of the Program. Such individuals shall be “full time” (averaging at least twenty (20) hours per week), or “part time” (averaging less than twenty (20) hours per week). For the purposes of proving up jobs, the Company shall use the form attached hereto.

(7) “Open for Business” means that the applicable portion of the Property is under roof and air-conditioned and heated is open for full-time business operations for all intended purposes.

SECTION 4. TERM

This Agreement shall become enforceable upon the Effective Date and will terminate on the first to occur upon the: receipt by the Company of the Economic Development Grant Payment; or, the termination of this Agreement as provided for herein (the “Term”). However, the Term shall not exceed **10 years** from the Effective Date, at which time this Agreement shall automatically expire unless extended in writing approved by both Parties.

SECTION 5. THE COMPANY’S PERFORMANCE CRITERIA

The Company must satisfy and provide proof to the Board that the following have been accomplished in order to receive the Economic Development Grant Payments, with such performance criteria being certified by the Company as provided in this Agreement, including the Capital Investment Certification form attached to this Agreement as **Exhibit “C”**, which shall be executed and delivered concurrently with this Agreement:

(1) Completion of the Application, including all required forms and documents associated therewith; and,

(2) The Company has done all of the following:

(a) Completed and final inspected Façade Improvement Project

SECTION 6. ECONOMIC DEVELOPMENT GRANT PAYMENTS

A. Within thirty (30) days of the Board’s determination that the Company has satisfied the

performance criteria set forth in Section 5 above, the SEDC shall provide an Economic Development Grant Payment to the Company in an amount not to exceed \$30,000.00 Commercial Façade Incentive as a reimbursement for the Company's costs associated with the Program. In no event shall the SEDC be required to make any Economic Development Grant Payment to the Company except as provided herein, and subject to satisfaction of the conditions set forth above. The obligations contained in this Agreement shall cease upon payment in full to the Company of the Economic Development Grant Payment, or the expiration of the Term, whichever occurs first.

B. A delay in the payment of the Economic Development Grant Payment by the SEDC due to a delay in receiving any sales tax revenues or sales and use tax information from the Texas Comptroller shall not be considered a default on the part of the SEDC so long as the SEDC uses reasonable efforts to obtain such sales tax revenues or sales and use tax information and make the Economic Development Grant Payment to Company within thirty (30) days after the receipt of such sales tax revenues or sales and use tax information from the Texas Comptroller.

C. If applicable, in order to assist the SEDC in its accounting of the Economic Development Grant Payment, the Company shall sign and submit to the SEDC and maintain during the Term, the Waiver of Sales Tax Confidentiality form attached as **Exhibit "D"**, or other similar form required by the Texas Comptroller as may be required from time to time during the Term to permit the release of sales tax information relating to the Company Facility. ***Non-applicable for this agreement.***

SECTION 7. THE COMPANY'S COVENANTS, WARRANTIES, AND OBLIGATIONS

The Company hereby makes the following covenants and warranties to the SEDC, and agrees to timely and fully perform the following obligations and duties:

- (1) The Company is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas during the Term of this Agreement;
- (2) The execution of this Agreement has been duly authorized by the Company, and the corporate officer signing this Agreement is an officer of the Company, empowered to execute this Agreement and bind the Company, with said authorization, signing, and binding effect is not in contravention of any law, rule, or regulation, or of the provisions of the Company's articles of incorporation, bylaws, or of any agreement or instrument to which the Company is a party or by which it may be bound;
- (3) The execution and performance of this Agreement by the Company constitutes its valid and binding obligation, subject to the terms and conditions set forth in this Agreement;
- (4) As of the date of this Agreement, no litigation or governmental proceeding is pending or, to the knowledge of the Company, threatened against or affecting the Company that may result in any material adverse change in the Company's business, properties, or operation; and no consent, approval, or authorization of or registration or declaration within any governmental authority is required in connection with the execution of this Agreement or the transactions contemplated hereby;

(5) There are no bankruptcy proceedings or other proceedings currently pending or contemplated, and the Company has not been informed of any potential involuntary bankruptcy proceedings;

(6) The Company shall pay all state and local taxes due and owing by the Company to all taxing authorities having jurisdiction over the Property prior to delinquency;

(7) In the event of bankruptcy, receivership, or closure or cessation of operations at the Property, the Company shall maintain the Property in good condition and in compliance with applicable building and property maintenance codes and ordinances;

(8) The Company shall not discriminate against any person on the basis of race, color, national origin, sex, or by reason of being disabled, and shall refrain from violating any applicable local, state, and federal law which may have a material adverse effect on the City's or the SEDC's reputation by virtue of the City's or the SEDC's relationship with Company;

(9) The Company acknowledges that for contracts needing City or SEDC approval, that the City or the SEDC may not accept or enter into a contract until it has received from the Company a completed, signed, and notarized Texas Ethics Commission (the "TEC") Form 1295 from the Company complete with a certificate number assigned by the TEC, pursuant to Texas Government Code Chapter 2252 and the rules promulgated thereunder by the TEC, with a copy of the TEC Form 1295 attached hereto **Exhibit "E"**;

(10) Pursuant to Chapter 2264 of the Texas Government Code, the Company certifies that as of the Effective Date of this Agreement and throughout the Term, the Company's business, or a branch, division, or department thereof, does not and will not knowingly employ an undocumented worker (as defined in §2264.001 of the Texas Government Code), and if the Company's business, or a branch, division, or department thereof, is convicted of a violation of 8 U.S.C. §1324a(f) occurring during the Term of this Agreement, the Company shall repay to the SEDC the total amount of the Economic Development Grant Payment paid to the Company under this Agreement, plus interest at agreed rate not later than the one hundred twentieth (120th) day after the date the SEDC notifies the Company of the violation; and it is agreed that for purposes of this subsection, but only if permissible under Chapter 2264 of the Texas Government Code, that:

(a) For the purposes of this Section, "Company's business" shall be limited to the Company's business in Seabrook, Texas;

(b) The Company shall not be liable for a violation of Chapter 2264 of the Texas Government Code by a person or entity with whom the Company contracts;

(c) Neither the Company nor its business, or branch, division, or department thereof, shall be deemed to have been "convicted of a violation" until all appeals have been exhausted and/or the time for all appeals has expired; and,

(d) The date that "SEDC notifies the Company of the violation" may not be earlier than the date that the Company has been "convicted of a violation" as provided in the

immediately preceding subsection; and,

(11) For purposes of this Section “agreed rate” shall mean the lesser of:

(a) the Wall Street Journal prime rate announced by and as quoted in Wall Street Journal, from time to time, as its prime commercial rate or, if the Wall Street Journal prime rate ceases to be made available by the publisher, or any successor to the publisher, a similar reference interest rate based on the interest large United States money center commercial banks charge on short term uninsured loans to their most creditworthy borrowers, or

(b) the highest lawful rate.

SECTION 8. DEFAULT

A. The following shall constitute a default by the Company under this Agreement (a “Company Default”):

(1) The appointment of a receiver of the Company, or of all or any substantial part of its property, and the failure of such receiver to be discharged within ninety (90) days thereafter.

(2) The adjudication of the Company as bankrupt.

(3) The filing by the Company of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

(4) Upon the expiration of the notice and cure period set forth below, a breach of a material representation under this Agreement by the Company.

(5) Upon the expiration of the notice and cure period set forth below, a breach of any material covenant set forth herein.

B. The following shall constitute a default by the SEDC under this Agreement (a “SEDC Default”):

(1) The appointment of a receiver of the SEDC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within ninety (90) days thereafter.

(2) The adjudication of the SEDC as bankrupt.

(3) The filing by the SEDC of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

(4) Upon the expiration of the notice and cure period set forth below, a breach of a material representation under this Agreement by the SEDC.

(5) Upon the expiration of the notice and cure period set forth below, the SEDC’s failure to pay any Economic Development Grant Payment to the Company in accordance with this Agreement.

(6) Upon the expiration of the notice and cure period set forth below, a breach of the SEDC's obligations set forth in this Agreement.

C. In the event of the occurrence of a breach or default by a Party under this Agreement, as applicable, the non-defaulting Party shall give written notice to the other Parties of such default, and the actions necessary to cure such alleged default, and the defaulting Party shall have sixty (60) days thereafter to cure said default or if the defaulting Party is diligently pursuing the cure of such default but such default is not reasonably curable within sixty (60) days, then the defaulting Party shall have such additional amount of time as is reasonably necessary to cure such default but no more than thirty (30) additional days. Should a default or breach as described herein, remain uncured after such cure period it shall constitute a Company Default or SEDC Default, as applicable, and the non-defaulting Party shall have the right to exercise the remedies set forth below.

SECTION 9. REMEDIES.

A. Upon the occurrence of a Company Default, the SEDC shall have the right to terminate this Agreement by written notice to the Company, in which event the SEDC shall have no obligation to make any future Economic Development Grant Payment to the Company under this Agreement.

B. Upon the occurrence of a SEDC Default, the Company shall have the right to terminate this Agreement by written notice to the SEDC, in which event the Company shall have no further obligations under this Agreement.

C. In addition, and without terminating this Agreement, any Party shall further have the power to enforce specific performance to collect amounts owing by the other Parties under this Agreement or to otherwise compel the other Parties to perform their obligations under this Agreement. Further, any Party shall have the right to bring an action for a declaratory judgment.

D. The SEDC shall be entitled to a refund of any portion of or all Economic Development Grant Payments made to the Company, except as otherwise provided herein, and further provided that the SEDC shall be entitled to recapture any portion of or all Economic Development Grant Payments which were made based upon materially false or fraudulent information certified to or provided by the Company and for which the Company would not otherwise have been entitled. No action shall lie for damages against the Company except that the SEDC shall be entitled to any action to recover any amounts owed by the Company as provided in the foregoing sentence.

E. Upon the occurrence of a SEDC Default, the Company has the right to bring any action to recover any amounts owed to it under this Agreement plus interest from the date due at the agreed amount. In addition, the Company shall have the right to seek a judicial declaration of the appropriate amount of the Economic Development Grant Payment owing to the Company by the SEDC under this Agreement.

F. THE SEDC DOES NOT WAIVE ANY GOVERNMENTAL IMMUNITIES THAT IT MAY HAVE AS NOW EXIST OR MAY BE CREATED UNDER ANY APPLICABLE LAW OR JUDGEMENT.

G. If any legal action or proceeding is commenced by any Party to enforce the provisions of this Agreement or to recover any damages permitted under this Agreement from the breaching Party, the Party entitled to relief shall additionally recovered its reasonable legal fees and costs.

H. The sole and exclusive remedies of the Company for a breach by the SEDC under this Agreement shall be those expressly provided for in this Agreement and the Company hereby waives any other remedies under law or in equity.

I. A Party shall not be deemed to be in default of this Agreement if performance of this Agreement is delayed, disrupted, or becomes impossible because of an event of Force Majeure, but only for so long as the event of Force Majeure reasonably delays, disrupts, or prevents performance.

J. Any delay for any amount of time by a Party in providing notice of default to the other Party shall in no event be deemed or constitute a waiver of such default by such non-defaulting Party of any of its rights and remedies available in law or in equity.

K. Any waiver granted by one Party to another Party shall not be deemed or constitute a waiver of any other existing or future default by such Party or of a subsequent default of the same act or event.

SECTION 10. LIABILITY LIMITATIONS OF THE SEDC

The SEDC is making payments under this Agreement solely and exclusively from the sales tax revenues it receives from the Texas Comptroller and such funds are not financed and will not be financed or otherwise paid from any other source. Under no circumstances shall the obligations of the SEDC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. No public official or employee shall be personally responsible for any liability arising under or growing out of this Agreement.

SECTION 11. MISCELLANEOUS PROVISIONS

A. Changes in Law. Should a change in law prevent or prohibit the SEDC from complying with or making any payments under this Agreement, the Parties agree to terminate this Agreement; provided, however, that, to the extent feasible and permitted by applicable law, the Parties agree to work together in good faith to modify this Agreement or enter into a new agreement or otherwise provide the Company with a remedy or reasonably equivalent value to otherwise accomplish the purpose of this Agreement, and if the Parties do not agree, then a court may equitably reform this Agreement.

B. Binding Effect. This Agreement will be binding on and inure to the benefit of the Parties and their respective successors and assigns.

C. Assignment, Sale, Merger, or Transfer. Except as provided below, the Company may not assign all or part of its rights under this Agreement to a third party, or otherwise sell, merge, or transfer substantially all its then owned assets to another entity (each, a "Transfer"), without

written notice of a Transfer provided by the Company to the SEDC at least thirty (30) days prior to a Transfer.

D. Notice. Notice shall be effective upon receipt or refusal of delivery by the Party to be notified. Any notice or other communication (the "Notice") given under this Agreement shall be in writing, and may be given:

- (1) by depositing the Notice in the United States Mail, postage paid, certified, and addressed to the Party to be notified with return receipt requested;
- (2) by personal delivery of the Notice to the Party;
- (3) by depositing the Notice with Federal Express or another nationally recognized courier service for next day delivery;
- (4) by electronic delivery of the Notice to an e-mail address provided by each Party; or,
- (5) by confirmed facsimile, at a number provided by each Party, only if a copy of the Notice is also given in one of the manners specified in (1), (2), (3), or (4).

E. Notice Contact Information. Unless changed as approved in writing by all Parties, for the purposes of the Notice, the contact information of the Parties is as follows:

For the SEDC:

Seabrook Economic Development Corp.
Attn: Executive Director
1700 1st Street
Seabrook, Texas 77586

For the Company:

5735 Bayport Plaza LLC
Attn: Ershan Lakhani
5710 Fondren Rd, Suite D
Houston, TX 77036

F. Interpretation. Each of the Parties has been represented by counsel of its choosing in the negotiation and preparation of this Agreement. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly and reasonably and neither more strongly for or against, either Party based on draftsmanship.

G. Relationship of the Parties. This Agreement shall not be construed as establishing a partnership or joint venture, joint enterprise, express or implied agency, or employer-employee relationship between the Parties. Neither Party, nor either's past, present, or future elected officials, officers, directors, employees, or agents, assume any responsibility or liability to any third party in connection with the development of the Property or the design, construction, or operation of any portion of the Property.

H. Applicable Law and Venue. This Agreement is made, and will be construed and interpreted, under the laws of the State of Texas without regard to any conflicts of law provision, and venue will lie in a state district court in Harris County, Texas. The Parties consent to, and waive any objection to, in person jurisdiction in Harris County, Texas.

I. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable in any respect under present or future laws, the remainder of this Agreement shall not be affected so long as the intent, purpose, and benefits of this Agreement are not affected in any manner materially adverse to either Party hereto. This Agreement shall be construed as if such invalid,

illegal, or unenforceable provision had never been contained herein, and in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable, is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable, and effects the intent, purpose, and benefits of this Agreement.

J. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the paragraphs.

K. No Third-Party Beneficiaries. This Agreement is not intended to confer any rights, privileges, or causes of action upon any third party.

L. Counterparts. This Agreement may be executed simultaneously in two (2) or more counterparts, each of which will be deemed an original, but all of which will constitute the same instrument. A signature transmitted by facsimile or email will be deemed to be an original signature for all purposes. As used in this Section, "signature" includes an electronic signature.

M. Exhibits. The following exhibits are attached to and incorporated into this Agreement and made a part of this Agreement for all purposes as if they were set forth herein in their entirety:

- Exhibit A - Property Exhibit;
- Exhibit B – Program Application;
- Exhibit C – Capital Investment Certification;
- Exhibit D – Waiver of Sales Tax Confidentiality; (Not Applicable)
- Exhibit E - 1295 Form (if Necessary); and
- Exhibit F – Resolution Authorizing the EDC Incentive Program.

N. Entire Agreement. This Agreement embodies the complete agreement of the Parties, superseding all oral or written, previous and contemporary, agreements between the Parties relating to matters in this Agreement; and, except as otherwise provided herein, this Agreement cannot be modified or amended without a written agreement of the Parties.

O. Confidentiality. This Agreement is subject to the Texas Public Information Act and will be considered "public information" after consideration by the SEDC at a posted meeting by either body. However, the SEDC will use all appropriate measures to keep the information contained in and related to this Agreement confidential until such time as the Texas Public Information Act requires the SEDC to disclose the applicable contents of this Agreement. To the maximum extent permitted by law, the SEDC and its respective elected officials, officers, directors, employees, agents, and contractors retained to perform economic development services for the SEDC (the "SEDC Related Parties"): (i) shall use all appropriate measures to maintain the confidentiality of all sales tax information filed by the Company and/or its respective tenants, subtenants and/or licensees, as applicable, with the State of Texas and all other information regarding the Sales Tax Revenue generated by the Property; (ii) shall treat as confidential any other proprietary or financial information of the Company and/or its respective tenants, subtenants, and/or licensees and shall not release any of the foregoing information to the public, unless required by law or court order. The SEDC shall notify the Company as a third-party under the Texas Public Information Act of requests, Attorney General Opinions, and court orders to release such information pursuant to the Texas Public Information Act. The SEDC shall be permitted to

disclose the foregoing information to the SEDC Related Parties as the SEDC, in its discretion deems appropriate in furtherance of the purposes of this Agreement, so long as such disclosure is made subject to compliance by such SEDC Related Parties with the terms of this Section. This Section is not meant to prevent the SEDC from complying with the Texas Public Information Act, as it may be amended.

P. Time is of the essence in this Agreement.

SIGNATURES

IN WITNESS WHEREOF, the Parties, through their duly authorized representatives, enter into and execute this Agreement effective as of the dates set forth below.

FOR: THE SEDC

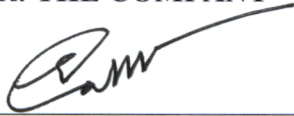
Name [Signature]

Name [Printed]

Title

Date

FOR: THE COMPANY



Name [Signature]

ERSHAN LAKHANI

Name [Printed]

PROPERTY MANAGER

Title

6-12-2025

Date

FOR THE SEDC

My Commission Expires:

[Handwritten signature]

(SEAL)

Notary Public in and for the State of Texas

My Commission Expires: 2-20-28

EXHIBIT A – PROPERTY EXHIBIT

HCAD 5735 SH 146 / Bayport Blvd

Bayport Plaza Retail Center





EXHIBIT B - GRANT APPLICATION & PROGRAM DESCRIPTION



Seabrook Economic Development Corporation Incentive Application Review Packet

Applicant: 5735 Bayport Plaza LLC
Application Type: Commercial Facade Improvement
Review Date: 4/10/2025

Updated: 4/7/2025 9:17 AM

STATUS: In Review

INCENTIVE APPLICATION

BUSINESS INFORMATION

Applicant First Name	Ershan
Applicant Last Name	Lakhani
This application is being completed for which of the following?	Developer
Business Name:	5735 BAYPORT PLAZA LLC
Business Type	LLC
Email Address:	[REDACTED]
Phone:	[REDACTED]
Website:	<i>Field not completed.</i>
Social Media:	<i>Field not completed.</i>
Are there any additional business partners?	No
Name and Contact Information for Financial Lender(s):	<i>Field not completed.</i>
Has this business/firm received business incentives from other government entities in the past?	No



Seabrook Economic Development Corporation Incentive Application Review Packet

CURRENT BUSINESS ADDRESS

Street Address	5735 Bayport Blvd
City	Seabrook
State	Texas
Zip	77586

NEW SEABROOK BUSINESS ADDRESS (if applicable)

Street Address	<i>Field not completed.</i>
City	<i>Field not completed.</i>
State	<i>Field not completed.</i>
Zip	<i>Field not completed.</i>
Location of Proposed Seabrook Site:	<i>Field not completed.</i>
Type of Development	Commercial
Approximate Date of Construction Start:	5/1/2025
Approximate Date of Construction Completion:	6/14/2025
Has this firm received business incentives from other government entities in the past?	No

INCENTIVE REQUEST INFORMATION

Which incentive program are you applying for?	Commercial Façade Incentive
Total Value of Project:	\$121,405
Total Incentive Requested:	\$121,405

EXHIBIT C - CAPITAL INVESTMENT CERTIFICATION

Re: ECONOMIC DEVELOPMENT AGREEMENT MADE BY AND AMONG THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION AND **5735 BAYPORT PLAZA LLC**

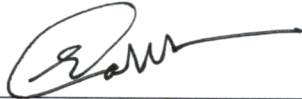
This Capital Investment and Jobs Certification is being delivered by 5735 Bayport Plaza LLC (the "Company") in connection with that certain Economic Development Agreement made by and among the Seabrook Economic Development Corporation (the "SEDC"), and the Company effective as the execution date of the agreement (the "Agreement"). All terms used herein have the meanings ascribed to them in the Agreement unless otherwise defined herein.

The undersigned hereby certifies to the SEDC that:

1. I am a duly authorized representative of the Company to execute this Capital Investment and Jobs Certification document.
2. The Company will make a capital investment of at least **\$60,000.00** on the property located 5735 Bayport Boulevard (SH 146) Seabrook, Texas 77586 including, without limitation, construction costs relating to the Program as described in the Agreement.

FOR THE COMPANY:

BY:



NAME – SIGNATURE

ERSHAN LAKHANI

NAME – PRINTED

PROPERTY MANAGER

TITLE

DATE 6-12, 2025

EXHIBIT D
WAIVER OF SALES TAX CONFIDENTIALITY
AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL TAX INFORMATION

This Agreement for Disclosure of Confidential Tax Information (this “Agreement”) is entered into by and among the Seabrook Economic Development Corporation (the “SEDC”), and 5735 Bayport Plaza LLC (the “Taxpayer”) for the purposes indicated herein.

The undersigned Taxpayer hereby authorizes the Texas Comptroller’s Office to release and disclose to the City any and all sales and use tax information pertaining to Taxpayer’s business located 5735 Bayport, Seabrook, Texas (the “Property”).

The undersigned Taxpayer understands and agrees that this release will be made by the Texas Comptroller’s Office to the SEDC on an ongoing monthly basis beginning on the date this Agreement is executed. Taxpayer waives any and all rights of confidentiality of tax information under Sections 111.006, 151.027 of the Texas Tax Code to the extent, and only to the extent, necessary to permit the Texas Comptroller’s Office to release and disclose Taxpayer’s sales and use tax information as provided in this Agreement.

The SEDC agrees that it will use the sales and use tax information disclosed by the Texas Comptroller pursuant to this Agreement solely and exclusively for the purposes under that certain Economic Development Agreement by and among the SEDC and the Taxpayer, and subject to the terms thereof.

This Agreement is entered into in the State of Texas, and Texas law will apply to its interpretation and enforcement.

SIGNED AND AGREED TO on this ____ day of _____, 202__

Name of Taxpayer Listed on Texas Sales Tax Permit

Name Under Which Taxpayer is Doing Business (d/b/a or Outlet Name)

Taxpayer Mailing Address

Physical Location of Business Permitted for Sales Tax

[SIGNATURE PAGE TO FOLLOW]

SIGNATURE PAGE TO DISCLOSURE OF CONFIDENTIAL TAX INFORMATION
AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL TAX INFORMATION

THE TAXPAYER

THE SEDC

Name [Signature]

Name [Signature]

Name [Printed]

Name [Printed]

Title

Title

Date

Date

EXHIBIT E – FORM 1295 (IF NECESSARY)

EXHIBIT F – RESOLUTION

**SEABROOK ECONOMIC DEVELOPMENT CORPORATION
RESOLUTION 2023-01/EDC**

SEDC INCENTIVES POLICY

* * * * *

WHEREAS, on January 18, 1992, the voters of the City of Seabrook authorized the City of Seabrook to adopt a one-half cent sales and use tax to pay for the costs of projects authorized by Chapters 501, 502, and 505 of the Texas Local Government Code, and to pay for the principal and interest of bonds or other obligations issued to pay the costs of such projects; and

WHEREAS, the Seabrook Economic Development Corporation (“EDC”), a type B corporation, was established to oversee the expenditures of these tax monies and bylaws were established for the operation of the EDC; and

WHEREAS, EDC has analyzed potential incentive programs available under state law to assist it in attracting businesses, creating jobs, and assisting in other statutorily authorized economic development programs; and

WHEREAS, EDC has evaluated incentive program funding for its current Fiscal Year budget; and

WHEREAS, EDC has allocated funding and memorialized incentive program funding options by resolution since Fiscal Year 2008-09, the first year it adopted such measures;

NOW THEREFORE, BE IT RESOLVED BY THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS:

Section 1. That EDC will undertake to establish one or more economic development incentive programs and expenditures in accordance with the City of Seabrook’s and the EDC’s economic development goals and adoption of relevant policies for each program, state law, including but not limited to Chapters 501, 502, and 505 Texas Local Government Code (the Development Corporation Act) and to the extent EDC is authorized to expend funds in such a program, as established by the Texas Local Government Code Chapter 380 and Seabrook City Council, as appropriate.

Section 2. That the following incentives are approved by the Board of Directors, and are designed to provide guidance to the EDC Director in his negotiations with potential economic development clients. All requests for incentives shall come back to the Board for consideration, and shall be in an amount or amounts which will not

exceed the total approved appropriation for Economic Development Incentive Programs, Budget Line Item 707-5620, in the amount as shown in the final budget following adoption by the Board of Directors and City Council for the then-current fiscal year, including amendments.

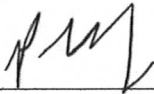
The incentives identified and approved by the Board of Directors are outlined in Appendix A, attached to this Resolution.

Section 3. That this Resolution be reviewed annually and attached as written or as it may be revised to subsequent EDC Budget, forwarded to the Seabrook City Council. The Board finds that the above list has been published as required for public comment by Section 505.160(a) Texas Local Government Code and constitutes a continuing project to the extent it is funded in any particular fiscal year.

Section 4. That following approval of the budget by the Board of Directors, the Seabrook City Council, and publication of the statutory notice identifying projects, that expenditures for those projects identified in Section 1 be thereafter approved and allocated subject to the budget line item cap by the Board of Directors, without further budget amendment or approval by the Board of Directors and City Council.

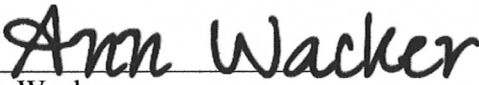
PASSED, APPROVED AND ADOPTED THIS 13th DAY OF ~~MARCH~~ ^{APRIL}, 2023.

SEABROOK ECONOMIC DEVELOPMENT
CORPORATION



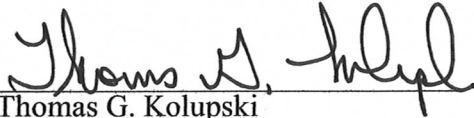
Paul Dunphey,
Chairman

ATTEST:



Ann Wacker,
Secretary

SEABROOK CITY COUNCIL



Thomas G. Kolupski
Mayor



APPENDIX A

Article I - General Provisions

Seabrook, Texas is a community southeast of the City of Houston. The community was incorporated in 1961 and is currently 13 square miles in size. The Seabrook Economic Development Corporation was established in 1992 as a Texas 4B corporation (501c6) to serve as the economic development agent for the City.

The provisions of this resolution shall apply in the city limits of the City of Seabrook, Texas.

Purpose

The Seabrook Economic Development Corporation (SEDC) is committed to promoting economic growth, redevelopment and community improvement through the use of local planning tools, such as economic incentives. In order to create a guiding framework for decisions regarding the use of public resources to stimulate economic activity, the SEDC has established this policy to orient the consideration and use of economic incentives in a manner that is consistent with the City's strategic priorities and objectives, providing a return on investment to the community.

Obligation

While this policy will be proactively used in the process of granting incentives, nothing in this document implies that the City of Seabrook and the SEDC are under any obligation to provide an incentive. Further, while these guiding criteria provide a framework for evaluation, every prospect will be considered on a case by case basis by the SEDC and ultimately, the City Council. All incentives are subject to availability of funding.

Authority

This policy is adopted under the authority of the Constitution and Laws of the State of Texas, and the City Charter of the City of Seabrook, Texas.

Applicability

Any Project requesting incentives in Seabrook will be given consideration under the provisions of this policy. As a rule, Projects are evaluated with regard to their economic efficiency; and return on investment to the citizens of the City of Seabrook. This may mean addition of quality jobs, ad valorem tax value, sales tax or any other significant public benefit.

Public Accountability & Performance Measures

Every incentive agreement that the SEDC enters into is considered an investment for the public benefit. Each incentive application is considered with regard to its merit to the community at large, and its potential to create a multiplying economic effect for the citizens of Seabrook. Performance measures will be established based on the economic impact and overall assessment by the SEDC. Should an applicant be unsure of projected

EDC Incentive Programs Resolution

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performance indicators, utilizing conservative estimates with contingency options are encouraged to prevent default.

Compliance

Each year of the active incentive agreement, compliance reporting must be completed by incentive recipients. Projects that are not in compliance with performance measures are subject to recapture of a portion or all of the incentive value.

Recapture

Should an incentive recipient fail to meet compliance measures and to perform under the prescribed cures, incentives are subject to repayment to the SEDC.

Development Quality

Generally, any Project receiving an incentive under the provisions of this policy shall exceed the minimum requirements of development quality prescribed in the Seabrook Code of Ordinances as determined by a staff evaluation of proposed facility designs. Such designs will be included as compliance measures in an incentive agreement.

Article II - Definitions

As used herein for the business incentive application, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as ascribed by common and ordinary usage.

Agreement. A contract between an Incentive recipient and the SEDC clarifying the terms, performance measures and obligations of the parties.

Assessed Value. The appraised value of a property after any exemptions have been applied

Base Year Value. The Assessed Value of all property subject to a Tax Rebate in the year preceding execution of an Agreement

Business Personal Property. Any property associated with a Project other than Real Property and excluding inventory

City. The City of Seabrook, Texas, and all its governing and operating bodies

Construction / Build-Out Costs. Costs which may be associated and extended to mean the improved value of buildings, structures, fixed-in-place machinery and equipment, site improvements, and related personal equipment necessary to the primary operation of the facility.

Compliance Measures. Economic performance indicators for a Project established by Agreement and reported to the City annually or as otherwise prescribed by Agreement

EDC Incentive Programs Resolution

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Council. The City Council of the City of Seabrook, Texas

Default. An event in which a party to an Agreement has failed to meet Compliance Measures and to perform under prescribed cures

Expansion. An investment in fixed assets that will result in an increase in occupied building area, increased employment or higher Assessed Value of Real Property by a firm already located in the City

Facility. Combined Real and Business Personal Property Improvements that house an economically purposeful activity

Green Space Improvements. Improvements to the Project site that increases beyond required green space and detention requirements by the City that will utilize natural vegetation and landscaping to improve the site aesthetics.

Improvement. A building, structure or fixture erected on or affixed to land with a life expectancy of 15 years or more.

Incentive. Any inducement for economic activity given by a governmental entity (in this case the SEDC) such as a rebate, participation in infrastructure costs, waiver of fees or development requirements only as allowed by law, or any other incentives not prohibited by state or federal law.

Ineligible Property. The following types of property shall be fully taxable and ineligible for Incentives: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; or any other property for which Incentives is not allowed by state law.

Infrastructure may include water, wastewater, roads, drainage, and the extension of franchise utilities. Infrastructure items must show a benefit to a region or area of the city and not solely benefit one business.

Job. A permanent, full-time employment position that has provided or will result in employment of at least 1,820 hours per position in a year; Part-time positions may be aggregated to create a full-time position for consideration in this policy.

Modernization. The replacement and upgrading of existing facilities which increases the productive input or output, updates the technology, or substantially lowers the unit cost of operation, and extends the economic life of the facility. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery, or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.

Project. The combination of proposed investment, improvements and economic activity that is submitted in an application for an economic incentive as provided by law, see Texas Local Government Code Sections 501 and 505.

Personal Property. Assets on a site that can be moved. Personal property is movable and not fixed permanently to one location, such as land or buildings.

Real Property. Land or an improvement affixed thereto. Examples of real property are buildings, canals, crops, fences, land, landscaping, machinery, minerals, ponds, railroad tracks, and roads.

SEDC. Seabrook Economic Development Corporation and its staff.

Article III - The Application Process

Application Required

In order to ensure accountability, fairness and compliance with all applicable regulations, every incentive request must proceed through a uniform application process.

Incentive applications are evaluated on a case-by-case basis. As such, an application does not guarantee an incentive grant.

Information & Confidentiality

In order to perform an adequate cost-benefit analysis of each incentive request, the SEDC requests thorough information regarding the economic attributes of each Project. This information is used in the strictest sense to evaluate the potential incentive investment being considered by the SEDC and will be treated as confidential.

Please note that while government documents are subject to the provisions of the Texas Open Records Act and other regulations pertaining to transparency in government, certain exceptions apply to information used in Economic Development negotiations. Information that is provided to the City and the SEDC in connection with an application or request for economic incentives in accordance with the above criteria and guidelines and which describes the specific process or business activities to be conducted or equipment or other property to be located on the property for which the economic incentives are sought is subject to confidentiality and subject to exception for public disclosure until the economic incentives agreement is executed, or as otherwise determined by the Texas Attorney General as provided by the Act. The information in the custody of the City of Seabrook after the agreement is executed is not confidential and would be required to be released under the Texas Open Records Act.

Article IV – PROGRAM DEFINITIONS

IMPORTANT: Do not start construction before applying for incentives. If construction has started prior to an incentive application, it is assumed that the Applicant does not need assistance and the application may be denied.

The Seabrook EDC has approved the use of the following programs to incentivize development within the City of Seabrook:

- A. Small Business Development
- B. Commercial Façade Incentive
- C. New Construction & Development Incentive
- D. Retail Redevelopment Incentive
- E. Sales Tax Rebate

While some projects may not fit into the categories listed above, the Seabrook EDC retains the right to review any application and enter into an incentive agreement under Texas local government code 505.158.

All incentives are paid via reimbursement. Qualifications for reimbursement include a signed certification of occupancy by the City of Seabrook and signed permits by related county and State agencies for the operation of the business. Documentation of costs related to reimbursement must accompany reimbursement requests. If documentation is not provided, reimbursement will not be paid. It is important to note that **all incentive programs have a maximum duration limitation of 10 years.**

A. Small Business Development

Defined as having less than five (5) full time (or FTE) employees and/or under \$2,000,000 in annual sales. Businesses that pursue an incentive in this category will be required to attend at least one meeting with an SBA / SCORE representative regarding the business' projected growth plan.

The Small Business Development Incentive is designed to provide funding for **growth** of the business. Incentive funds are not awarded for normal operating expenses such as payroll, building maintenance, utilities, et al.

If awarded, the project will be required to show proof of use of funds for the expansion of employment, expansion of services, or new construction. Small Business Development Incentives have a maximum value of \$50,000 per application.

B. Commercial Façade Incentive

The Façade Improvement Program involves real property improvements to the exterior of commercial, retail buildings in the City of Seabrook.

Eligibility

Projects include those making alterations to building exteriors which enhance its appearance and character in a manner that is harmonious with the design principles of the zoning ordinance of the district.

Examples of eligible improvements are as follows:

- Brick repair
- Awning replacement
- Sign removal or replacement
- Window replacement or restoration
- Replacement or restoration of cornices
- Removal architecturally inappropriate alterations
- Other aesthetic/architectural improvements as approved

Commercial Façade Incentives have a maximum value of \$40,000 total per location along active, connected streets. Thus - not facing alleys, back of building, side facing another building, etc.

Incentives are paid **after** a final inspection has been received from the Seabrook Building Official.

C. New Construction & Development Incentive

Eligibility

Projects involving warehouse, light industrial facilities, as well as commercial and office developments. Infrastructure, site development, and greenspace enhancements are eligible project costs for this program.

Projects seeking incentives for new construction and site improvements will be subject to the following qualifications:

- The EDC intends to be selective regarding the kinds of businesses that are recruited and incentivized. To that end, non-retail businesses will take precedence over retail businesses, unless the retail establishment has regional draw and serves residents from Seabrook and beyond. In general, the primary objective of the City's economic development efforts is to target new and expanding businesses that offer living wage jobs with benefits that equal or exceed the median wages for similar positions in the State of Texas or that make significant capital investment in the City. The creation and retention of competitive wage jobs shall be a key determinant in granting any incentive.
- The EDC encourages the development of regional retail opportunities within its jurisdiction in order to provide services to its constituency and the visiting public from Seabrook and beyond. The EDC will consider incentives for retail businesses and developers that precipitate the expansion of the sales tax base and other revenues, further the effort to develop Seabrook as a regional hub for retail goods and services, and expand the property tax base. The EDC wants such developers who add quality, or up-scale features, to the architectural designs and landscaping. This is particularly the case with non-industrial developments where unique architecture, landscaping or other features would enhance the quality of development to attract customers and other businesses.
- The EDC desires to retain existing businesses/industries that are contemplating relocating to another city, or state. The EDC may consider offering financial incentives that would offset the cost differentials that make other locations viable. To be eligible under this premise, the applicant or business must provide a declaration that states it is actively pursuing relocation and, absent EDC incentives, would carry out its intent. Furthermore, the applicant or business must make a minimum incremental capital investment, which can be for site modernization, new equipment, technology, or other long-lived depreciable assets that increase the assessed valuation.
- Generally, incentives will not be considered if an applicant, whether a new or existing business, has begun on construction on the site. Before granting any incentive, the City shall determine that without the incentive, the applicant would not locate or expand within the City's jurisdictional boundaries.

Projects requesting an incentive in this Program will be subject to the following minimum qualification:

PROJECT INDICATOR	MINIMUM QUALIFICATIONS
New Jobs Created (full time)	10
Real Property	\$3,000,000
Personal Property	\$1,000,000

These minimum value metrics are required for the duration of the incentive contract.

Construction and Development Incentives do not have a maximum limit.

D. Retail Redevelopment Incentive

The Retail Redevelopment Incentive program is a performance-based incentive intended to stimulate conversion and redevelopment of outmoded commercial properties in the City. Retail Redevelopment Incentives do not have a maximum limit.

Eligibility

Retail centers in the City of Seabrook seeking to renovate existing sites whether through acquisition or as part of the site's capital improvement. Site must be at least 15 years of age at the time of the application and property must be in compliance for zoning.

Eligible Improvements

A proposed Retail Redevelopment Incentive Project must:

- Exceed all applicable development standards
- Incorporate at minimum one of the following improvement:
 - Façade Renovations (*see Commercial Façade Incentive definition*)
 - Landscape Improvements
 - Parking lot improvements
 - Signage Renovations

In addition to any one or more of the following:

- Incorporation of common areas / pedestrian plazas
- Public art installation
- Connectivity to existing walkways / trails

NOTE: Improvements made prior to approval of an incentive agreement are not eligible for reimbursement under this program.

E. Seabrook Economic Development Corporation (SEDC) Sales Tax Rebate

An applicant may choose to request a portion of their SEDC sales tax paid (minus alcoholic beverages sales tax) to be reimbursed. If utilized, Sales Tax Rebates are subject to either a maximum term of 10 years or to terms agreed upon by the SEDC and the Applicant. Applicant is required to create at minimum three (3) full time equivalent (FTE) jobs during the term of the incentive agreement.

Sales Tax Reimbursements are based on a portion paid to the Economic Development Corporation and not the City's total sales tax payment received.

Below is an example worksheet of sales tax reimbursement on a project that has gross annual sales of \$1,000,000.

Annual Sales (<u>excluding</u> alcoholic beverages)		\$1,000,000
City of Seabrook General Fund Sales Tax Revenue (sales x 0.015)	1.5%	\$15,000
SEDC Sales Tax Revenue (sales x 0.0025)	0.25%	\$2,500
Seabrook Crime District (sales x 0.0025)	0.25%	\$2,500
City Sales	2.00%	\$20,000
Texas Sales Tax	6.25%	
Total Sales Tax	8.25%	

As per the example shown, the maximum amount the business could receive per year of the incentive agreement based on \$1,000,000 of annual sales is \$2,500.

Applications for this reimbursement will be required to provide a copy of the past 24 months sales tax payments to the Texas Comptroller. If project is a new business, a detailed 10-year projected sales tax forecast will be required as part of the application documentation.

#

**SEABROOK ECONOMIC DEVELOPMENT CORPORATION
PERFORMANCE AGREEMENT**

This Performance Agreement (this "Agreement") is made by and between the Seabrook Economic Development Corporation, a State of Texas Type B economic development corporation (the "SEDC"), and **Midnite Slice LLC** (the "Company") (with the SEDC and the Company each being a "Party", and collectively the "Parties"), and is entered into by the Parties as of the Effective Date as defined herein.

RECITALS

WHEREAS, the SEDC has established certain programs in accordance with Chapters 501, 502, and 505 of the Texas Local Government Code to promote local economic development and stimulate business and commercial activity (the "Projects") within the City of Seabrook (the "City"), and when the Projects involve a direct incentive to a company, Chapter 501 of the Texas Local Government Code requires the SEDC to memorialize such incentive in a performance agreement with such company (a "Performance Agreement"); and

WHEREAS, the Parties have concluded and hereby find that this Agreement promotes economic development in the City and that this Agreement is a Performance Agreement, providing for the SEDC's provision of a direct incentive to the Company; and

WHEREAS, to ensure that the direct incentive of the SEDC provided under this Agreement is utilized in a manner consistent with Chapters 501, 502, and 505 of the Texas Local Government Code, the Company has agreed to comply with certain conditions for receiving the SEDC's direct incentive, as provided herein; and

WHEREAS, the Company is the **owner** of certain property generally located at **1605 Main Street** Seabrook, Texas 77586, and more particularly described (the "Property"), in the attached **Exhibit "A"**; and

WHEREAS, the SEDC has received a grant application (the "Application") from the Company regarding certain improvements to be made to the Property (the "Program"), with the Application which includes a description of the Program being attached to this Agreement as **Exhibit "B"**; and

WHEREAS, the SEDC has current funds on hand in the full amount of the grant contemplated in the Application (the "Grant"), and the SEDC desires to provide the Grant according to the terms and conditions of this Agreement, including the requirement that the Company pay back the Grant if certain performance measures are not met by the Company as provided herein; **and NOW, THEREFORE:**

IN CONSIDERATION OF THE MUTUAL BENEFITS DESCRIBED IN THIS AGREEMENT, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

SECTION 1. RECITALS

The facts and statements included in the Recitals to this Agreement are hereby incorporated into this Agreement for all intents and purposes.

SECTION 2. AUTHORITY

A. The SEDC's participation in this Agreement is authorized by Chapters 501, 502, and 505 of the Texas Local Government Code. At a meeting of the Board of Directors of the SEDC (the "Board") on **March 13, 2025**, the Board determined that the Program qualifies for one of the Projects previously approved by the Board and the Council, with the Projects being authorized in Section 501, 502, and 505 of the Texas Local Government Code and authorized the SEDC to offer a direct incentive to the Company. This Agreement satisfies Chapters 501, 502, and 505 of the Texas Local Government Code and serves as a Performance Agreement reflecting the obligations of the SEDC and Company regarding the direct incentive.

B. The SEDC has taken all necessary actions and obtained all necessary approvals to enter into this Agreement, which includes the City Council of the City (the "Council") approving the Project authorizing this Agreement by resolution through two (2) readings at meetings of the Council, with a copy of such **Resolution** being attached to this Agreement as **Exhibit "F"**.

C. The SEDC acknowledges that the Company's participation in this Agreement and the Company's decision to commit substantial resources and money to acquire and develop the Property are made in reliance upon the SEDC's performance of its obligations under this Agreement and is subject to the Company's performance of its obligations under this Agreement.

SECTION 3. DEFINITIONS

In addition to the terms defined in the Recitals or elsewhere in this Agreement, as used in this Agreement, the following words or phrases shall have the following meanings:

- (1) "Capital Investment" means funds expended in good faith by the Company in furtherance of the Program, including but not limited to site work, construction costs, materials, landscaping, and required signage.
- (2) "Certificate of Occupancy" means a certificate of occupancy issued by the City in accordance with its standard practices and may include a temporary certificate of occupancy. A Certificate of Occupancy shall not include a certificate of occupancy issued in error, by mistake, or based upon a misrepresentation of facts by the Company or its agent.
- (3) "Economic Development Grant Payment" means the reimbursement amount to be paid to the Company by the SEDC upon the Company's satisfaction of the terms of this Agreement, in an amount not to exceed, as provided herein.
- (4) "Effective Date" means the last date this Agreement is signed by all Parties.
- (5) "Force Majeure" means any contingency or cause beyond the reasonable control of a Party

including, without limitation: war, riots, acts of terrorism, acts of the public enemy, insurrections, civil commotion; labor disputes, a general inability to obtain labor or materials or reasonable substitutes for either, unusual delay in transportation, strikes, slowdowns or work stoppages; acts of God, casualties, explosions, floods, fire, earthquake, tornado, hurricane or other severe and adverse weather conditions; pandemics, epidemics, infectious disease outbreaks, public health emergencies, health and safety circumstances that require individual isolation, quarantine or quarantine-like restrictions; delays caused by actions or inactions, or other acts or omissions on the part of any public utility or state or federal government (or de facto governmental entity), state or federal government official or their respective agents or employees; and, delays caused by state or federal governmental restrictions, regulations, or controls.

(6) “Jobs” means employment of individuals working at or on the Property as a result of the Program. Such individuals shall be “full time” (averaging at least twenty (20) hours per week), or “part time” (averaging less than twenty (20) hours per week). For the purposes of proving up jobs, the Company shall use the form attached hereto.

(7) “Open for Business” means that the applicable portion of the Property is under roof and air-conditioned and heated is open for full-time business operations for all intended purposes.

SECTION 4. TERM

This Agreement shall become enforceable upon the Effective Date and will terminate on the first to occur upon the: receipt by the Company of the Economic Development Grant Payment; or, the termination of this Agreement as provided for herein (the “Term”). However, the Term shall not exceed **10 years** from the Effective Date, at which time this Agreement shall automatically expire unless extended in writing approved by both Parties.

SECTION 5. THE COMPANY’S PERFORMANCE CRITERIA

The Company must satisfy and provide proof to the Board that the following have been accomplished in order to receive the Economic Development Grant Payments, with such performance criteria being certified by the Company as provided in this Agreement, including the Capital Investment and Job Creation Certification form attached to this Agreement as **Exhibit “C”**, which shall be executed and delivered concurrently with this Agreement:

(1) Completion of the Application, including all required forms and documents associated therewith; and,

(2) The Company has done all of the following:

(a) Successful completion of project (Parking Lot Repaving)

SECTION 6. ECONOMIC DEVELOPMENT GRANT PAYMENTS

A. Within thirty (30) days of the Board’s determination that the Company has satisfied the performance criteria set forth in Section 5 above, the SEDC shall provide an Economic

Development Grant Payment to the Company in an amount not to exceed **\$26,482.50 New Business Development Incentive** as a reimbursement for the Company's costs associated with the Program. In no event shall the SEDC be required to make any Economic Development Grant Payment to the Company except as provided herein, and subject to satisfaction of the conditions set forth above. The obligations contained in this Agreement shall cease upon payment in full to the Company of the Economic Development Grant Payment, or the expiration of the Term, whichever occurs first.

B. A delay in the payment of the Economic Development Grant Payment by the SEDC due to a delay in receiving any sales tax revenues or sales and use tax information from the Texas Comptroller shall not be considered a default on the part of the SEDC so long as the SEDC uses reasonable efforts to obtain such sales tax revenues or sales and use tax information and make the Economic Development Grant Payment to Company within thirty (30) days after the receipt of such sales tax revenues or sales and use tax information from the Texas Comptroller.

C. If applicable, in order to assist the SEDC in its accounting of the Economic Development Grant Payment, the Company shall sign and submit to the SEDC and maintain during the Term, the Waiver of Sales Tax Confidentiality form attached as **Exhibit "D"**, or other similar form required by the Texas Comptroller as may be required from time to time during the Term to permit the release of sales tax information relating to the Company Facility. ***Non-applicable for this agreement.***

SECTION 7. THE COMPANY'S COVENANTS, WARRANTIES, AND OBLIGATIONS

The Company hereby makes the following covenants and warranties to the SEDC, and agrees to timely and fully perform the following obligations and duties:

- (1)** The Company is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas during the Term of this Agreement;
- (2)** The execution of this Agreement has been duly authorized by the Company, and the corporate officer signing this Agreement is an officer of the Company, empowered to execute this Agreement and bind the Company, with said authorization, signing, and binding effect is not in contravention of any law, rule, or regulation, or of the provisions of the Company's articles of incorporation, bylaws, or of any agreement or instrument to which the Company is a party or by which it may be bound;
- (3)** The execution and performance of this Agreement by the Company constitutes its valid and binding obligation, subject to the terms and conditions set forth in this Agreement;
- (4)** As of the date of this Agreement, no litigation or governmental proceeding is pending or, to the knowledge of the Company, threatened against or affecting the Company that may result in any material adverse change in the Company's business, properties, or operation; and no consent, approval, or authorization of or registration or declaration within any governmental authority is required in connection with the execution of this Agreement or the transactions contemplated hereby;
- (5)** There are no bankruptcy proceedings or other proceedings currently pending or

contemplated, and the Company has not been informed of any potential involuntary bankruptcy proceedings;

(6) The Company shall pay all state and local taxes due and owing by the Company to all taxing authorities having jurisdiction over the Property prior to delinquency;

(7) In the event of bankruptcy, receivership, or closure or cessation of operations at the Property, the Company shall maintain the Property in good condition and in compliance with applicable building and property maintenance codes and ordinances;

(8) The Company shall not discriminate against any person on the basis of race, color, national origin, sex, or by reason of being disabled, and shall refrain from violating any applicable local, state, and federal law which may have a material adverse effect on the City's or the SEDC's reputation by virtue of the City's or the SEDC's relationship with Company;

(9) The Company acknowledges that for contracts needing City or SEDC approval, that the City or the SEDC may not accept or enter into a contract until it has received from the Company a completed, signed, and notarized Texas Ethics Commission (the "TEC") Form 1295 from the Company complete with a certificate number assigned by the TEC, pursuant to Texas Government Code Chapter 2252 and the rules promulgated thereunder by the TEC, with a copy of the **TEC Form 1295** attached hereto **Exhibit "E"**;

(10) Pursuant to Chapter 2264 of the Texas Government Code, the Company certifies that as of the Effective Date of this Agreement and throughout the Term, the Company's business, or a branch, division, or department thereof, does not and will not knowingly employ an undocumented worker (as defined in §2264.001 of the Texas Government Code), and if the Company's business, or a branch, division, or department thereof, is convicted of a violation of 8 U.S.C. §1324a(f) occurring during the Term of this Agreement, the Company shall repay to the SEDC the total amount of the Economic Development Grant Payment paid to the Company under this Agreement, plus interest at agreed rate not later than the one hundred twentieth (120th) day after the date the SEDC notifies the Company of the violation; and it is agreed that for purposes of this subsection, but only if permissible under Chapter 2264 of the Texas Government Code, that:

(a) For the purposes of this Section, "Company's business" shall be limited to the Company's business in Seabrook, Texas;

(b) The Company shall not be liable for a violation of Chapter 2264 of the Texas Government Code by a person or entity with whom the Company contracts;

(c) Neither the Company nor its business, or branch, division, or department thereof, shall be deemed to have been "convicted of a violation" until all appeals have been exhausted and/or the time for all appeals has expired; and,

(d) The date that "SEDC notifies the Company of the violation" may not be earlier than the date that the Company has been "convicted of a violation" as provided in the immediately preceding subsection; and,

(11) For purposes of this Section “agreed rate” shall mean the lesser of:

- (a)** the Wall Street Journal prime rate announced by and as quoted in Wall Street Journal, from time to time, as its prime commercial rate or, if the Wall Street Journal prime rate ceases to be made available by the publisher, or any successor to the publisher, a similar reference interest rate based on the interest large United States money center commercial banks charge on short term uninsured loans to their most creditworthy borrowers, or
- (b)** the highest lawful rate.

SECTION 8. DEFAULT

A. The following shall constitute a default by the Company under this Agreement (a “Company Default”):

- (1)** The appointment of a receiver of the Company, or of all or any substantial part of its property, and the failure of such receiver to be discharged within ninety (90) days thereafter.
- (2)** The adjudication of the Company as bankrupt.
- (3)** The filing by the Company of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.
- (4)** Upon the expiration of the notice and cure period set forth below, a breach of a material representation under this Agreement by the Company.
- (5)** Upon the expiration of the notice and cure period set forth below, a breach of any material covenant set forth herein.

B. The following shall constitute a default by the SEDC under this Agreement (a “SEDC Default”):

- (1)** The appointment of a receiver of the SEDC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within ninety (90) days thereafter.
- (2)** The adjudication of the SEDC as bankrupt.
- (3)** The filing by the SEDC of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.
- (4)** Upon the expiration of the notice and cure period set forth below, a breach of a material representation under this Agreement by the SEDC.
- (5)** Upon the expiration of the notice and cure period set forth below, the SEDC’s failure to pay any Economic Development Grant Payment to the Company in accordance with this Agreement.
- (6)** Upon the expiration of the notice and cure period set forth below, a breach of the SEDC’s

obligations set forth in this Agreement.

C. In the event of the occurrence of a breach or default by a Party under this Agreement, as applicable, the non-defaulting Party shall give written notice to the other Parties of such default, and the actions necessary to cure such alleged default, and the defaulting Party shall have sixty (60) days thereafter to cure said default or if the defaulting Party is diligently pursuing the cure of such default but such default is not reasonably curable within sixty (60) days, then the defaulting Party shall have such additional amount of time as is reasonably necessary to cure such default but no more than thirty (30) additional days. Should a default or breach as described herein, remain uncured after such cure period it shall constitute a Company Default or SEDC Default, as applicable, and the non-defaulting Party shall have the right to exercise the remedies set forth below.

SECTION 9. REMEDIES.

A. Upon the occurrence of a Company Default, the SEDC shall have the right to terminate this Agreement by written notice to the Company, in which event the SEDC shall have no obligation to make any future Economic Development Grant Payment to the Company under this Agreement.

B. Upon the occurrence of a SEDC Default, the Company shall have the right to terminate this Agreement by written notice to the SEDC, in which event the Company shall have no further obligations under this Agreement.

C. In addition, and without terminating this Agreement, any Party shall further have the power to enforce specific performance to collect amounts owing by the other Parties under this Agreement or to otherwise compel the other Parties to perform their obligations under this Agreement. Further, any Party shall have the right to bring an action for a declaratory judgment.

D. The SEDC shall be entitled to a refund of any portion of or all Economic Development Grant Payments made to the Company, except as otherwise provided herein, and further provided that the SEDC shall be entitled to recapture any portion of or all Economic Development Grant Payments which were made based upon materially false or fraudulent information certified to or provided by the Company and for which the Company would not otherwise have been entitled. No action shall lie for damages against the Company except that the SEDC shall be entitled to any action to recover any amounts owed by the Company as provided in the foregoing sentence.

E. Upon the occurrence of a SEDC Default, the Company has the right to bring any action to recover any amounts owed to it under this Agreement plus interest from the date due at the agreed amount. In addition, the Company shall have the right to seek a judicial declaration of the appropriate amount of the Economic Development Grant Payment owing to the Company by the SEDC under this Agreement.

F. THE SEDC DOES NOT WAIVE ANY GOVERNMENTAL IMMUNITIES THAT IT MAY HAVE AS NOW EXIST OR MAY BE CREATED UNDER ANY APPLICABLE LAW OR JUDGEMENT.

G. If any legal action or proceeding is commenced by any Party to enforce the provisions of this

Agreement or to recover any damages permitted under this Agreement from the breaching Party, the Party entitled to relief shall additionally recover its reasonable legal fees and costs.

H. The sole and exclusive remedies of the Company for a breach by the SEDC under this Agreement shall be those expressly provided for in this Agreement and the Company hereby waives any other remedies under law or in equity.

I. A Party shall not be deemed to be in default of this Agreement if performance of this Agreement is delayed, disrupted, or becomes impossible because of an event of Force Majeure, but only for so long as the event of Force Majeure reasonably delays, disrupts, or prevents performance.

J. Any delay for any amount of time by a Party in providing notice of default to the other Party shall in no event be deemed or constitute a waiver of such default by such non-defaulting Party of any of its rights and remedies available in law or in equity.

K. Any waiver granted by one Party to another Party shall not be deemed or constitute a waiver of any other existing or future default by such Party or of a subsequent default of the same act or event.

SECTION 10. LIABILITY LIMITATIONS OF THE SEDC

The SEDC is making payments under this Agreement solely and exclusively from the sales tax revenues it receives from the Texas Comptroller and such funds are not financed and will not be financed or otherwise paid from any other source. Under no circumstances shall the obligations of the SEDC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. No public official or employee shall be personally responsible for any liability arising under or growing out of this Agreement.

SECTION 11. MISCELLANEOUS PROVISIONS

A. Changes in Law. Should a change in law prevent or prohibit the SEDC from complying with or making any payments under this Agreement, the Parties agree to terminate this Agreement; provided, however, that, to the extent feasible and permitted by applicable law, the Parties agree to work together in good faith to modify this Agreement or enter into a new agreement or otherwise provide the Company with a remedy or reasonably equivalent value to otherwise accomplish the purpose of this Agreement, and if the Parties do not agree, then a court may equitably reform this Agreement.

B. Binding Effect. This Agreement will be binding on and inure to the benefit of the Parties and their respective successors and assigns.

C. Assignment, Sale, Merger, or Transfer. Except as provided below, the Company may not assign all or part of its rights under this Agreement to a third party, or otherwise sell, merge, or transfer substantially all its then owned assets to another entity (each, a "Transfer"), without written notice of a Transfer provided by the Company to the SEDC at least thirty (30) days prior to a Transfer.

D. Notice. Notice shall be effective upon receipt or refusal of delivery by the Party to be notified. Any notice or other communication (the "Notice") given under this Agreement shall be in writing,

and may be given:

- (1) by depositing the Notice in the United States Mail, postage paid, certified, and addressed to the Party to be notified with return receipt requested;
- (2) by personal delivery of the Notice to the Party;
- (3) by depositing the Notice with Federal Express or another nationally recognized courier service for next day delivery;
- (4) by electronic delivery of the Notice to an e-mail address provided by each Party; or,
- (5) by confirmed facsimile, at a number provided by each Party, only if a copy of the Notice is also given in one of the manners specified in (1), (2), (3), or (4).

E. Notice Contact Information. Unless changed as approved in writing by all Parties, for the purposes of the Notice, the contact information of the Parties is as follows:

For the SEDC:

Seabrook Economic Development Corp.
Attn: Executive Director
1700 1st Street
Seabrook, Texas 77586

For the Company:

Midnite Slice LLC
Attn: Sibbian Roe
410 Bayou View
Seabrook, TX 77586

F. Interpretation. Each of the Parties has been represented by counsel of its choosing in the negotiation and preparation of this Agreement. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly and reasonably and neither more strongly for or against, either Party based on draftsmanship.

G. Relationship of the Parties. This Agreement shall not be construed as establishing a partnership or joint venture, joint enterprise, express or implied agency, or employer-employee relationship between the Parties. Neither Party, nor either's past, present, or future elected officials, officers, directors, employees, or agents, assume any responsibility or liability to any third party in connection with the development of the Property or the design, construction, or operation of any portion of the Property.

H. Applicable Law and Venue. This Agreement is made, and will be construed and interpreted, under the laws of the State of Texas without regard to any conflicts of law provision, and venue will lie in a state district court in Harris County, Texas. The Parties consent to, and waive any objection to, in person jurisdiction in Harris County, Texas.

I. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable in any respect under present or future laws, the remainder of this Agreement shall not be affected so long as the intent, purpose, and benefits of this Agreement are not affected in any manner materially adverse to either Party hereto. This Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein, and in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable, is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable, and effects the intent, purpose, and benefits of this Agreement.

J. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience

only and will in no way enlarge or limit the scope or meaning of the paragraphs.

K. No Third-Party Beneficiaries. This Agreement is not intended to confer any rights, privileges, or causes of action upon any third party.

L. Counterparts. This Agreement may be executed simultaneously in two (2) or more counterparts, each of which will be deemed an original, but all of which will constitute the same instrument. A signature transmitted by facsimile or email will be deemed to be an original signature for all purposes. As used in this Section, "signature" includes an electronic signature.

M. Exhibits. The following exhibits are attached to and incorporated into this Agreement and made a part of this Agreement for all purposes as if they were set forth herein in their entirety:

- Exhibit A - Property Exhibit;
- Exhibit B – Program Application;
- Exhibit C – Capital Investment and Jobs Certification;
- Exhibit D – Waiver of Sales Tax Confidentiality; (Not Applicable)
- Exhibit E - 1295 Form (if Necessary); and
- Exhibit F – Resolution Authorizing the EDC Incentive Program.

N. Entire Agreement. This Agreement embodies the complete agreement of the Parties, superseding all oral or written, previous and contemporary, agreements between the Parties relating to matters in this Agreement; and, except as otherwise provided herein, this Agreement cannot be modified or amended without a written agreement of the Parties.

O. Confidentiality. This Agreement is subject to the Texas Public Information Act and will be considered "public information" after consideration by the SEDC at a posted meeting by either body. However, the SEDC will use all appropriate measures to keep the information contained in and related to this Agreement confidential until such time as the Texas Public Information Act requires the SEDC to disclose the applicable contents of this Agreement. To the maximum extent permitted by law, the SEDC and its respective elected officials, officers, directors, employees, agents, and contractors retained to perform economic development services for the SEDC (the "SEDC Related Parties"): (i) shall use all appropriate measures to maintain the confidentiality of all sales tax information filed by the Company and/or its respective tenants, subtenants and/or licensees, as applicable, with the State of Texas and all other information regarding the Sales Tax Revenue generated by the Property; (ii) shall treat as confidential any other proprietary or financial information of the Company and/or its respective tenants, subtenants, and/or licensees and shall not release any of the foregoing information to the public, unless required by law or court order. The SEDC shall notify the Company as a third-party under the Texas Public Information Act of requests, Attorney General Opinions, and court orders to release such information pursuant to the Texas Public Information Act. The SEDC shall be permitted to disclose the foregoing information to the SEDC Related Parties as the SEDC, in its discretion deems appropriate in furtherance of the purposes of this Agreement, so long as such disclosure is made subject to compliance by such SEDC Related Parties with the terms of this Section. This Section is not meant to prevent the SEDC from complying with the Texas Public Information Act, as it may be amended.

P. Time is of the essence in this Agreement.

FOR THE SEDC

My Commission Expires: _____

My Commission Expires: 12/7/2026

SIGNATURES

IN WITNESS WHEREOF, the Parties, through their duly authorized representatives, enter into and execute this Agreement effective as of the dates set forth below.

FOR: THE SEDC

Name [Signature]

Name [Printed]

Title

Date

FOR: THE COMPANY



Name [Signature]

Sibbian Roe

Name [Printed]

Owner

Title

6-11-2025

Date

EXHIBIT A – PROPERTY EXHIBIT

1605 Main Street
Seabrook, TX 77586

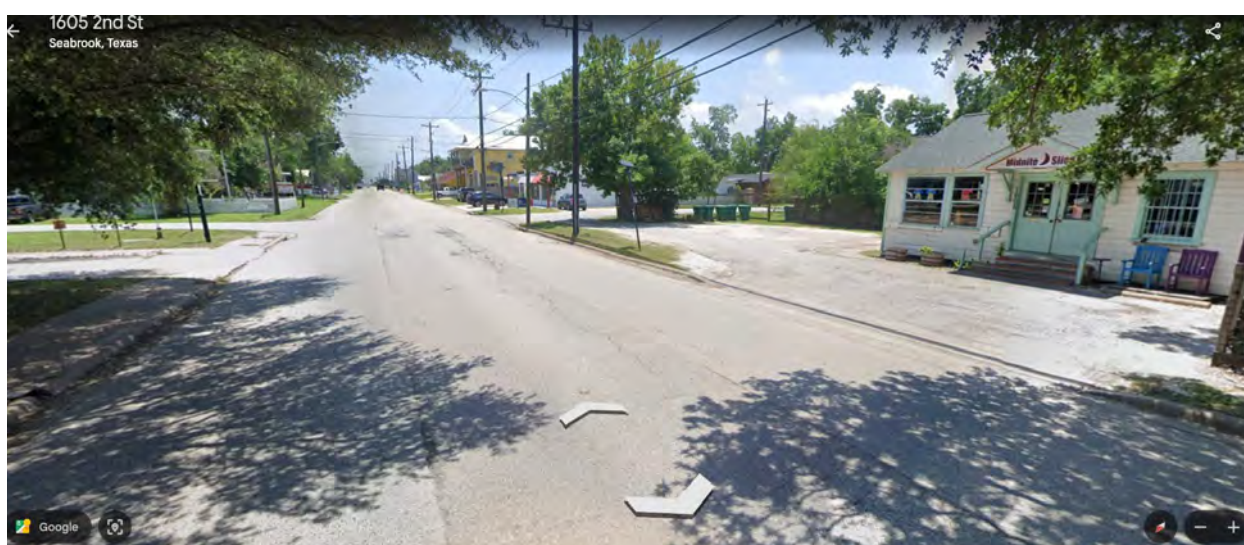


EXHIBIT B - GRANT APPLICATION & PROGRAM DESCRIPTION

INCENTIVE APPLICATION

Applying for Seabrook business incentives starts with completing this application. Staff will complete an economic impact analysis based on information provided by the applicant. Then, if the analysis is favorable, the project moves toward a board presentation and review. The application is the official record of the project that is submitted to the Economic Development Corporation (EDC) for review. The entire process can be completed within 45-60 days, depending on when the application is filed and public hearing requirements/posting.

All applicants are encouraged to review the current [Seabrook Economic Development Corporation Incentive Policy](#) before completing this application.

IMPORTANT: DO NOT START CONSTRUCTION BEFORE COMPLETING THE INCENTIVE APPLICATION PROCESS.

APPLICANT INFORMATION

Applicant Name: Sibbian Roe
Business Name: Midnite Slice
Website: midniteslice.com

Primary Contact: _____
Phone: _____
Email: _____

BUSINESS DETAILS

Business Owner: Sibbian Roe
Business Partner(s) Name and Contact Information: _____

Business Structure: ☐ Proprietorship
☒ Limited Liability Company (LLC)
☐ Partnership
☐ Corporation

Taxpayer ID: 86-1327209
Texas Secretary of State File Number: _____

Name and Contact Information of Financial Institution: _____

LOCATION DETAILS

Projected Business Address in Seabrook: 1605 Main St

This site will be: ☐ Leased
☒ Owned

Property Owner Name and Contact (if leased): _____

Approximate Opening Date: 4/20/2012

Type of Business (Industry and nature of operations):

NACIS Code(s): _____

Pizza Shop

IMPORTANT: DO NOT START CONSTRUCTION BEFORE COMPLETING THE INCENTIVE APPLICATION PROCESS.

PROJECT AND DEVELOPMENT INFORMATION

Total Value of Project: 58000

Requested Incentive Amount: 58000

Project Description (How will the requested funds be used?):

Remove tree and fence and concrete parking lot

Project Impact: Total Number of Full-Time Employees at Opening: _____

Total Number of Part-Time Employees at Opening: _____

Has the Business Received Incentives from Other Entities? ☐ Yes ☒ No

If Yes, Please Note Most Recent Awards:

REQUIRED DOCUMENTS

Please submit the below documents with the incentive application. Applications will not be considered unless a completed application and the documents noted below are submitted.

- ☒ Sales and Use Tax Report (if applicable) by owner
- ☒ Proof of Harris County Tax Payment
- ☒ Franchise Tax Certification of Account Status (if applicable)
- ☒ Articles of Incorporation from the Secretary of State
- ☒ Current Harris County appraisal district report on project site (if applicable) Seabrook Finance Dept.
- ☒ Budget for the project- including copies of estimates for work and other cost documentation associated with your project.
- ☒ Drawings, renderings, and photos of your project (not required to be drawn to scale for incentive consideration)

Applicants may be required to submit additional documentation related to the project for incentive consideration.

Final determination of incentive award shall be made by the Seabrook Economic Development Board and the City Council of the City of Seabrook. Any incentive award shall be subject to a binding agreement with terms and conditions approved by the Seabrook Economic Development Board and the City Council of the City of Seabrook.

MEDIA RELEASE

I, Sibbran Roe, on behalf of Midnite Slice (business name), hereby authorize the Seabrook Economic Development Corporation (EDC) and its representatives to use, reproduce, and publish photographs, videos, audio recordings, and other media that may include my image, voice, business name, and likeness.

This authorization extends to:

- **Promotional Materials:** Publications, brochures, advertisements, websites, social media, and other promotional or educational materials produced by the EDC.
- **Media Outlets:** Any press releases or media features in newspapers, magazines, television, radio, or online news platforms.
- **Public Events:** Any presentations, conferences, or public events hosted or sponsored by the EDC where media content is used.

I waive any right to inspect or approve the finished media or promotional content and release the EDC from any liability related to the use of these materials.

Acknowledgment: I understand that this media release form does not guarantee the use of any media and does not entitle me to any compensation. This release is binding and will remain in effect unless otherwise revoked in writing.

Signature: [Signature]

Printed Name: Sibbran Roe

Business Name: Midnite Slice

Date: _____

Title: Owner

PLEASE SUBMIT THIS APPLICATION TO

EMAIL:
edc@seabrooktx.gov

MAIL:
Seabrook Economic Development Corporation
1700 First Street
Seabrook, TX 77586

COMPLETE THE ONLINE APPLICATION



AUTHORIZATION FOR SUBMITTAL

I certify, to the best of my knowledge, that all information provided in this Incentive Application (including attachments) is true and accurate, as indicated by my signature below. I further confirm that the business entity is in good standing under applicable laws and owes no delinquent taxes to any taxing authority.

If awarded incentives, the applicant agrees to comply with a performance agreement, including the submission of documentation on employee counts, average wages by category, taxable sales, personal property inventory, and any other relevant information required by the EDC for the period specified in the performance agreement.

By signing this document, the applicant affirms that they are authorized to file this application on behalf of the business owner/applicant and can provide evidence of such authorization if requested. Proof of appropriate insurance will also be required as a condition of any approved incentive grant.

NOTE: If the landlord is seeking an incentive, they will also be a party to the abatement agreement and must meet all terms, including submitting documents for an annual performance report. If the property is leased and either the landlord seeks an incentive or the applicant requests modifications to the landlord's property, the landlord will need to complete their contact information below.

Legal Property Owner / Landlord:

Signature: 
Printed Name: Sibbian Roe
Date: _____

Legal Address: 1605 Main St
Phone: 832 285 7272
Email: Sibbian.R@gmail.com

Applicant (if different from legal property owner):

Signature: _____
Printed Name: _____
Date: _____

Phone: _____
Email: _____

EXHIBIT C - CAPITAL INVESTMENT AND JOBS CERTIFICATION

Re: ECONOMIC DEVELOPMENT AGREEMENT MADE BY AND AMONG THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION AND MIDNITE SLICE, LLC.

This Capital Investment and Jobs Certification is being delivered by Midnite Slice, LLC (the "Company") in connection with that certain Economic Development Agreement made by and among the Seabrook Economic Development Corporation (the "SEDC"), and the Company effective as of _____, **2025** (the "Agreement"). All terms used herein have the meanings ascribed to them in the Agreement unless otherwise defined herein.

The undersigned hereby certifies to the SEDC that:

1. I am a duly authorized representative of the Company to execute this Capital Investment and Jobs Certification document.
2. The Company will make a capital investment of not less **\$26,482.50** at 1605 Main Street, Seabrook, Texas 77586 including, without limitation, hard and soft construction costs.
3. The Company will show successful **completion** of project with all appropriate final inspections and permits

FOR THE COMPANY:

BY:

NAME – SIGNATURE

NAME – PRINTED

TITLE

DATE _____, 2025

EXHIBIT D - WAIVER OF SALES TAX CONFIDENTIALITY
NOT APPLICABLE

EXHIBIT E – FORM 1295 (IF NECESSARY)

EXHIBIT F– RESOLUTION

**SEABROOK ECONOMIC DEVELOPMENT CORPORATION
RESOLUTION 2023-01/EDC**

SEDC INCENTIVES POLICY

* * * * *

WHEREAS, on January 18, 1992, the voters of the City of Seabrook authorized the City of Seabrook to adopt a one-half cent sales and use tax to pay for the costs of projects authorized by Chapters 501, 502, and 505 of the Texas Local Government Code, and to pay for the principal and interest of bonds or other obligations issued to pay the costs of such projects; and

WHEREAS, the Seabrook Economic Development Corporation (“EDC”), a type B corporation, was established to oversee the expenditures of these tax monies and bylaws were established for the operation of the EDC; and

WHEREAS, EDC has analyzed potential incentive programs available under state law to assist it in attracting businesses, creating jobs, and assisting in other statutorily authorized economic development programs; and

WHEREAS, EDC has evaluated incentive program funding for its current Fiscal Year budget; and

WHEREAS, EDC has allocated funding and memorialized incentive program funding options by resolution since Fiscal Year 2008-09, the first year it adopted such measures;

NOW THEREFORE, BE IT RESOLVED BY THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS:

Section 1. That EDC will undertake to establish one or more economic development incentive programs and expenditures in accordance with the City of Seabrook’s and the EDC’s economic development goals and adoption of relevant policies for each program, state law, including but not limited to Chapters 501, 502, and 505 Texas Local Government Code (the Development Corporation Act) and to the extent EDC is authorized to expend funds in such a program, as established by the Texas Local Government Code Chapter 380 and Seabrook City Council, as appropriate.

Section 2. That the following incentives are approved by the Board of Directors, and are designed to provide guidance to the EDC Director in his negotiations with potential economic development clients. All requests for incentives shall come back to the Board for consideration, and shall be in an amount or amounts which will not

exceed the total approved appropriation for Economic Development Incentive Programs, Budget Line Item 707-5620, in the amount as shown in the final budget following adoption by the Board of Directors and City Council for the then-current fiscal year, including amendments.

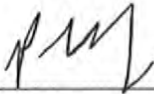
The incentives identified and approved by the Board of Directors are outlined in Appendix A, attached to this Resolution.

Section 3. That this Resolution be reviewed annually and attached as written or as it may be revised to subsequent EDC Budget, forwarded to the Seabrook City Council. The Board finds that the above list has been published as required for public comment by Section 505.160(a) Texas Local Government Code and constitutes a continuing project to the extent it is funded in any particular fiscal year.

Section 4. That following approval of the budget by the Board of Directors, the Seabrook City Council, and publication of the statutory notice identifying projects, that expenditures for those projects identified in Section 1 be thereafter approved and allocated subject to the budget line item cap by the Board of Directors, without further budget amendment or approval by the Board of Directors and City Council.

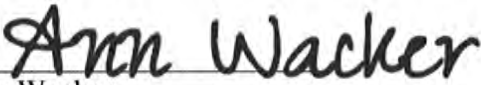
PASSED, APPROVED AND ADOPTED THIS 13th DAY OF ~~MARCH~~ ^{APRIL}, 2023.

SEABROOK ECONOMIC DEVELOPMENT
CORPORATION



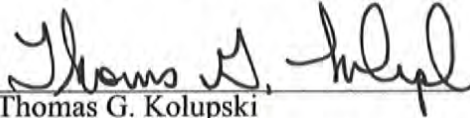
Paul Dunphey,
Chairman

ATTEST:



Ann Wacker,
Secretary

SEABROOK CITY COUNCIL



Thomas G. Kolupski
Mayor



APPENDIX A

Article I - General Provisions

Seabrook, Texas is a community southeast of the City of Houston. The community was incorporated in 1961 and is currently 13 square miles in size. The Seabrook Economic Development Corporation was established in 1992 as a Texas 4B corporation (501c6) to serve as the economic development agent for the City.

The provisions of this resolution shall apply in the city limits of the City of Seabrook, Texas.

Purpose

The Seabrook Economic Development Corporation (SEDC) is committed to promoting economic growth, redevelopment and community improvement through the use of local planning tools, such as economic incentives. In order to create a guiding framework for decisions regarding the use of public resources to stimulate economic activity, the SEDC has established this policy to orient the consideration and use of economic incentives in a manner that is consistent with the City's strategic priorities and objectives, providing a return on investment to the community.

Obligation

While this policy will be proactively used in the process of granting incentives, nothing in this document implies that the City of Seabrook and the SEDC are under any obligation to provide an incentive. Further, while these guiding criteria provide a framework for evaluation, every prospect will be considered on a case by case basis by the SEDC and ultimately, the City Council. All incentives are subject to availability of funding.

Authority

This policy is adopted under the authority of the Constitution and Laws of the State of Texas, and the City Charter of the City of Seabrook, Texas.

Applicability

Any Project requesting incentives in Seabrook will be given consideration under the provisions of this policy. As a rule, Projects are evaluated with regard to their economic efficiency; and return on investment to the citizens of the City of Seabrook. This may mean addition of quality jobs, ad valorem tax value, sales tax or any other significant public benefit.

Public Accountability & Performance Measures

Every incentive agreement that the SEDC enters into is considered an investment for the public benefit. Each incentive application is considered with regard to its merit to the community at large, and its potential to create a multiplying economic effect for the citizens of Seabrook. Performance measures will be established based on the economic impact and overall assessment by the SEDC. Should an applicant be unsure of projected

EDC Incentive Programs Resolution

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performance indicators, utilizing conservative estimates with contingency options are encouraged to prevent default.

Compliance

Each year of the active incentive agreement, compliance reporting must be completed by incentive recipients. Projects that are not in compliance with performance measures are subject to recapture of a portion or all of the incentive value.

Recapture

Should an incentive recipient fail to meet compliance measures and to perform under the prescribed cures, incentives are subject to repayment to the SEDC.

Development Quality

Generally, any Project receiving an incentive under the provisions of this policy shall exceed the minimum requirements of development quality prescribed in the Seabrook Code of Ordinances as determined by a staff evaluation of proposed facility designs. Such designs will be included as compliance measures in an incentive agreement.

Article II - Definitions

As used herein for the business incentive application, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as ascribed by common and ordinary usage.

Agreement. A contract between an Incentive recipient and the SEDC clarifying the terms, performance measures and obligations of the parties.

Assessed Value. The appraised value of a property after any exemptions have been applied

Base Year Value. The Assessed Value of all property subject to a Tax Rebate in the year preceding execution of an Agreement

Business Personal Property. Any property associated with a Project other than Real Property and excluding inventory

City. The City of Seabrook, Texas, and all its governing and operating bodies

Construction / Build-Out Costs. Costs which may be associated and extended to mean the improved value of buildings, structures, fixed-in-place machinery and equipment, site improvements, and related personal equipment necessary to the primary operation of the facility.

Compliance Measures. Economic performance indicators for a Project established by Agreement and reported to the City annually or as otherwise prescribed by Agreement

EDC Incentive Programs Resolution

Page 4 of 11

Council. The City Council of the City of Seabrook, Texas

Default. An event in which a party to an Agreement has failed to meet Compliance Measures and to perform under prescribed cures

Expansion. An investment in fixed assets that will result in an increase in occupied building area, increased employment or higher Assessed Value of Real Property by a firm already located in the City

Facility. Combined Real and Business Personal Property Improvements that house an economically purposeful activity

Green Space Improvements. Improvements to the Project site that increases beyond required green space and detention requirements by the City that will utilize natural vegetation and landscaping to improve the site aesthetics.

Improvement. A building, structure or fixture erected on or affixed to land with a life expectancy of 15 years or more.

Incentive. Any inducement for economic activity given by a governmental entity (in this case the SEDC) such as a rebate, participation in infrastructure costs, waiver of fees or development requirements only as allowed by law, or any other incentives not prohibited by state or federal law.

Ineligible Property. The following types of property shall be fully taxable and ineligible for Incentives: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; or any other property for which Incentives is not allowed by state law.

Infrastructure may include water, wastewater, roads, drainage, and the extension of franchise utilities. Infrastructure items must show a benefit to a region or area of the city and not solely benefit one business.

Job. A permanent, full-time employment position that has provided or will result in employment of at least 1,820 hours per position in a year; Part-time positions may be aggregated to create a full-time position for consideration in this policy.

Modernization. The replacement and upgrading of existing facilities which increases the productive input or output, updates the technology, or substantially lowers the unit cost of operation, and extends the economic life of the facility. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery, or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.

Project. The combination of proposed investment, improvements and economic activity that is submitted in an application for an economic incentive as provided by law, see Texas Local Government Code Sections 501 and 505.

Personal Property. Assets on a site that can be moved. Personal property is movable and not fixed permanently to one location, such as land or buildings.

Real Property. Land or an improvement affixed thereto. Examples of real property are buildings, canals, crops, fences, land, landscaping, machinery, minerals, ponds, railroad tracks, and roads.

SEDC. Seabrook Economic Development Corporation and its staff.

Article III - The Application Process

Application Required

In order to ensure accountability, fairness and compliance with all applicable regulations, every incentive request must proceed through a uniform application process.

Incentive applications are evaluated on a case-by-case basis. As such, an application does not guarantee an incentive grant.

Information & Confidentiality

In order to perform an adequate cost-benefit analysis of each incentive request, the SEDC requests thorough information regarding the economic attributes of each Project. This information is used in the strictest sense to evaluate the potential incentive investment being considered by the SEDC and will be treated as confidential.

Please note that while government documents are subject to the provisions of the Texas Open Records Act and other regulations pertaining to transparency in government, certain exceptions apply to information used in Economic Development negotiations. Information that is provided to the City and the SEDC in connection with an application or request for economic incentives in accordance with the above criteria and guidelines and which describes the specific process or business activities to be conducted or equipment or other property to be located on the property for which the economic incentives are sought is subject to confidentiality and subject to exception for public disclosure until the economic incentives agreement is executed, or as otherwise determined by the Texas Attorney General as provided by the Act. The information in the custody of the City of Seabrook after the agreement is executed is not confidential and would be required to be released under the Texas Open Records Act.

Article IV – PROGRAM DEFINITIONS

IMPORTANT: Do not start construction before applying for incentives. If construction has started prior to an incentive application, it is assumed that the Applicant does not need assistance and the application may be denied.

The Seabrook EDC has approved the use of the following programs to incentivize development within the City of Seabrook:

- A. Small Business Development
- B. Commercial Façade Incentive
- C. New Construction & Development Incentive
- D. Retail Redevelopment Incentive
- E. Sales Tax Rebate

While some projects may not fit into the categories listed above, the Seabrook EDC retains the right to review any application and enter into an incentive agreement under Texas local government code 505.158.

All incentives are paid via reimbursement. Qualifications for reimbursement include a signed certification of occupancy by the City of Seabrook and signed permits by related county and State agencies for the operation of the business. Documentation of costs related to reimbursement must accompany reimbursement requests. If documentation is not provided, reimbursement will not be paid. It is important to note that **all incentive programs have a maximum duration limitation of 10 years.**

A. Small Business Development

Defined as having less than five (5) full time (or FTE) employees and/or under \$2,000,000 in annual sales. Businesses that pursue an incentive in this category will be required to attend at least one meeting with an SBA / SCORE representative regarding the business' projected growth plan.

The Small Business Development Incentive is designed to provide funding for **growth** of the business. Incentive funds are not awarded for normal operating expenses such as payroll, building maintenance, utilities, et al.

If awarded, the project will be required to show proof of use of funds for the expansion of employment, expansion of services, or new construction. Small Business Development Incentives have a maximum value of \$50,000 per application.

B. Commercial Façade Incentive

The Façade Improvement Program involves real property improvements to the exterior of commercial, retail buildings in the City of Seabrook.

Eligibility

Projects include those making alterations to building exteriors which enhance its appearance and character in a manner that is harmonious with the design principles of the zoning ordinance of the district.

Examples of eligible improvements are as follows:

- Brick repair
- Awning replacement
- Sign removal or replacement
- Window replacement or restoration
- Replacement or restoration of cornices
- Removal architecturally inappropriate alterations
- Other aesthetic/architectural improvements as approved

Commercial Façade Incentives have a maximum value of \$40,000 total per location along active, connected streets. Thus - not facing alleys, back of building, side facing another building, etc.

Incentives are paid **after** a final inspection has been received from the Seabrook Building Official.

C. New Construction & Development Incentive

Eligibility

Projects involving warehouse, light industrial facilities, as well as commercial and office developments. Infrastructure, site development, and greenspace enhancements are eligible project costs for this program.

Projects seeking incentives for new construction and site improvements will be subject to the following qualifications:

- The EDC intends to be selective regarding the kinds of businesses that are recruited and incentivized. To that end, non-retail businesses will take precedence over retail businesses, unless the retail establishment has regional draw and serves residents from Seabrook and beyond. In general, the primary objective of the City's economic development efforts is to target new and expanding businesses that offer living wage jobs with benefits that equal or exceed the median wages for similar positions in the State of Texas or that make significant capital investment in the City. The creation and retention of competitive wage jobs shall be a key determinant in granting any incentive.
- The EDC encourages the development of regional retail opportunities within its jurisdiction in order to provide services to its constituency and the visiting public from Seabrook and beyond. The EDC will consider incentives for retail businesses and developers that precipitate the expansion of the sales tax base and other revenues, further the effort to develop Seabrook as a regional hub for retail goods and services, and expand the property tax base. The EDC wants such developers who add quality, or up-scale features, to the architectural designs and landscaping. This is particularly the case with non-industrial developments where unique architecture, landscaping or other features would enhance the quality of development to attract customers and other businesses.
- The EDC desires to retain existing businesses/industries that are contemplating relocating to another city, or state. The EDC may consider offering financial incentives that would offset the cost differentials that make other locations viable. To be eligible under this premise, the applicant or business must provide a declaration that states it is actively pursuing relocation and, absent EDC incentives, would carry out its intent. Furthermore, the applicant or business must make a minimum incremental capital investment, which can be for site modernization, new equipment, technology, or other long-lived depreciable assets that increase the assessed valuation.
- Generally, incentives will not be considered if an applicant, whether a new or existing business, has begun on construction on the site. Before granting any incentive, the City shall determine that without the incentive, the applicant would not locate or expand within the City's jurisdictional boundaries.

Projects requesting an incentive in this Program will be subject to the following minimum qualification:

PROJECT INDICATOR	MINIMUM QUALIFICATIONS
New Jobs Created (full time)	10
Real Property	\$3,000,000
Personal Property	\$1,000,000

These minimum value metrics are required for the duration of the incentive contract.

Construction and Development Incentives do not have a maximum limit.

D. Retail Redevelopment Incentive

The Retail Redevelopment Incentive program is a performance-based incentive intended to stimulate conversion and redevelopment of outmoded commercial properties in the City. Retail Redevelopment Incentives do not have a maximum limit.

Eligibility

Retail centers in the City of Seabrook seeking to renovate existing sites whether through acquisition or as part of the site's capital improvement. Site must be at least 15 years of age at the time of the application and property must be in compliance for zoning.

Eligible Improvements

A proposed Retail Redevelopment Incentive Project must:

- Exceed all applicable development standards
- Incorporate at minimum one of the following improvement:
 - Façade Renovations (*see Commercial Façade Incentive definition*)
 - Landscape Improvements
 - Parking lot improvements
 - Signage Renovations

In addition to any one or more of the following:

- Incorporation of common areas / pedestrian plazas
- Public art installation
- Connectivity to existing walkways / trails

NOTE: Improvements made prior to approval of an incentive agreement are not eligible for reimbursement under this program.

E. Seabrook Economic Development Corporation (SEDC) Sales Tax Rebate

An applicant may choose to request a portion of their SEDC sales tax paid (minus alcoholic beverages sales tax) to be reimbursed. If utilized, Sales Tax Rebates are subject to either a maximum term of 10 years or to terms agreed upon by the SEDC and the Applicant. Applicant is required to create at minimum three (3) full time equivalent (FTE) jobs during the term of the incentive agreement.

Sales Tax Reimbursements are based on a portion paid to the Economic Development Corporation and not the City's total sales tax payment received.

Below is an example worksheet of sales tax reimbursement on a project that has gross annual sales of \$1,000,000.

Annual Sales (<u>excluding</u> alcoholic beverages)		\$1,000,000
City of Seabrook General Fund Sales Tax Revenue (sales x 0.015)	1.5%	\$15,000
SEDC Sales Tax Revenue (sales x 0.0025)	0.25%	\$2,500
Seabrook Crime District (sales x 0.0025)	0.25%	\$2,500
City Sales	2.00%	\$20,000
Texas Sales Tax	6.25%	
Total Sales Tax	8.25%	

As per the example shown, the maximum amount the business could receive per year of the incentive agreement based on \$1,000,000 of annual sales is \$2,500.

Applications for this reimbursement will be required to provide a copy of the past 24 months sales tax payments to the Texas Comptroller. If project is a new business, a detailed 10-year projected sales tax forecast will be required as part of the application documentation.

#

SEABROOK ECONOMIC DEVELOPMENT CORPORATION PERFORMANCE AGREEMENT

This Performance Agreement (this "Agreement") is made by and between the Seabrook Economic Development Corporation, a State of Texas Type B economic development corporation (the "SEDC"), and **Driver and Rescue Club LLC** (the "Company") (with the SEDC and the Company each being a "Party", and collectively the "Parties"), and is entered into by the Parties as of the Effective Date as defined herein.

RECITALS

WHEREAS, the SEDC has established certain programs in accordance with Chapters 501, 502, and 505 of the Texas Local Government Code to promote local economic development and stimulate business and commercial activity (the "Projects") within the City of Seabrook (the "City"), and when the Projects involve a direct incentive to a company, Chapter 501 of the Texas Local Government Code requires the SEDC to memorialize such incentive in a performance agreement with such company (a "Performance Agreement"); and

WHEREAS, the Parties have concluded and hereby find that this Agreement promotes economic development in the City and that this Agreement is a Performance Agreement, providing for the SEDC's provision of a direct incentive to the Company; and

WHEREAS, to ensure that the direct incentive of the SEDC provided under this Agreement is utilized in a manner consistent with Chapters 501, 502, and 505 of the Texas Local Government Code, the Company has agreed to comply with certain conditions for receiving the SEDC's direct incentive, as provided herein; and

WHEREAS, the Company is the owner of certain property generally located at 2611 NASA Parkway Seabrook, Texas 77586, and more particularly described:

One (1) 80ft x 24ft. x 6ft Spud Barge, known as "Barge 295", equipment No. M-295, which is presently located at 2611 NASA Parkway, Seabrook, Texas 775886

(the "Property"), in the attached **Exhibit "A"**; and

WHEREAS, the SEDC has received a grant application (the "Application") from the Company regarding certain improvements to be made to the Property (the "Program"), with the Application which includes a description of the Program being attached to this Agreement as **Exhibit "B"**; and

WHEREAS, the SEDC has current funds on hand in the full amount of the grant contemplated in the Application (the "Grant"), and the SEDC desires to provide the Grant according to the terms and conditions of this Agreement, including the requirement that the Company pay back the Grant if certain performance measures are not met by the Company as provided herein; **and NOW, THEREFORE:**

IN CONSIDERATION OF THE MUTUAL BENEFITS DESCRIBED IN THIS AGREEMENT, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

SECTION 1. RECITALS

The facts and statements included in the Recitals to this Agreement are hereby incorporated into this Agreement for all intents and purposes.

SECTION 2. AUTHORITY

A. The SEDC's participation in this Agreement is authorized by Chapters 501, 502, and 505 of the Texas Local Government Code. At a meeting of the Board of Directors of the SEDC (the "Board") on April 10, 2025, the Board determined that the Program is qualifies for one of the Projects previously approved by the Board and the Council, with the Projects being authorized in Section 501, 502, and 505 of the Texas Local Government Code and authorized the SEDC to offer a direct incentive to the Company. This Agreement satisfies Chapters 501, 502, and 505 of the Texas Local Government Code and serves as a Performance Agreement reflecting the obligations of the SEDC and Company regarding the direct incentive.

B. The SEDC has taken all necessary actions and obtained all necessary approvals to enter into this Agreement, which includes the City Council of the City (the "Council") approving the Project authorizing this Agreement by resolution through two (2) readings at meetings of the Council, with a copy of such **Resolution** being attached to this Agreement as **Exhibit "F"**.

C. The SEDC acknowledges that the Company's participation in this Agreement and the Company's decision to commit substantial resources and money to acquire and develop the Property are made in reliance upon the SEDC's performance of its obligations under this Agreement and is subject to the Company's performance of its obligations under this Agreement.

SECTION 3. DEFINITIONS

In addition to the terms defined in the Recitals or elsewhere in this Agreement, as used in this Agreement, the following words or phrases shall have the following meanings:

- (1)** "Capital Investment" means funds expended in good faith by the Company in furtherance of the Program, including but not limited to site work, construction costs, materials, landscaping, and required signage.
- (2)** "Certificate of Occupancy" means a certificate of occupancy issued by the City in accordance with its standard practices and may include a temporary certificate of occupancy. A Certificate of Occupancy shall not include a certificate of occupancy issued in error, by mistake, or based upon a misrepresentation of facts by the Company or its agent.
- (3)** "Economic Development Grant Payment" means the reimbursement amount to be paid to the Company by the SEDC upon the Company's satisfaction of the terms of this Agreement,

in an amount not to exceed, as provided herein.

(4) "Effective Date" means the last date this Agreement is signed by all Parties.

(5) "Force Majeure" means any contingency or cause beyond the reasonable control of a Party including, without limitation: war, riots, acts of terrorism, acts of the public enemy, insurrections, civil commotion; labor disputes, a general inability to obtain labor or materials or reasonable substitutes for either, unusual delay in transportation, strikes, slowdowns or work stoppages; acts of God, casualties, explosions, floods, fire, earthquake, tornado, hurricane or other severe and adverse weather conditions; pandemics, epidemics, infectious disease outbreaks, public health emergencies, health and safety circumstances that require individual isolation, quarantine or quarantine-like restrictions; delays caused by actions or inactions, or other acts or omissions on the part of any public utility or state or federal government (or de facto governmental entity), state or federal government official or their respective agents or employees; and, delays caused by state or federal governmental restrictions, regulations, or controls.

(6) "Jobs" means employment of individuals working at or on the Property as a result of the Program. Such individuals shall be "full time" (averaging at least twenty (20) hours per week), or "part time" (averaging less than twenty (20) hours per week). For the purposes of proving up jobs, the Company shall use the form attached hereto.

(7) "Open for Business" means that the applicable portion of the Property is under roof and air-conditioned and heated is open for full-time business operations for all intended purposes.

SECTION 4. TERM

This Agreement shall become enforceable upon the Effective Date and will terminate on the first to occur upon the: receipt by the Company of the Economic Development Grant Payment; or, the termination of this Agreement as provided for herein (the "Term"). However, the Term shall not exceed **10 years** from the Effective Date, at which time this Agreement shall automatically expire unless extended in writing approved by both Parties.

SECTION 5. THE COMPANY'S PERFORMANCE CRITERIA

The Company must satisfy and provide proof to the Board that the following have been accomplished in order to receive the Economic Development Grant Payments, with such performance criteria being certified by the Company as provided in this Agreement, including the Capital Investment and Job Creation Certification form attached to this Agreement as **Exhibit "C"**, which shall be executed and delivered concurrently with this Agreement:

(1) Completion of the Application, including all required forms and documents associated therewith; and,

(2) The Company has done all of the following:

(a) Successfully received and shown proof of a Certificate of Occupancy

(b) Created at least 10 Full Time (FTEs) Jobs; and,

(c) Expended at least \$200,000.00 in capital expenditures at the Property for the Program.

SECTION 6. ECONOMIC DEVELOPMENT GRANT PAYMENTS

A. Within thirty (30) days of the Board's determination that the Company has satisfied the performance criteria set forth in Section 5 above, the SEDC shall provide an Economic Development Grant Payment to the Company in an amount not to exceed \$80,000.00 (\$30,000.00 in EDC Sales Tax Rebate and \$50,000.00 in Small Business Development) as a reimbursement for the Company's costs associated with the Program. In no event shall the SEDC be required to make any Economic Development Grant Payment to the Company except as provided herein, and subject to satisfaction of the conditions set forth above. The obligations contained in this Agreement shall cease upon payment in full to the Company of the Economic Development Grant Payment, or the expiration of the Term, whichever occurs first.

B. A delay in the payment of the Economic Development Grant Payment by the SEDC due to a delay in receiving any sales tax revenues or sales and use tax information from the Texas Comptroller shall not be considered a default on the part of the SEDC so long as the SEDC uses reasonable efforts to obtain such sales tax revenues or sales and use tax information and make the Economic Development Grant Payment to Company within thirty (30) days after the receipt of such sales tax revenues or sales and use tax information from the Texas Comptroller.

C. If applicable, in order to assist the SEDC in its accounting of the Economic Development Grant Payment, the Company shall sign and submit to the SEDC and maintain during the Term, the Waiver of Sales Tax Confidentiality form attached as **Exhibit "D"**, or other similar form required by the Texas Comptroller as may be required from time to time during the Term to permit the release of sales tax information relating to the Company Facility.

SECTION 7. THE COMPANY'S COVENANTS, WARRANTIES, AND OBLIGATIONS

The Company hereby makes the following covenants and warranties to the SEDC, and agrees to timely and fully perform the following obligations and duties:

(1) The Company is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas during the Term of this Agreement;

(2) The execution of this Agreement has been duly authorized by the Company, and the corporate officer signing this Agreement is an officer of the Company, empowered to execute this Agreement and bind the Company, with said authorization, signing, and binding effect is not in contravention of any law, rule, or regulation, or of the provisions of the Company's articles of incorporation, bylaws, or of any agreement or instrument to which the Company is a party or by which it may be bound;

(3) The execution and performance of this Agreement by the Company constitutes its valid and binding obligation, subject to the terms and conditions set forth in this Agreement;

(4) As of the date of this Agreement, no litigation or governmental proceeding is pending or, to the knowledge of the Company, threatened against or affecting the Company that may result in any material adverse change in the Company's business, properties, or operation; and no consent, approval, or authorization of or registration or declaration within any governmental authority is required in connection with the execution of this Agreement or the transactions contemplated hereby;

(5) There are no bankruptcy proceedings or other proceedings currently pending or contemplated, and the Company has not been informed of any potential involuntary bankruptcy proceedings;

(6) The Company shall pay all state and local taxes due and owing by the Company to all taxing authorities having jurisdiction over the Property prior to delinquency;

(7) In the event of bankruptcy, receivership, or closure or cessation of operations at the Property, the Company shall maintain the Property in good condition and in compliance with applicable building and property maintenance codes and ordinances;

(8) The Company shall not discriminate against any person on the basis of race, color, national origin, sex, or by reason of being disabled, and shall refrain from violating any applicable local, state, and federal law which may have a material adverse effect on the City's or the SEDC's reputation by virtue of the City's or the SEDC's relationship with Company;

(9) The Company acknowledges that for contracts needing City or SEDC approval, that the City or the SEDC may not accept or enter into a contract until it has received from the Company a completed, signed, and notarized Texas Ethics Commission (the "TEC") Form 1295 from the Company complete with a certificate number assigned by the TEC, pursuant to Texas Government Code Chapter 2252 and the rules promulgated thereunder by the TEC, with a copy of the TEC Form 1295 attached hereto **Exhibit "E"**;

(10) Pursuant to Chapter 2264 of the Texas Government Code, the Company certifies that as of the Effective Date of this Agreement and throughout the Term, the Company's business, or a branch, division, or department thereof, does not and will not knowingly employ an undocumented worker (as defined in §2264.001 of the Texas Government Code), and if the Company's business, or a branch, division, or department thereof, is convicted of a violation of 8 U.S.C. §1324a(f) occurring during the Term of this Agreement, the Company shall repay to the SEDC the total amount of the Economic Development Grant Payment paid to the Company under this Agreement, plus interest at agreed rate not later than the one hundred twentieth (120th) day after the date the SEDC notifies the Company of the violation; and it is agreed that for purposes of this subsection, but only if permissible under Chapter 2264 of the Texas Government Code, that:

(a) For the purposes of this Section, "Company's business" shall be limited to the Company's business in Seabrook, Texas;

(b) The Company shall not be liable for a violation of Chapter 2264 of the Texas Government Code by a person or entity with whom the Company contracts;

(c) Neither the Company nor its business, or branch, division, or department thereof, shall be deemed to have been “convicted of a violation” until all appeals have been exhausted and/or the time for all appeals has expired; and,

(d) The date that “SEDC notifies the Company of the violation” may not be earlier than the date that the Company has been “convicted of a violation” as provided in the immediately preceding subsection; and,

(11) For purposes of this Section “agreed rate” shall mean the lesser of:

(a) the Wall Street Journal prime rate announced by and as quoted in Wall Street Journal, from time to time, as its prime commercial rate or, if the Wall Street Journal prime rate ceases to be made available by the publisher, or any successor to the publisher, a similar reference interest rate based on the interest large United States money center commercial banks charge on short term uninsured loans to their most creditworthy borrowers, or

(b) the highest lawful rate.

SECTION 8. DEFAULT

A. The following shall constitute a default by the Company under this Agreement (a “Company Default”):

(1) The appointment of a receiver of the Company, or of all or any substantial part of its property, and the failure of such receiver to be discharged within ninety (90) days thereafter.

(2) The adjudication of the Company as bankrupt.

(3) The filing by the Company of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

(4) Upon the expiration of the notice and cure period set forth below, a breach of a material representation under this Agreement by the Company.

(5) Upon the expiration of the notice and cure period set forth below, a breach of any material covenant set forth herein.

B. The following shall constitute a default by the SEDC under this Agreement (a “SEDC Default”):

(1) The appointment of a receiver of the SEDC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within ninety (90) days thereafter.

(2) The adjudication of the SEDC as bankrupt.

(3) The filing by the SEDC of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

(4) Upon the expiration of the notice and cure period set forth below, a breach of a material representation under this Agreement by the SEDC.

(5) Upon the expiration of the notice and cure period set forth below, the SEDC's failure to pay any Economic Development Grant Payment to the Company in accordance with this Agreement.

(6) Upon the expiration of the notice and cure period set forth below, a breach of the SEDC's obligations set forth in this Agreement.

C. In the event of the occurrence of a breach or default by a Party under this Agreement, as applicable, the non-defaulting Party shall give written notice to the other Parties of such default, and the actions necessary to cure such alleged default, and the defaulting Party shall have sixty (60) days thereafter to cure said default or if the defaulting Party is diligently pursuing the cure of such default but such default is not reasonably curable within sixty (60) days, then the defaulting Party shall have such additional amount of time as is reasonably necessary to cure such default but no more than thirty (30) additional days. Should a default or breach as described herein, remain uncured after such cure period it shall constitute a Company Default or SEDC Default, as applicable, and the non-defaulting Party shall have the right to exercise the remedies set forth below.

SECTION 9. REMEDIES.

A. Upon the occurrence of a Company Default, the SEDC shall have the right to terminate this Agreement by written notice to the Company, in which event the SEDC shall have no obligation to make any future Economic Development Grant Payment to the Company under this Agreement.

B. Upon the occurrence of a SEDC Default, the Company shall have the right to terminate this Agreement by written notice to the SEDC, in which event the Company shall have no further obligations under this Agreement.

C. In addition, and without terminating this Agreement, any Party shall further have the power to enforce specific performance to collect amounts owing by the other Parties under this Agreement or to otherwise compel the other Parties to perform their obligations under this Agreement. Further, any Party shall have the right to bring an action for a declaratory judgment.

D. Upon the occurrence of a Company Default, the SEDC shall be entitled to a refund of all Economic Development Grant Payments made to the Company. In addition and separate from the rights provided above, the SEDC shall be entitled to recapture any portion of or all Economic Development Grant Payments that were made based upon materially false or fraudulent information certified to or provided by the Company and for which the Company would not otherwise have been entitled. No other action shall lie for damages against the Company except that the SEDC shall be entitled to any action to recover any amounts owed by the Company as provided in the this paragraph.

E. Upon the occurrence of a SEDC Default, the Company has the right to bring any action to recover any amounts owed to it under this Agreement plus interest from the date due at the agreed amount. In addition, the Company shall have the right to seek a judicial declaration of the appropriate amount of the Economic Development Grant Payment owing to the Company by the

SEDC under this Agreement.

F. THE SEDC DOES NOT WAIVE ANY GOVERNMENTAL IMMUNITIES THAT IT MAY HAVE AS NOW EXIST OR MAY BE CREATED UNDER ANY APPLICABLE LAW OR JUDGEMENT.

G. If any legal action or proceeding is commenced by any Party to enforce the provisions of this Agreement or to recover any damages permitted under this Agreement from the breaching Party, the Party entitled to relief shall additionally recovered its reasonable legal fees and costs.

H. The sole and exclusive remedies of the Company for a breach by the SEDC under this Agreement shall be those expressly provided for in this Agreement and the Company hereby waives any other remedies under law or in equity.

I. A Party shall not be deemed to be in default of this Agreement if performance of this Agreement is delayed, disrupted, or becomes impossible because of an event of Force Majeure, but only for so long as the event of Force Majeure reasonably delays, disrupts, or prevents performance.

J. Any delay for any amount of time by a Party in providing notice of default to the other Party shall in no event be deemed or constitute a waiver of such default by such non-defaulting Party of any of its rights and remedies available in law or in equity.

K. Any waiver granted by one Party to another Party shall not be deemed or constitute a waiver of any other existing or future default by such Party or of a subsequent default of the same act or event.

SECTION 10. LIABILITY LIMITATIONS OF THE SEDC

The SEDC is making payments under this Agreement solely and exclusively from the sales tax revenues it receives from the Texas Comptroller and such funds are not financed and will not be financed or otherwise paid from any other source. Under no circumstances shall the obligations of the SEDC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. No public official or employee shall be personally responsible for any liability arising under or growing out of this Agreement.

SECTION 11. MISCELLANEOUS PROVISIONS

A. Changes in Law. Should a change in law prevent or prohibit the SEDC from complying with or making any payments under this Agreement, the Parties agree to terminate this Agreement; provided, however, that, to the extent feasible and permitted by applicable law, the Parties agree to work together in good faith to modify this Agreement or enter into a new agreement or otherwise provide the Company with a remedy or reasonably equivalent value to otherwise accomplish the purpose of this Agreement, and if the Parties do not agree, then a court may equitably reform this Agreement.

B. Binding Effect. This Agreement will be binding on and inure to the benefit of the Parties and their respective successors and assigns.

C. Assignment, Sale, Merger, or Transfer. Except as provided below, the Company may not assign all or part of its rights under this Agreement to a third party, or otherwise sell, merge, or transfer substantially all its then owned assets to another entity (each, a "Transfer"), without written notice of a Transfer provided by the Company to the SEDC at least thirty (30) days prior to a Transfer.

D. Notice. Notice shall be effective upon receipt or refusal of delivery by the Party to be notified. Any notice or other communication (the "Notice") given under this Agreement shall be in writing, and may be given:

- (1) by depositing the Notice in the United States Mail, postage paid, certified, and addressed to the Party to be notified with return receipt requested;
- (2) by personal delivery of the Notice to the Party;
- (3) by depositing the Notice with Federal Express or another nationally recognized courier service for next day delivery;
- (4) by electronic delivery of the Notice to an e-mail address provided by each Party; or,
- (5) by confirmed facsimile, at a number provided by each Party, only if a copy of the Notice is also given in one of the manners specified in (1), (2), (3), or (4).

E. Notice Contact Information. Unless changed as approved in writing by all Parties, for the purposes of the Notice, the contact information of the Parties is as follows:

For the SEDC:

Seabrook Economic Development Corp.
Attn: Executive Director
1700 1st Street
Seabrook, Texas 77586

For the Company:

Driver & Rescue Club, LLC (802650192)
Attn: Patrick Robinson
2613 ½ NASA Parkway
Seabrook, Texas 77586

F. Interpretation. Each of the Parties has been represented by counsel of its choosing in the negotiation and preparation of this Agreement. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly and reasonably and neither more strongly for or against, either Party based on draftsmanship.

G. Relationship of the Parties. This Agreement shall not be construed as establishing a partnership or joint venture, joint enterprise, express or implied agency, or employer-employee relationship between the Parties. Neither Party, nor either's past, present, or future elected officials, officers, directors, employees, or agents, assume any responsibility or liability to any third party in connection with the development of the Property or the design, construction, or operation of any portion of the Property.

H. Applicable Law and Venue. This Agreement is made, and will be construed and interpreted, under the laws of the State of Texas without regard to any conflicts of law provision, and venue will lie in a state district court in Harris County, Texas. The Parties consent to, and waive any objection to, in person jurisdiction in Harris County, Texas.

I. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable in any respect under present or future laws, the remainder of this Agreement shall not be affected

so long as the intent, purpose, and benefits of this Agreement are not affected in any manner materially adverse to either Party hereto. This Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein, and in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable, is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable, and effects the intent, purpose, and benefits of this Agreement.

J. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the paragraphs.

K. No Third-Party Beneficiaries. This Agreement is not intended to confer any rights, privileges, or causes of action upon any third party.

L. Counterparts. This Agreement may be executed simultaneously in two (2) or more counterparts, each of which will be deemed an original, but all of which will constitute the same instrument. A signature transmitted by facsimile or email will be deemed to be an original signature for all purposes. As used in this Section, "signature" includes an electronic signature.

M. Exhibits. The following exhibits are attached to and incorporated into this Agreement and made a part of this Agreement for all purposes as if they were set forth herein in their entirety:

- Exhibit A - Property Exhibit;
- Exhibit B – Program Application;
- Exhibit C – Capital Investment and Job Creation Certification;
- Exhibit D – Waiver of Sales Tax Confidentiality;
- Exhibit E - Form 1295 (if Necessary); and
- Exhibit F – Resolution Authorizing the EDC Incentive Program.

N. Entire Agreement. This Agreement embodies the complete agreement of the Parties, superseding all oral or written, previous and contemporary, agreements between the Parties relating to matters in this Agreement; and, except as otherwise provided herein, this Agreement cannot be modified or amended without a written agreement of the Parties.

O. Confidentiality. This Agreement is subject to the Texas Public Information Act and will be considered "public information" after consideration by the SEDC at a posted meeting by either body. However, the SEDC will use all appropriate measures to keep the information contained in and related to this Agreement confidential until such time as the Texas Public Information Act requires the SEDC to disclose the applicable contents of this Agreement. To the maximum extent permitted by law, the SEDC and its respective elected officials, officers, directors, employees, agents, and contractors retained to perform economic development services for the SEDC (the "SEDC Related Parties"): (i) shall use all appropriate measures to maintain the confidentiality of all sales tax information filed by the Company and/or its respective tenants, subtenants and/or licensees, as applicable, with the State of Texas and all other information regarding the Sales Tax Revenue generated by the Property; (ii) shall treat as confidential any other proprietary or financial information of the Company and/or its respective tenants, subtenants, and/or licensees and shall not release any of the foregoing information to the public, unless required by law or court order. The SEDC shall notify the Company as a third-party under the Texas Public Information Act of requests, Attorney General Opinions, and court orders to release such information pursuant to the

Texas Public Information Act. The SEDC shall be permitted to disclose the foregoing information to the SEDC Related Parties as the SEDC, in its discretion deems appropriate in furtherance of the purposes of this Agreement, so long as such disclosure is made subject to compliance by such SEDC Related Parties with the terms of this Section. This Section is not meant to prevent the SEDC from complying with the Texas Public Information Act, as it may be amended.

P. Time is of the essence in this Agreement.

SIGNATURES

IN WITNESS WHEREOF, the Parties, through their duly authorized representatives, enter into and execute this Agreement effective as of the dates set forth below.

FOR: THE SEDC

Name [Signature]

Name [Printed]

Title

Date

FOR: THE COMPANY

Name [Signature]

Name [Printed]

Title

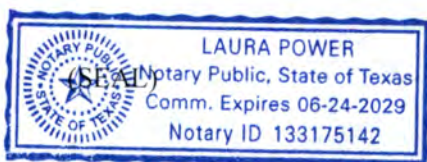
Date

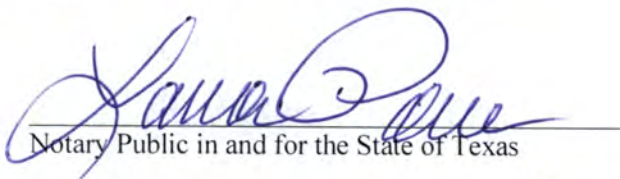
ACKNOWLEDGEMENTS

FOR THE SEDC

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 10 day of June 2024,
by Paul Druphey President EDX of SEDC,
Name Position/Title Entity Name
for and on behalf of said Entity.



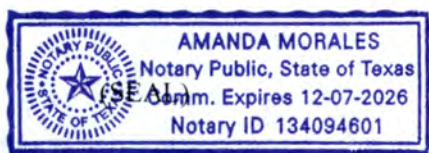

Notary Public in and for the State of Texas

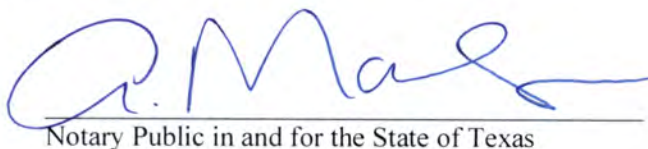
My Commission Expires: 6/24/29

FOR THE COMPANY

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 2nd day of June 2024,
by Michael D. Robinson owner of Driver Rescue Club LLC,
Name Position/Title Entity Name
for and on behalf of said Entity.




Notary Public in and for the State of Texas

My Commission Expires: 12/7/2024

EXHIBIT A – PROPERTY EXHIBIT

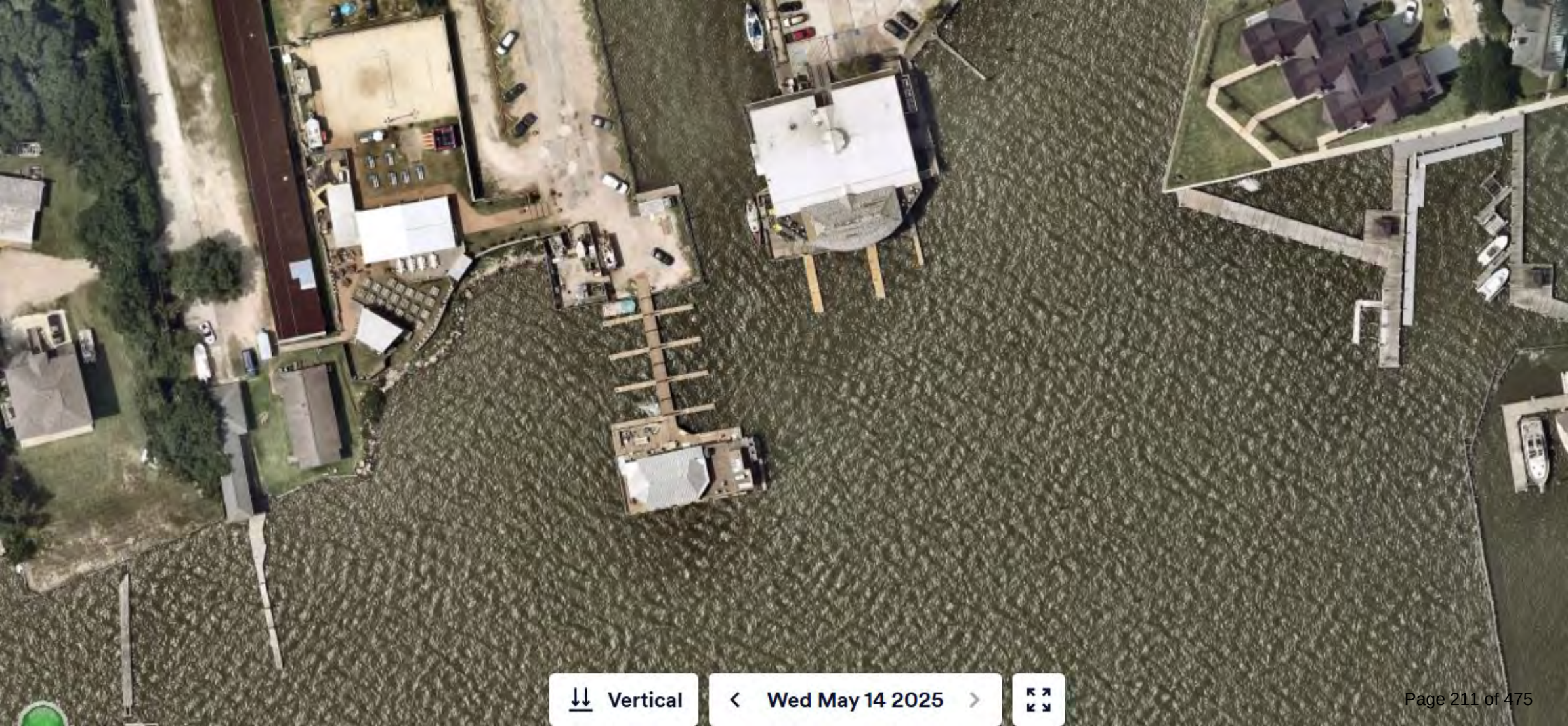


EXHIBIT B - PROGRAM APPLICATION

3 applications



Seabrook Economic Development Corporation Incentive Application Review Packet

Applicant: Driver and Rescue Club AKA Barge 295
Application Type: Commercial Facade Improvement
Review Date: 4/10/2025

Updated: 4/7/2025 9:40 AM

STATUS: In Review

INCENTIVE APPLICATION

BUSINESS INFORMATION

Applicant First Name	Patrick
Applicant Last Name	Robinson
This application is being completed for which of the following?	Existing Seabrook Business
Business Name:	Driver and Rescue Club LLC AKA Barge 295
Business Type	LLC
Email Address:	[REDACTED]
Phone:	[REDACTED]
Website:	Field not completed.
Social Media:	Field not completed.
Are there any additional business partners?	Yes
Business Partner(s) Name and Contact Information:	[REDACTED]
Name and Contact Information for Financial Lender(s):	SBA
Has this business/firm received business incentives from other government entities in the past?	No



Seabrook Economic Development Corporation Incentive Application Review Packet

CURRENT BUSINESS ADDRESS

Street Address	2613 1/2
City	Seabrook
State	Texas
Zip	77586

NEW SEABROOK BUSINESS ADDRESS (if applicable)

Street Address	104 Shirleen Dr
City	Seabrook
State	Texas
Zip	77586
Approximate Opening Date:	<i>Field not completed.</i>
Site Will Be:	Owned
Current Full Time Employees:	5
Current Part Time Employees:	9
Is this application for an expansion or relocation of an existing Seabrook business?	Yes
Expansion or Relocation?	Expansion
Will expansion be at the current site?	Yes
Address of the Expansion/Relocation Site (if applicable):	<i>Field not completed.</i>
Full Time Employees After Expansion/Relocation:	14
Part Time Employees After Expansion/Relocation:	15



Seabrook Economic Development Corporation
Incentive Application Review Packet

INCENTIVE REQUEST INFORMATION

Which incentive program are you applying for?	Commercial Façade Incentive
Total Value of Project:	\$47,859.00
Total Incentive Requested:	\$40,000.00



Seabrook Economic Development Corporation Incentive Application Review Packet

Applicant: Driver and Rescue Club AKA Barge 295

Application Type: Sales Tax Rebate

Review Date: 4/10/2025

Updated: 4/7/2025 9:43 AM

STATUS: In Review

INCENTIVE APPLICATION

BUSINESS INFORMATION

Applicant First Name	Patrick
Applicant Last Name	Robinson
This application is being completed for which of the following?	Existing Seabrook Business
Business Name:	Driver and Rescue Club LLC AKA Barge 295
Business Type	LLC
Email Address:	[REDACTED]
Phone:	[REDACTED]
Website:	Field not completed.
Social Media:	Field not completed.
Are there any additional business partners?	Yes
Business Partner(s) Name and Contact Information:	[REDACTED]
Name and Contact Information for Financial Lender(s):	SBA
Has this business/firm received business incentives from other government entities in the past?	No

Driver and Rescue Club AKA Barge 295

Meeting Date: 4/10/2025



Seabrook Economic Development Corporation Incentive Application Review Packet

CURRENT BUSINESS ADDRESS

Street Address	2613 1/2
City	Seabrook
State	Texas
Zip	77586

NEW SEABROOK BUSINESS ADDRESS (if applicable)

Street Address	104 Shirleen Dr
City	Seabrook
State	Texas
Zip	77586
Approximate Opening Date:	<i>Field not completed.</i>
Site Will Be:	Owned
Current Full Time Employees:	5
Current Part Time Employees:	9
Is this application for an expansion or relocation of an existing Seabrook business?	Yes
Expansion or Relocation?	Expansion
Will expansion be at the current site?	Yes
Address of the Expansion/Relocation Site (if applicable):	<i>Field not completed.</i>
Full Time Employees After Expansion/Relocation:	14
Part Time Employees After Expansion/Relocation:	15



Seabrook Economic Development Corporation
Incentive Application Review Packet

INCENTIVE REQUEST INFORMATION

Which incentive program are you applying for?

Sales Tax Rebate

Total Value of Project:

Field not completed.

Total Incentive Requested:

\$50,000.00



Seabrook Economic Development Corporation Incentive Application Review Packet

Applicant: Driver and Rescue Club AKA Barge 295
Application Type: Small Business Development
Review Date: 4/10/2025

Updated: 4/7/2025 9:41 AM

STATUS: In Review

INCENTIVE APPLICATION

BUSINESS INFORMATION

Applicant First Name	Patrick
Applicant Last Name	Robinson
This application is being completed for which of the following?	Existing Seabrook Business
Business Name:	Driver and Rescue Club LLC AKA Barge 295
Business Type	LLC
Email Address:	[REDACTED]
Phone:	[REDACTED]
Website:	Field not completed.
Social Media:	Field not completed.
Are there any additional business partners?	Yes
Business Partner(s) Name and Contact Information:	[REDACTED]
Name and Contact Information for Financial Lender(s):	SBA
Has this business/firm received business incentives from other government entities in the past?	No



Seabrook Economic Development Corporation Incentive Application Review Packet

CURRENT BUSINESS ADDRESS

Street Address	2613 1/2
City	Seabrook
State	Texas
Zip	77586

NEW SEABROOK BUSINESS ADDRESS (if applicable)

Street Address	104 Shirleen Dr
City	Seabrook
State	Texas
Zip	77586
Approximate Opening Date:	<i>Field not completed.</i>
Site Will Be:	Owned
Current Full Time Employees:	5
Current Part Time Employees:	9
Is this application for an expansion or relocation of an existing Seabrook business?	Yes
Expansion or Relocation?	Expansion
Will expansion be at the current site?	Yes
Address of the Expansion/Relocation Site (if applicable):	<i>Field not completed.</i>
Full Time Employees After Expansion/Relocation:	14
Part Time Employees After Expansion/Relocation:	15



Seabrook Economic Development Corporation
Incentive Application Review Packet

INCENTIVE REQUEST INFORMATION

Which incentive program are you applying for?	Small Business Development
Total Value of Project:	\$97,759.00
Total Incentive Requested:	\$50,000.00

EXHIBIT C - CAPITAL INVESTMENT AND JOBS CERTIFICATION

Re: ECONOMIC DEVELOPMENT AGREEMENT MADE BY AND AMONG THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION AND **DRIVER & RESCUE CLUB, LLC**

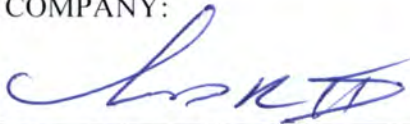
This Capital Investment and Jobs Certification is being delivered by Driver & Rescue Club, LLC (the "Company") in connection with that certain Economic Development Agreement made by and among the Seabrook Economic Development Corporation (the "SEDC"), and the Company effective as the execution date of the agreement (the "Agreement"). All terms used herein have the meanings ascribed to them in the Agreement unless otherwise defined herein.

The undersigned hereby certifies to the SEDC that:

1. I am a duly authorized representative of the Company to execute this Capital Investment and Jobs Certification document.
2. The Company will make a capital investment of at least **\$200,000.00** on the property located 2611 NASA Parkway (AKA "Barge 295") Seabrook, Texas 77586 including, without limitation, construction costs relating to the Program as described in the Agreement.
3. The Company will create or cause to be created at least **10 Full Time Jobs** (as defined in the Agreement) related to the Program on the Property as described in the Agreement, and as evidenced by 3rd party certification(s) form attached to the Agreement.

FOR THE COMPANY:

BY:



NAME – SIGNATURE

Michael D. Robinson

NAME – PRINTED

owner

TITLE

DATE 6-2, 2025

EXHIBIT D
WAIVER OF CONFIDENTIAL TAX INFORMATION
AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL TAX INFORMATION

This Agreement for Disclosure of Confidential Tax Information (this “Agreement”) is entered into by and among the Seabrook Economic Development Corporation (the “SEDC”), and Driver and Rescue LLC (the “Taxpayer”) for the purposes indicated herein.

The undersigned Taxpayer hereby authorizes the Texas Comptroller’s Office to release and disclose to the City any and all sales and use tax information pertaining to Taxpayer’s business located at 2611 NASA Parkway (“ the 80 ft Barge”) , Seabrook, Texas (the “Property”).

The undersigned Taxpayer understands and agrees that this release will be made by the Texas Comptroller’s Office to the SEDC on an ongoing monthly basis beginning on the date this Agreement is executed. Taxpayer waives any and all rights of confidentiality of tax information under Sections 111.006, 151.027 of the Texas Tax Code to the extent, and only to the extent, necessary to permit the Texas Comptroller’s Office to release and disclose Taxpayer’s sales and use tax information as provided in this Agreement.

The SEDC agrees that it will use the sales and use tax information disclosed by the Texas Comptroller pursuant to this Agreement solely and exclusively for the purposes under that certain Economic Development Agreement by and among the SEDC and the Taxpayer, and subject to the terms thereof.

This Agreement is entered into in the State of Texas, and Texas law will apply to its interpretation and enforcement.

SIGNED AND AGREED TO on this ____ day of _____, 202__

Name of Taxpayer Listed on Texas Sales Tax Permit

Name Under Which Taxpayer is Doing Business (d/b/a or Outlet Name)

Taxpayer Mailing Address

Physical Location of Business Permitted for Sales Tax

[SIGNATURE PAGE TO FOLLOW]

SIGNATURE PAGE TO DISCLOSURE OF CONFIDENTIAL TAX INFORMATION
AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL TAX INFORMATION

THE TAXPAYER

THE SEDC

Name [Signature]

Name [Signature]

Name [Printed]

Name [Printed]

Title

Title

Date

Date

EXHIBIT E – FORM 1295 (IF NECESSARY)

EXHIBIT F – RESOLUTION AUTHORIZING THE EDC INCENTIVE PROGRAM

**SEABROOK ECONOMIC DEVELOPMENT CORPORATION
RESOLUTION 2023-01/EDC**

SEDC INCENTIVES POLICY

* * * * *

WHEREAS, on January 18, 1992, the voters of the City of Seabrook authorized the City of Seabrook to adopt a one-half cent sales and use tax to pay for the costs of projects authorized by Chapters 501, 502, and 505 of the Texas Local Government Code, and to pay for the principal and interest of bonds or other obligations issued to pay the costs of such projects; and

WHEREAS, the Seabrook Economic Development Corporation (“EDC”), a type B corporation, was established to oversee the expenditures of these tax monies and bylaws were established for the operation of the EDC; and

WHEREAS, EDC has analyzed potential incentive programs available under state law to assist it in attracting businesses, creating jobs, and assisting in other statutorily authorized economic development programs; and

WHEREAS, EDC has evaluated incentive program funding for its current Fiscal Year budget; and

WHEREAS, EDC has allocated funding and memorialized incentive program funding options by resolution since Fiscal Year 2008-09, the first year it adopted such measures;

NOW THEREFORE, BE IT RESOLVED BY THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS:

Section 1. That EDC will undertake to establish one or more economic development incentive programs and expenditures in accordance with the City of Seabrook’s and the EDC’s economic development goals and adoption of relevant policies for each program, state law, including but not limited to Chapters 501, 502, and 505 Texas Local Government Code (the Development Corporation Act) and to the extent EDC is authorized to expend funds in such a program, as established by the Texas Local Government Code Chapter 380 and Seabrook City Council, as appropriate.

Section 2. That the following incentives are approved by the Board of Directors, and are designed to provide guidance to the EDC Director in his negotiations with potential economic development clients. All requests for incentives shall come back to the Board for consideration, and shall be in an amount or amounts which will not

exceed the total approved appropriation for Economic Development Incentive Programs, Budget Line Item 707-5620, in the amount as shown in the final budget following adoption by the Board of Directors and City Council for the then-current fiscal year, including amendments.

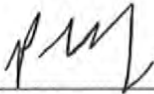
The incentives identified and approved by the Board of Directors are outlined in Appendix A, attached to this Resolution.

Section 3. That this Resolution be reviewed annually and attached as written or as it may be revised to subsequent EDC Budget, forwarded to the Seabrook City Council. The Board finds that the above list has been published as required for public comment by Section 505.160(a) Texas Local Government Code and constitutes a continuing project to the extent it is funded in any particular fiscal year.

Section 4. That following approval of the budget by the Board of Directors, the Seabrook City Council, and publication of the statutory notice identifying projects, that expenditures for those projects identified in Section 1 be thereafter approved and allocated subject to the budget line item cap by the Board of Directors, without further budget amendment or approval by the Board of Directors and City Council.

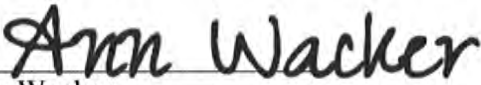
PASSED, APPROVED AND ADOPTED THIS 13th DAY OF ~~MARCH~~ ^{APRIL}, 2023.

SEABROOK ECONOMIC DEVELOPMENT
CORPORATION



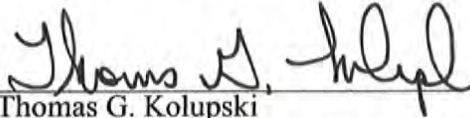
Paul Dunphey,
Chairman

ATTEST:



Ann Wacker,
Secretary

SEABROOK CITY COUNCIL



Thomas G. Kolupski
Mayor



APPENDIX A

Article I - General Provisions

Seabrook, Texas is a community southeast of the City of Houston. The community was incorporated in 1961 and is currently 13 square miles in size. The Seabrook Economic Development Corporation was established in 1992 as a Texas 4B corporation (501c6) to serve as the economic development agent for the City.

The provisions of this resolution shall apply in the city limits of the City of Seabrook, Texas.

Purpose

The Seabrook Economic Development Corporation (SEDC) is committed to promoting economic growth, redevelopment and community improvement through the use of local planning tools, such as economic incentives. In order to create a guiding framework for decisions regarding the use of public resources to stimulate economic activity, the SEDC has established this policy to orient the consideration and use of economic incentives in a manner that is consistent with the City's strategic priorities and objectives, providing a return on investment to the community.

Obligation

While this policy will be proactively used in the process of granting incentives, nothing in this document implies that the City of Seabrook and the SEDC are under any obligation to provide an incentive. Further, while these guiding criteria provide a framework for evaluation, every prospect will be considered on a case by case basis by the SEDC and ultimately, the City Council. All incentives are subject to availability of funding.

Authority

This policy is adopted under the authority of the Constitution and Laws of the State of Texas, and the City Charter of the City of Seabrook, Texas.

Applicability

Any Project requesting incentives in Seabrook will be given consideration under the provisions of this policy. As a rule, Projects are evaluated with regard to their economic efficiency; and return on investment to the citizens of the City of Seabrook. This may mean addition of quality jobs, ad valorem tax value, sales tax or any other significant public benefit.

Public Accountability & Performance Measures

Every incentive agreement that the SEDC enters into is considered an investment for the public benefit. Each incentive application is considered with regard to its merit to the community at large, and its potential to create a multiplying economic effect for the citizens of Seabrook. Performance measures will be established based on the economic impact and overall assessment by the SEDC. Should an applicant be unsure of projected

EDC Incentive Programs Resolution

Page 3 of 11

performance indicators, utilizing conservative estimates with contingency options are encouraged to prevent default.

Compliance

Each year of the active incentive agreement, compliance reporting must be completed by incentive recipients. Projects that are not in compliance with performance measures are subject to recapture of a portion or all of the incentive value.

Recapture

Should an incentive recipient fail to meet compliance measures and to perform under the prescribed cures, incentives are subject to repayment to the SEDC.

Development Quality

Generally, any Project receiving an incentive under the provisions of this policy shall exceed the minimum requirements of development quality prescribed in the Seabrook Code of Ordinances as determined by a staff evaluation of proposed facility designs. Such designs will be included as compliance measures in an incentive agreement.

Article II - Definitions

As used herein for the business incentive application, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as ascribed by common and ordinary usage.

Agreement. A contract between an Incentive recipient and the SEDC clarifying the terms, performance measures and obligations of the parties.

Assessed Value. The appraised value of a property after any exemptions have been applied

Base Year Value. The Assessed Value of all property subject to a Tax Rebate in the year preceding execution of an Agreement

Business Personal Property. Any property associated with a Project other than Real Property and excluding inventory

City. The City of Seabrook, Texas, and all its governing and operating bodies

Construction / Build-Out Costs. Costs which may be associated and extended to mean the improved value of buildings, structures, fixed-in-place machinery and equipment, site improvements, and related personal equipment necessary to the primary operation of the facility.

Compliance Measures. Economic performance indicators for a Project established by Agreement and reported to the City annually or as otherwise prescribed by Agreement

EDC Incentive Programs Resolution

Page 4 of 11

Council. The City Council of the City of Seabrook, Texas

Default. An event in which a party to an Agreement has failed to meet Compliance Measures and to perform under prescribed cures

Expansion. An investment in fixed assets that will result in an increase in occupied building area, increased employment or higher Assessed Value of Real Property by a firm already located in the City

Facility. Combined Real and Business Personal Property Improvements that house an economically purposeful activity

Green Space Improvements. Improvements to the Project site that increases beyond required green space and detention requirements by the City that will utilize natural vegetation and landscaping to improve the site aesthetics.

Improvement. A building, structure or fixture erected on or affixed to land with a life expectancy of 15 years or more.

Incentive. Any inducement for economic activity given by a governmental entity (in this case the SEDC) such as a rebate, participation in infrastructure costs, waiver of fees or development requirements only as allowed by law, or any other incentives not prohibited by state or federal law.

Ineligible Property. The following types of property shall be fully taxable and ineligible for Incentives: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; or any other property for which Incentives is not allowed by state law.

Infrastructure may include water, wastewater, roads, drainage, and the extension of franchise utilities. Infrastructure items must show a benefit to a region or area of the city and not solely benefit one business.

Job. A permanent, full-time employment position that has provided or will result in employment of at least 1,820 hours per position in a year; Part-time positions may be aggregated to create a full-time position for consideration in this policy.

Modernization. The replacement and upgrading of existing facilities which increases the productive input or output, updates the technology, or substantially lowers the unit cost of operation, and extends the economic life of the facility. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery, or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.

Project. The combination of proposed investment, improvements and economic activity that is submitted in an application for an economic incentive as provided by law, see Texas Local Government Code Sections 501 and 505.

Personal Property. Assets on a site that can be moved. Personal property is movable and not fixed permanently to one location, such as land or buildings.

Real Property. Land or an improvement affixed thereto. Examples of real property are buildings, canals, crops, fences, land, landscaping, machinery, minerals, ponds, railroad tracks, and roads.

SEDC. Seabrook Economic Development Corporation and its staff.

Article III - The Application Process

Application Required

In order to ensure accountability, fairness and compliance with all applicable regulations, every incentive request must proceed through a uniform application process.

Incentive applications are evaluated on a case-by-case basis. As such, an application does not guarantee an incentive grant.

Information & Confidentiality

In order to perform an adequate cost-benefit analysis of each incentive request, the SEDC requests thorough information regarding the economic attributes of each Project. This information is used in the strictest sense to evaluate the potential incentive investment being considered by the SEDC and will be treated as confidential.

Please note that while government documents are subject to the provisions of the Texas Open Records Act and other regulations pertaining to transparency in government, certain exceptions apply to information used in Economic Development negotiations. Information that is provided to the City and the SEDC in connection with an application or request for economic incentives in accordance with the above criteria and guidelines and which describes the specific process or business activities to be conducted or equipment or other property to be located on the property for which the economic incentives are sought is subject to confidentiality and subject to exception for public disclosure until the economic incentives agreement is executed, or as otherwise determined by the Texas Attorney General as provided by the Act. The information in the custody of the City of Seabrook after the agreement is executed is not confidential and would be required to be released under the Texas Open Records Act.

Article IV – PROGRAM DEFINITIONS

IMPORTANT: Do not start construction before applying for incentives. If construction has started prior to an incentive application, it is assumed that the Applicant does not need assistance and the application may be denied.

The Seabrook EDC has approved the use of the following programs to incentivize development within the City of Seabrook:

- A. Small Business Development
- B. Commercial Façade Incentive
- C. New Construction & Development Incentive
- D. Retail Redevelopment Incentive
- E. Sales Tax Rebate

While some projects may not fit into the categories listed above, the Seabrook EDC retains the right to review any application and enter into an incentive agreement under Texas local government code 505.158.

All incentives are paid via reimbursement. Qualifications for reimbursement include a signed certification of occupancy by the City of Seabrook and signed permits by related county and State agencies for the operation of the business. Documentation of costs related to reimbursement must accompany reimbursement requests. If documentation is not provided, reimbursement will not be paid. It is important to note that **all incentive programs have a maximum duration limitation of 10 years.**

A. Small Business Development

Defined as having less than five (5) full time (or FTE) employees and/or under \$2,000,000 in annual sales. Businesses that pursue an incentive in this category will be required to attend at least one meeting with an SBA / SCORE representative regarding the business' projected growth plan.

The Small Business Development Incentive is designed to provide funding for **growth** of the business. Incentive funds are not awarded for normal operating expenses such as payroll, building maintenance, utilities, et al.

If awarded, the project will be required to show proof of use of funds for the expansion of employment, expansion of services, or new construction. Small Business Development Incentives have a maximum value of \$50,000 per application.

B. Commercial Façade Incentive

The Façade Improvement Program involves real property improvements to the exterior of commercial, retail buildings in the City of Seabrook.

Eligibility

Projects include those making alterations to building exteriors which enhance its appearance and character in a manner that is harmonious with the design principles of the zoning ordinance of the district.

Examples of eligible improvements are as follows:

- Brick repair
- Awning replacement
- Sign removal or replacement
- Window replacement or restoration
- Replacement or restoration of cornices
- Removal architecturally inappropriate alterations
- Other aesthetic/architectural improvements as approved

Commercial Façade Incentives have a maximum value of \$40,000 total per location along active, connected streets. Thus - not facing alleys, back of building, side facing another building, etc.

Incentives are paid **after** a final inspection has been received from the Seabrook Building Official.

C. New Construction & Development Incentive

Eligibility

Projects involving warehouse, light industrial facilities, as well as commercial and office developments. Infrastructure, site development, and greenspace enhancements are eligible project costs for this program.

Projects seeking incentives for new construction and site improvements will be subject to the following qualifications:

- The EDC intends to be selective regarding the kinds of businesses that are recruited and incentivized. To that end, non-retail businesses will take precedence over retail businesses, unless the retail establishment has regional draw and serves residents from Seabrook and beyond. In general, the primary objective of the City's economic development efforts is to target new and expanding businesses that offer living wage jobs with benefits that equal or exceed the median wages for similar positions in the State of Texas or that make significant capital investment in the City. The creation and retention of competitive wage jobs shall be a key determinant in granting any incentive.
- The EDC encourages the development of regional retail opportunities within its jurisdiction in order to provide services to its constituency and the visiting public from Seabrook and beyond. The EDC will consider incentives for retail businesses and developers that precipitate the expansion of the sales tax base and other revenues, further the effort to develop Seabrook as a regional hub for retail goods and services, and expand the property tax base. The EDC wants such developers who add quality, or up-scale features, to the architectural designs and landscaping. This is particularly the case with non-industrial developments where unique architecture, landscaping or other features would enhance the quality of development to attract customers and other businesses.
- The EDC desires to retain existing businesses/industries that are contemplating relocating to another city, or state. The EDC may consider offering financial incentives that would offset the cost differentials that make other locations viable. To be eligible under this premise, the applicant or business must provide a declaration that states it is actively pursuing relocation and, absent EDC incentives, would carry out its intent. Furthermore, the applicant or business must make a minimum incremental capital investment, which can be for site modernization, new equipment, technology, or other long-lived depreciable assets that increase the assessed valuation.
- Generally, incentives will not be considered if an applicant, whether a new or existing business, has begun on construction on the site. Before granting any incentive, the City shall determine that without the incentive, the applicant would not locate or expand within the City's jurisdictional boundaries.

Projects requesting an incentive in this Program will be subject to the following minimum qualification:

PROJECT INDICATOR	MINIMUM QUALIFICATIONS
New Jobs Created (full time)	10
Real Property	\$3,000,000
Personal Property	\$1,000,000

These minimum value metrics are required for the duration of the incentive contract.

Construction and Development Incentives do not have a maximum limit.

D. Retail Redevelopment Incentive

The Retail Redevelopment Incentive program is a performance-based incentive intended to stimulate conversion and redevelopment of outmoded commercial properties in the City. Retail Redevelopment Incentives do not have a maximum limit.

Eligibility

Retail centers in the City of Seabrook seeking to renovate existing sites whether through acquisition or as part of the site's capital improvement. Site must be at least 15 years of age at the time of the application and property must be in compliance for zoning.

Eligible Improvements

A proposed Retail Redevelopment Incentive Project must:

- Exceed all applicable development standards
- Incorporate at minimum one of the following improvement:
 - Façade Renovations (*see Commercial Façade Incentive definition*)
 - Landscape Improvements
 - Parking lot improvements
 - Signage Renovations

In addition to any one or more of the following:

- Incorporation of common areas / pedestrian plazas
- Public art installation
- Connectivity to existing walkways / trails

NOTE: Improvements made prior to approval of an incentive agreement are not eligible for reimbursement under this program.

E. Seabrook Economic Development Corporation (SEDC) Sales Tax Rebate

An applicant may choose to request a portion of their SEDC sales tax paid (minus alcoholic beverages sales tax) to be reimbursed. If utilized, Sales Tax Rebates are subject to either a maximum term of 10 years or to terms agreed upon by the SEDC and the Applicant. Applicant is required to create at minimum three (3) full time equivalent (FTE) jobs during the term of the incentive agreement.

Sales Tax Reimbursements are based on a portion paid to the Economic Development Corporation and not the City's total sales tax payment received.

Below is an example worksheet of sales tax reimbursement on a project that has gross annual sales of \$1,000,000.

Annual Sales (<u>excluding</u> alcoholic beverages)		\$1,000,000
City of Seabrook General Fund Sales Tax Revenue (sales x 0.015)	1.5%	\$15,000
SEDC Sales Tax Revenue (sales x 0.0025)	0.25%	\$2,500
Seabrook Crime District (sales x 0.0025)	0.25%	\$2,500
City Sales	2.00%	\$20,000
Texas Sales Tax	6.25%	
Total Sales Tax	8.25%	

As per the example shown, the maximum amount the business could receive per year of the incentive agreement based on \$1,000,000 of annual sales is \$2,500.

Applications for this reimbursement will be required to provide a copy of the past 24 months sales tax payments to the Texas Comptroller. If project is a new business, a detailed 10-year projected sales tax forecast will be required as part of the application documentation.

#

**CITY OF SEABROOK
RESOLUTION NO. 2025-14**

**ESTABLISHMENT OF
AD HOC COMMITTEE FOR CITYWIDE SIGNAGE**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEABROOK, TEXAS, ESTABLISHING AN AD HOC CITYWIDE SIGNAGE COMMITTEE TO STUDY, EVALUATE, AND MAKE RECOMMENDATIONS TO CITY COUNCIL REGARDING CITYWIDE SIGNAGE INCLUDING, BUT NOT LIMITED TO, DISTRICT SIGNAGE, WAYFINDING AND DIRECTIONAL SIGNAGE, AND UPDATES TO EXISTING SIGNAGE AND RELATED MATTERS

WHEREAS, the City of Seabrook recognizes the value of cohesive and effective signage to promote community identity, aid navigation, and enhance public engagement and economic vitality; and

WHEREAS, existing signage throughout the city may benefit from a comprehensive evaluation to ensure it meets current and future needs; and

WHEREAS, the city council desires to establish a temporary advisory body to assist in this process by researching, evaluating, and recommending signage improvements or new initiatives; and

WHEREAS, the input from stakeholders and subject-matter experts is vital to shaping signage strategies that align with the city's vision and goals.

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

Section 1. The Ad Hoc Citywide Signage Committee (“the Committee”) is established as a temporary advisory body for the purpose of studying and providing recommendations to the City Council regarding signage throughout the City of Seabrook. The Committee shall operate solely in an advisory capacity and shall not exercise authority over public business or policy decisions.

Section 2. Scope and Authority. The Committee is tasked with evaluating all aspects of citywide signage, including but not limited to:

1. Review Key Signage Areas

Discuss major categories of city signage, including:

- District signage
- Wayfinding and directional signage
- Entry/gateway signage
- Facility and building signage

- Trail and park signage
- Regulatory/informational signage
- 2. **Identify Community Needs and Values**
Share observations and concerns regarding signage visibility, coherence, usefulness, and aesthetics from the community's perspective.
- 3. **Recommend Focus Areas for Consultant Review**
Suggest priority areas and general sign types for new signage to be evaluated by a signage consultant, based on community impact and strategic benefit.
- 4. **Report to City Council**
Prepare a concise report summarizing the Committee's recommendations to be submitted to City Council and may be incorporated into the consultant's scope of work.

Section 3. Membership. The Committee shall consist of no more than nine (9) members appointed by the City Council, which may include:

- One representative from the Seabrook Economic Development Corporation.
- One member of the City Council
- One resident from Old Seabrook District
- One member from the Open Space and Trails Committee.
- No more than five (5) business owners or representative members from the Old Seabrook District

Section 4. Operations. The Committee shall meet as needed, as determined by its members in coordination with the City Staff. The Committee may gather data, solicit community input, research signage standards and best practices, and consult professionals where applicable and approved by the City Council. The City Manager and Staff may provide logistical or administrative support as necessary.

Quorum and Voting

A majority of the voting membership shall constitute a quorum for the conduct of business.

Meetings

The Committee is not subject to the Texas Open Meetings act and is not required but may post agendas and keep notes on the proceedings of each meeting. The ad hoc committee shall conduct meetings during the next three (3) months to discuss matters within the concern of the Committee. The Chairperson of the Committee or any two (2) members of the Committee may call a meeting. Meetings will be held at a city facility.

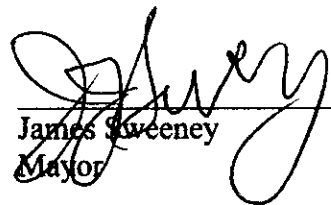
Term

Members of the Committee shall serve a period of three (3) months and will cease to exist upon presentation of its report on recommendations set forth unless otherwise extended by the City Council

Section 5. The City Council reserves the right to amend and/or change the provisions outlined herein at any time.

Section 6. This Resolution shall become effective immediately upon its passage, and it is accordingly resolved.

Approved and adopted this the 3rd day of June 2025.


James Sweeney
Mayor

ATTEST:



Rachel Lewis, TRMC
City Secretary





Agenda Briefing

Date of Meeting: June 17, 2025

Responsible Department: Community Development

Presenter: Sean Landis, Deputy City Manager | Planning and Zoning Director

Briefing Prepared By: Sean Landis

Strategic Focus Area:

General Information:

Consider and take all appropriate action on approval of an expenditure and agreement for demolition of a substandard structure at 1209 Hardesty Avenue for an amount not to exceed \$18,335.50; and authorize the City Manager to execute the agreement. This item is not currently budgeted and will require a budget amendment.

Executive Summary / Background:

City staff seeks City Council approval of an agreement between the City of Seabrook and United Pentecostal Church of Greater Clear Lake Area (property owner) for the voluntary demolition of a substandard structure located at 1209 Hardesty Avenue, Seabrook, Texas 77586, as determined by the Code Enforcement Department in accordance with the Seabrook Code of Ordinances, Chapter 18.

The total expenditure shall not exceed \$18,335.50, and the City Manager is requested to be authorized to execute the agreement. This item is not currently budgeted and will require a future budget amendment.

Background:

- August 14, 2024: Property identified by the Code Enforcement Department as substandard and in violation of the Seabrook Code of Ordinances, Chapter 18, Article IV, Division 12.

Violations included:

- Unsafe roof, wall, and flooring conditions
 - Violations of fire, building, and property maintenance codes
 - Unsanitary and unsafe conditions, unfit for habitation
 - Structural elements likely to fall or pose injury risk
- September 2024: Church leadership acknowledged the substandard state but

indicated financial inability to abate violations.

- October 2, 2024: Official "Notice of Violation" delivered to property owner: United Pentecostal Church of Greater Clear Lake Area.
- January 2025: Legal agreement drafted and accepted to allow city-coordinated demolition in exchange for a lien placed on the property.

Fiscal Impact:

- Cost: Not to exceed \$18,335.50
- Budget Impact: This expenditure is not budgeted and will require a budget amendment.
- Lien: The city will place a lien on the property for the cost of demolition, allowing for potential future cost recovery.

Funding / Fiscal Information:

Supporting Materials Attached:

1. Violation Notice
2. Violation Pictures
3. Demolition Contractor Estimate
4. Draft Agreement
5. Substandard, Unsafe Buildings-Dangerous Buildings Ordinance
6. City Staff Presentation

Prior Action / Review by Council, Boards, Commissions:

Staff Recommendation:

Motion to approve the expenditure not to exceed \$18,335.50 and authorize the City Manager to execute an agreement between the City of Seabrook and New Life Church, for the voluntary demolition of the substandard structure located at 1209 Hardesty Avenue, Seabrook, TX 77586, with a lien to be placed on the property. This item will be included in a future budget amendment for formal financial authorization.

All requests must be submitted to the City Secretary's Office no later than 12:00 p.m. on the Monday, one week prior to the regular Tuesday Council Meeting. All required attachments are to be submitted with the request. Incomplete items cannot be placed on the agenda.



October 2, 2024

United Pentecostal Church of Greater Clear Lake Area
917 Bent Sail Ln.
League City, TX 77573

Certified/return receipt: 7014 0510 0001 4973 1340

RE: Dangerous structure located at: 1209 Hardesty Ave, Seabrook, TX 77586.

Legal Description: Lots Nine (9) & Ten (10) Block Eight (8) Seabrook, a subdivision in Harris County.

NOTICE OF VIOLATION

Pastor Creekmore:

The Seabrook Building Department was inspecting properties in the area and found violations of the Seabrook Code of Ordinances. It has been deemed by the Building Official that this structure meets the definition of a dangerous structure as defined in Section 18-389 of the Seabrook City Code of Ordinance (See highlighted items below) and is declared to be a public nuisance. According to the Harris County records this property is owned by United Pentecostal Church of Greater Clear Lake. We are also notifying the Board of Directors as listed by the Secretary of State.

This property is in violation of the Seabrook City Code of Ordinance Sec. 18-388 Minimum building standards adopted—Investigation, Section 18-389, Dangerous Buildings, structures and nuisances, subsections 1,3,4,5,6,7,8, 10,12,13,14 and Section 18-390 Declaration of nuisance; conduct prohibited.

Sec. 18-388. - Minimum building standards adopted—Investigation. Any building or structure whose condition violates the minimum standards in this chapter, including, but not limited to a building or structure that has deteriorated or is operated or maintained in violation of the minimum standards for the continued use and occupancy of all types of buildings and structures within the city, as adopted and established in this chapter, is hereby subject to investigation upon presentation of evidence of probable cause to a magistrate by a peace officer, code enforcement official, fire marshal, or health officer in accordance with Article 18.05 of the Texas Code of Criminal Procedure.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Chapter 18, Section 18-389 of the Seabrook City Code dealing with the definition of Dangerous Buildings or Structures states:

Sec. 18-389. - Dangerous buildings, structures and nuisances defined. Any building or structure, regardless of date of its construction, that after a public hearing is found by the commission to be in violation of the minimum standards of this division, including having any of the following defects, may be deemed to be substandard and/or unfit for human habitation and as a result, a danger to the public health, safety and welfare and thus, declared to be a dangerous building or structure:



- (1) Any building or structure that has become deteriorated or damaged such that its roof, walls, or flooring is not weathertight and waterproof such that it violates the minimum standards of this article;**
- (2) Any building or structure that is so structurally deteriorated or damaged that it is in danger of collapse or that cannot be expected to withstand reasonably anticipated weather conditions, such as storms or hurricanes;**
- (3) Conditions within any building or structure that violate any provision of the city's building, electrical, plumbing, fire, maintenance or other such codes;**
- (4) A building or improvement that does not meet the fire safety standards as adopted by city code, including materials or methods used to construct the building or improvement, including the foundation, structural elements, electrical wiring or apparatus, plumbing, and fixtures, entrances or exits do not meet the standards set forth in this article in regards to preservation of public safety;**
- (5) A building or use thereof that violates the city code nuisance provisions in that there exist conditions caused by accumulations of refuse, vegetation, or other matter that creates breeding and living places for insects and rodents;**
- (6) A building or improvement that is dilapidated, decayed, unsafe, unsanitary, or has substandard conditions or any condition that fails to provide amenities essential to decent living so that the premises are unfit for human habitation, or are likely to cause sickness or disease, so as to cause injury to the public health, safety, and welfare;**
- (7) Buildings and structures, regardless of their structural condition, that have been, during times that they were not actually occupied by their owners, lessees or other legal invitees, been left unsecured from unauthorized entry to the extent that they may be entered by vagrants or other uninvited persons as a place of harborage or could be entered by children.**
- (8) Buildings and structures, which are secured by a means inadequate to prevent unauthorized entry or use in the manner described in subsection (7).**
- (9) A wall or other vertical member that lists, leans or buckles to such an extent that a plumb line passing through the center of gravity falls outside the middle third of its base.**
- (10) Inadequate facilities for egress in case of fire or panic or insufficient stairways, elevators, or fire escapes.**
- (11) When a building which is partially constructed has not had any significant construction work done on it in the preceding six months, and it is not secured by a fence or other means to prevent children and vagrants from entering the building.**
- (12) Parts of buildings and structures that may fall and injure a person or property.**
- (13) The condition, use, or appearance of the property is in violation of the minimum standards of this division, specifically including the property maintenance code;**
- (14) The building fails to meet the requirements necessary to retain a certificate of occupancy.**

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Section 18-390 of Chapter 18 Buildings and Building Regulations, Division 9 Substandard, Unsafe Buildings states:

Sec. 18-390. - Declaration of nuisance; conduct prohibited.

Any building or structure which has any or all of the conditions or defects described above in section 18-389, where such condition or conditions pose a threat or potential threat to life, health, property, or human safety; or



conditions caused by accumulations of refuse, vegetation, or other matter that creates breeding and living places for insects, and rodents, is hereby declared to be a public nuisance, is prohibited as unlawful, and shall be abated according to provisions of this division. It is an offense for an owner or occupant or other person having control of the building, structure or property to fail to abate such public nuisance. Therefore, failure to abate such condition may also be prosecuted as a criminal misdemeanor offense. It is a further offense and unlawful for any person to cause, permit, or allow a dangerous building after the 30th day after the date on which the building and standards commission finds a condition of nuisance and orders abatement, or after such extended date as may be lawfully permitted by the building and standards commission.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011)

Upon receipt of this letter, the property owner shall have **30 days** to bring the structure into compliance. If the Building Department has had neither contact nor arrangements made to resolve this serious matter, the Building Department shall proceed with enforcement actions for violations and compliance including a public hearing requesting the Building and Standards Commission to adopt an order providing that the building or structure be vacated, secured, repaired, removed and/or demolished, and a lien placed against the property for all expenses incurred. (*Sec. 18-391 -397*)

The City hopes that with the cooperation of the property owner, these matters can be corrected and the property brought back into compliance. If further assistance is needed, please do not hesitate to contact the Seabrook Building Department at (281) 291-5638.

Sincerely,

Nick Kondejewski
Chief Building Official / Floodplain Administrator
CFM, TSBPE I-2833

Cc: David Baker - Certified/return receipt: 7014 0510 0001 4973 1357
Cecil Knowles - Certified/return receipt: 7014 0510 0001 4973 1128
George Watson - Certified/return receipt: 7022 3330 0001 5260 8598
Jessica Keller - Certified/return receipt: 7022 3330 0001 5260 8604



Attachment A – Substandard Structure Photos – 1209 Hardesty, Seabrook, TX 77586

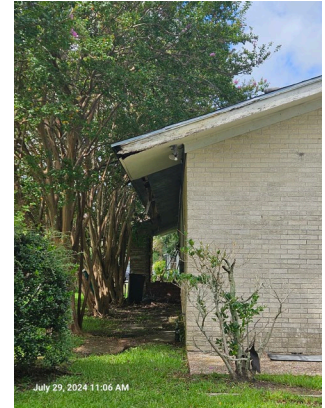
Violations Sections:

- 1 – Damage to roof, Not weathertight and waterproof**
- 3 - Violate any provision of the city's building, electrical, plumbing, fire, maintenance or other such codes**
- 4 – Does not meet the fire safety standards; electrical wiring, exits**
- 13 – Condition violates minimum standards of property maintenance code.**



Violation Sections:

- 1 – Damage to walls, Not weathertight and waterproof**
- 13 - Violates Property Maintenance Codes**



Violation Sections:

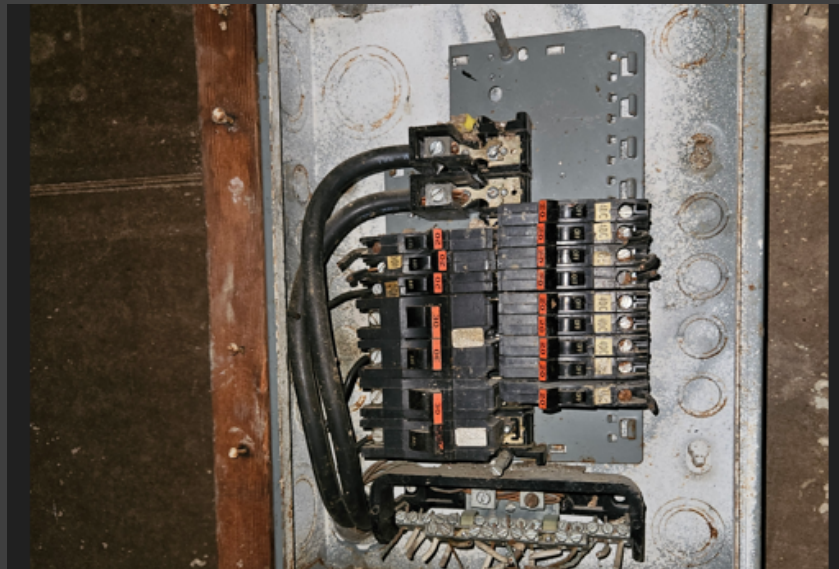
- 5 - Accumulations of refuse, vegetation**
- 6 - Building with unsafe conditions**
- 7 - Building left unsecured from unauthorized entry**
- 8 - Buildings and structures, which are secured by a means inadequate to prevent unauthorized entry or use in the manner described in subsection (7)**
- 12 - Structure may fall and cause injury**
- 13 - Violates Property Maintenance Codes**
- 14 - Building fails to meet the requirements necessary to retain a certificate of occupancy**





Violation Photos



















[No Title]

K & K Tractor Service
3012 RANDOLPH RD
PASADENA, TX 77503 US
+7077467
kktractorservice@gmail.com

ADDRESS
City of Seabrook, TX
1700 1st. St.
Seabrook, TX 77586

Estimate 1602

DATE 11/07/2024

P.O. NUMBER
1209 Hardesty Ave

DATE	ACTIVITY	QTY	RATE	AMOUNT
	Demolition Demolition of 1209 Hardesty Ave. an approximate 4453 sq ft church structure. All trash and debris to be hauled to an approved disposal site.	1	15,585.50	15,585.50
	Services Asbestos Abatement for 70 LF of window Caulking	1	2,750.00	2,750.00
			SUBTOTAL	18,335.50
			TAX	0.00
			TOTAL	\$18,335.50

Accepted By

Accepted Date

AUTHORIZATION FOR DEMOLITION AND
REMOVAL OF SUBSTANDARD BUILDING AND JUNK

This Agreement is signed this the TBD day of TBD, with respect to the building and other structures (the "Building") generally described as commercial structures located at 1209 Hardesty Street, Seabrook, Texas, (the "Property") and all other refuse, garbage, rubbish and junk, located on the Property, (the "Junk") which is presently situated at the following location, to-wit: legal description: Lots Nine & Ten (9 & 10), Block Eight (8), Seabrook, Harris County, Texas, according to the map or plat thereof recorded in Volume 1, Page 50 of the Map Records of Harris County, Texas; HCAD #032-1340080002

The undersigned (the "Owner"), in consideration of the Agreement by the City of Seabrook, Texas, (the "City") to demolish and remove the Building and Junk hereby represents to and agrees with the City as follows:

- (1) The Owner is the full legal and equitable owner of the building and has full authority and does hereby authorize the City to demolish and remove the Building and Junk located on the Property.
- (2) The Building is, in its present condition, substandard, dilapidated, dangerous, or otherwise unsafe under *Chapter 18, Article IV, Division 12. – Substandard Unsafe Buildings – Dangerous Buildings* of the Seabrook Code of Ordinances, and it will be a benefit to both the Owner and the citizens of Seabrook for the Building to be demolished and removed in accordance with *Division 12* as referenced herein.
- (3) The Junk located on the Property is a public nuisance as provided for under *Chapter 55, Article III. – Trash, Rubbish, Weeds and Wild Growth and Other*

Offensive Conditions Chapter 55, Article VI. – Junked, Wrecked, Abandoned Property of the Seabrook Code of Ordinances, and it will be a benefit to both the Owner and the citizens of Seabrook for the Junk to be removed from the Property.

- (4) Owner agrees to and does hereby release the City from any and all claims, demands, damages, or other causes of action which might arise from the demolition and removal of the Building and Junk, whether asserted by the Owner, or anyone claiming by or through the Owner, or by virtue of any alleged ownership interest, legal or equitable, in the Building and Junk.
- (5) The City and its employees, contractors, and other representatives shall be and are hereby authorized to enter upon the above-described property at all reasonable times for the purpose of inspecting, demolishing, and removing the Building and Junk.
- (6) Owner, in consideration of the City's agreement to demolish and remove the Building and Junk under this Agreement agrees to allow the City to assess a lien for all costs incurred by the City for such demolition and removal

The undersigned expressly warrants and represents to the City that he/she is at least eighteen (18) years of age, of sound mind, and competent and authorized in all respects to execute and deliver this Agreement.

United Pentecostal Church of Greater
Clear Lake Area
PO Box 538
Seabrook, TX 77586-0538

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 7th day of April 2025,
United Pentecostal Church of Greater Clear Lake Area, Owner, 1209 Hardesty, Seabrook, Texas.

Notary Public, State of Texas

DIVISION 12. SUBSTANDARD, UNSAFE BUILDINGS—DANGEROUS BUILDINGS¹

Sec. 18-386. Created, composition—Building and standards commission.

There is hereby created the building and standards commission, composed of five members, which shall consist of the members of the zoning board of adjustment, and alternate members of the board of adjustment appointed by city council, who shall serve in the absence of one or more regular members when requested to do so by the city manager/designee. Persons appointed to the zoning board of adjustment shall also automatically be appointed to the building and standards commission, and such appointment shall constitute one position. Persons appointed to the zoning board of adjustment/building and standards commission shall hold no other position in the city government, and shall serve without pay. Each member shall be a qualified voter at the time of appointment and shall be a resident within the corporate limits of the City of Seabrook and shall have been a resident for a period of 12 months prior to appointment. The appointment of the members shall be for a term of two years or until replacements are appointed corresponding and indistinguishable with the requirements for the zoning board of adjustment.

(Ord. No. 2009-01, § 2, 2-3-2009)

Sec. 18-387. Authority and purpose.

This division is remedial and essential to the public interest, safety, health, and welfare and it is intended that it be liberally construed to effectuate its purposes. It establishes minimum standards for the continued use and occupancy of all buildings regardless of the date of their construction; materials or methods used to construct a building or improvements, including the foundation, structural elements, electrical wiring, plumbing, fixtures, entrances, or exits; addresses conditions caused by accumulations of refuse, vegetation, or other matter that creates breeding and living places for insects and rodents; and incorporates the building codes or other city codes and statutory provisions relating to the condition, use, or appearance of property within the city. The provisions of this division are hereby adopted pursuant the City Charter, the Texas Constitution, Article XI, Section 5, and in accordance with V.T.C.A., Local Government Code chs. 54, 214 and 342.

The purposes of this division include, but are not limited to, utilization of a building and standards commission to hear and determine cases concerning the alleged violation of ordinances and related law concerning the following:

- (1) For the preservation of public safety, relating to the materials or methods used to construct a building or improvement, including the foundation, structural elements, electrical wiring or apparatus, plumbing and fixtures, entrances, or exits, including, but not limited to, the building codes as adopted and the minimum standards for buildings in this chapter;
- (2) Relating to the fire safety of a building or improvement, including, but not limited to, provisions in the International Fire Code as adopted in chapter 34 herein, relating to materials, types of construction or

¹Editor's note(s)—Former div. 9. See Code Comparative Table for complete derivation.

State law reference(s)—General enforcement authority of municipalities regarding substandard buildings, V.T.C.A. Local Government Code § 214.001 et seq.

design, or fire suppression devices, availability of water supply for extinguishing fires, or location, design, or width of entrances or exits;

- (3) Relating to dangerously damaged or deteriorated buildings or improvements, including, but not limited to, provisions in the property maintenance code, sections 18-360 through 18-361 in this chapter;
- (4) Relating to conditions caused by accumulations of refuse, vegetation, or other matter that creates breeding and living places for insects and rodents, as provided in this division and the code of ordinances, including the comprehensive zoning code and nuisance provisions, when such nonconformity constitutes a danger to the public health, safety, and welfare;
- (5) Relating to a building code or to the condition, use, or appearance of property in the city including, but not limited to, provisions regarding the minimum standards for buildings in this division;
- (6) To provide the authority to order and direct the method of securing property that is unoccupied by its owners, lessees, or other invitees, and which is unsecured from unauthorized entry to the extent that such buildings or structures could be entered or used by vagrants or other uninvited persons or could be entered or used by children.
- (7) To provide, to the fullest extent of the law, the authority to address, and direct the method of addressing buildings and structures which, although boarded up, fenced, or otherwise secured in any manner, exhibit conditions that may constitute a danger to the public, even though secured from entry, or the means used to secure the building or structure is inadequate to prevent unauthorized entry or use of the building by vagrants or other uninvited persons or could be entered or used by children. The city may require the building or structure, which endangers the public health and safety of the occupants of said building and structure and the general public, to be vacated, secured, repaired, removed, and/or demolished by the owner and/or the occupants thereof to be relocated.
- (8) To provide fire safety of buildings or improvements, including provisions related to materials, types of construction or design, warning devices, fire suppression devices, availability of water supply for extinguishing fires, location, design or width of entrances or exits, and enforcement of all city building and fire codes.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-388. Minimum building standards adopted—Investigation.

Any building or structure whose condition violates the minimum standards in this chapter, including, but not limited to a building or structure that has deteriorated or is operated or maintained in violation of the minimum standards for the continued use and occupancy of all types of buildings and structures within the city, as adopted and established in this chapter, is hereby subject to investigation upon presentation of evidence of probable cause to a magistrate by a peace officer, code enforcement official, fire marshal, or health officer in accordance with Article 18.05 of the Texas Code of Criminal Procedure.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-389. Dangerous buildings, structures and nuisances defined.

Any building or structure, regardless of date of its construction, that after a public hearing is found by the commission to be in violation of the minimum standards of this division, including having any of the following defects, may be deemed to be substandard and/or unfit for human habitation and as a result, a danger to the public health, safety and welfare and thus, declared to be a dangerous building or structure:

-
- (1) Any building or structure that has become deteriorated or damaged such that its roof, walls, or flooring is not weathertight and waterproof such that it violates the minimum standards of this article;
 - (2) Any building or structure that is so structurally deteriorated or damaged that it is in danger of collapse or that cannot be expected to withstand reasonably anticipated weather conditions, such as storms or hurricanes;
 - (3) Conditions within any building or structure that violate any provision of the city's building, electrical, plumbing, fire, maintenance or other such codes;
 - (4) A building or improvement that does not meet the fire safety standards as adopted by city code, including materials or methods used to construct the building or improvement, including the foundation, structural elements, electrical wiring or apparatus, plumbing, and fixtures, entrances or exits do not meet the standards set forth in this article in regards to preservation of public safety;
 - (5) A building or use thereof that violates the city code nuisance provisions in that there exist conditions caused by accumulations of refuse, vegetation, or other matter that creates breeding and living places for insects and rodents;
 - (6) A building or improvement that is dilapidated, decayed, unsafe, unsanitary, or has substandard conditions or any condition that fails to provide amenities essential to decent living so that the premises are unfit for human habitation, or are likely to cause sickness or disease, so as to cause injury to the public health, safety, and welfare;
 - (7) Buildings and structures, regardless of their structural condition, that have been, during times that they were not actually occupied by their owners, lessees or other legal invitees, been left unsecured from unauthorized entry to the extent that they may be entered by vagrants or other uninvited persons as a place of harborage or could be entered by children.
 - (8) Buildings and structures, which are secured by a means inadequate to prevent unauthorized entry or use in the manner described in subsection (7).
 - (9) A wall or other vertical member that lists, leans or buckles to such an extent that a plumb line passing through the center of gravity falls outside the middle third of its base.
 - (10) Inadequate facilities for egress in case of fire or panic or insufficient stairways, elevators, or fire escapes.
 - (11) When a building which is partially constructed has not had any significant construction work done on it in the preceding six months, and it is not secured by a fence or other means to prevent children and vagrants from entering the building.
 - (12) Parts of buildings and structures that may fall and injure a person or property.
 - (13) The condition, use, or appearance of the property is in violation of the minimum standards of this division, specifically including the property maintenance code;
 - (14) The building fails to meet the requirements necessary to retain a certificate of occupancy.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Editor's note(s)—Section 1(Exh. A) of Ord. No. 2011-04, adopted April 5, 2011, changed the title of § 18-389 from "Dangerous buildings or structures defined" to "Dangerous buildings, structures and nuisances defined."

Sec. 18-390. Declaration of nuisance; conduct prohibited.

Any building or structure which has any or all of the conditions or defects described above in section 18-389, where such condition or conditions pose a threat or potential threat to life, health, property, or human safety; or

conditions caused by accumulations of refuse, vegetation, or other matter that creates breeding and living places for insects, and rodents, is hereby declared to be a public nuisance, is prohibited as unlawful, and shall be abated according to provisions of this division. It is an offense for an owner or occupant or other person having control of the building, structure or property to fail to abate such public nuisance. Therefore failure to abate such condition may also be prosecuted as a criminal misdemeanor offense. It is a further offense and unlawful for any person to cause, permit, or allow a dangerous building after the 30th day after the date on which the building and standards commission finds a condition of nuisance and orders abatement, or after such extended date as may be lawfully permitted by the building and standards commission.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011)

Sec. 18-391. Commencement of proceedings.

When the code enforcement official has determined that a building is a dangerous building, he/she will set a date and time for a public hearing before the building and standards commission to determine if the building complies with the minimum standards established in this article. The code enforcement official may seek voluntary compliance with the owner, lienholder or mortgagee of the building before seeking a hearing before the commission. If the code enforcement official receives voluntary compliance from the owner, lienholder or mortgagee, a public hearing is not required.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-392. Notice of hearing before the building and standards commission.

Notice of all proceedings before the building and standards commission shall be given on or before the tenth day before the date fixed for hearing:

- (1) By personal delivery, by certified mail, return receipt requested, or by delivery by the United States Postal Service using signature confirmation to the record owners of the affected property sent to the last known address, and each mortgagee, lienholder and each holder of a recorded lien against the affected property, as shown by the records of the county clerk in which the affected property is located if the address of the lienholder can be ascertained from the deed of trust establishing lien or other applicable instruments on file in the office of the county clerk;
- (2) To the owner or manager shown on the current license on file with the city, if applicable;
- (3) To all unknown owners by posting a copy of the notice on the front door of each improvement situated on the affected property or as close to the front as practicable.
- (4) The notice shall be given and posted before the tenth day preceding the date of the hearing before the building and standards commission and must state the date, time, and place of the hearing. In addition, the notice must be published in a newspaper of general circulation in the city on one occasion before the tenth day preceding the date fixed for the hearing.
- (5) The notice shall contain the following:
 - a. The name and address of the owner of the affected property if that information can be determined from a reasonable search of the instruments on file in the Office of the Harris County Clerk.
 - b. An identification, which is not required to be a legal description, of the building and the property on which it is located.
 - c. A description of the violation of the municipal standards/code that is present at the building.

-
- d. A statement that the city will vacate, secure, remove, repair or demolish the building or relocate the occupants of the building if the ordered action is not taken within a reasonable time.
 - e. A statement that the owner, lienholder, or mortgagee will be required to submit proof, at the hearing, of any work that may be required to comply with the ordinance and the time it will take to reasonably perform the work.
 - f. The time, date, and place of the hearing.
- (6) In addition, the city may file a notice in the official public records of real property for Harris County, Texas, or where the real property is primarily situated, pertaining to the hearing, as set forth above, and the notice shall bind all subsequent grantees, lienholders, or other transferees of interest in the property, who acquire such interest after the filing of the notice of hearing and constitutes notice of the hearing on any subsequent recipient of any interest in the property who acquires such interest after the filing of the notice, according to state law.
 - (7) When the city mails a notice in accordance with this section to a property owner, lienholder, or mortgagee, and the United States Postal Service returns the notice as "refused" or "unclaimed," the validity of the notice is not affected, and the notice is considered delivered.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-393. Functions.

The building and standards commission panel may:

- (1) Order the repair, within a fixed period, of buildings found to be in violation of an ordinance.
- (2) Declare a building substandard in accordance with the powers granted by this article.
- (3) Order, in an appropriate case, the immediate removal of persons or property found on private property, enter on private property to secure the removal if it is determined that conditions exist on the property that constitute a violation of an ordinance, and order action to be taken as necessary to remedy, alleviate, or remove any substandard building found to exist.
- (4) Issue orders or directives to any peace officer of the state, including a sheriff or constable or the chief of police of the municipality, to enforce and carry out the lawful orders or directives of the building and standards commission panel.
- (5) Determine the amount and duration of the civil penalty the city may recover in accordance with V.T.C.A., Local Government Code § 54.017. A determination of the subject civil penalty is final and binding and constitutes prima facie evidence of such penalty in a court of competent jurisdiction in a civil suit brought by the city for final judgment and may be enforced by the city secretary filing with the District Clerk of Harris County, Texas, a certified copy of the order of the building and standards commission panel establishing the amount and duration of the penalty.

(Ord. No. 2009-01, § 2, 2-3-2009)

Sec. 18-394. Standards for repair, vacation or demolition.

The following standards shall guide the code compliance official in his discretion in ordering a hearing to repair, vacate, secure, and/or demolish a dangerous building and these standards shall be observed and applied by the hearing officers who comprise the building standards board.

-
- (1) The code compliance official, at his/her discretion, may allow, prior to submittal to the commission, or recommend to the commission additional time to develop a rehabilitation plan for occupied homesteads under special circumstances faced by the owner including, but not limited to, mental and/or physical hardships; age; income; length of occupancy; and veteran status.
 - (2) If the alleged dangerous building can be feasibly repaired or the condition remedied so that it will no longer exist in violation of the terms of this article, it shall first be ordered remedied or repaired by the hearing officers. Demolition shall be regarded as a remedy of last resort.
 - (3) If the building is in such condition as to make it dangerous to the health or safety of its occupants, it shall be ordered by the commission to be vacated.
 - (4) In any case where a dangerous building is 50 percent or more damaged or decayed or deteriorated in its structure, or 50 percent or more diminished in its value due to damage, decay, or deterioration, a presumption shall arise that the building cannot be repaired. Value may be evidenced by comparing the valuation of the building by the Harris County Tax Appraisal District. Such presumption may be appropriately rebutted by the weight of the evidence.
 - (5) Principals of sound engineering practices shall be respected.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-395. Building and standards commission hearing—Burden of proof.

In a public hearing to determine whether a building complies with the standards set out in this article the owner, lienholder, mortgagee, manager or occupant has the burden of proof to demonstrate the scope of work that may be required to comply with this article and the time it will take to reasonably perform the work. After a public hearing, if a building is found to be in violation of this article, the building and standards commission may:

- (1) Enter on the minutes its findings that the building, or use thereof:
 - a. Is in violation of the minimum standards of this article in specified instances;
 - b. Is dilapidated, substandard, or unfit for human habitation and a hazard to the public health, safety and welfare;
 - c. Is unoccupied by its owners, lessees, or other invitees and is unsecured from unauthorized entry to the extent that it could be entered or used by vagrants or other uninvited persons as a place of harborage or could be entered or used by children;
 - d. Is boarded up, fenced, or secured but constitutes a danger to the public even though secured from entry; or the means used to secure the building are inadequate to prevent unauthorized entry or use of the building by vagrants, children, or other uninvited persons;
 - e. Violates the minimum standards of this article and is unoccupied or is occupied only by persons who do not have a right of possession; or
 - f. Is dangerously damaged or deteriorated or is likely to endanger persons or property; or
 - g. The condition, use or appearance of the property is in violation of the minimum standards herein; or
 - h. Determine that a building fails to meet the requirements necessary to retain a certificate of occupancy;
- (2) Make an order that:
 - a. Declares that the building is substandard;

-
- b. The owner, lienholder or mortgagee of a building;
 - 1. Secure it; or
 - 2. Repair, remove or demolish the building;
 - c. Persons or property be immediately removed from a building and designate the city to enter on the property to secure the removal if it is determined that conditions exist on the property that constitute a violation of this ordinance;
 - d. Any or all occupants be relocated;
 - e. Such other requirements deemed reasonably necessary, including the abatement of any nuisances caused by accumulations of refuse, vegetation, or other matter that creates breeding and living places for insects, and rodents.
- (3) Time limits.
- a. An order shall require that a building shall be secured within 30 days.
 - b. An order shall require that a building must be repaired, removed or demolished within 30 days unless the owner or lienholder establishes at the hearing that the work cannot reasonably be performed within 30 days.
 - c. If the building and standards commission allows the owner, lienholder, mortgagee, manager or occupant more than 30 days to repair, remove or demolish the building, the building and standards commission shall establish specific time schedules for the commencement and performance of the work and shall require the owner, lienholder, mortgagee, manager or occupant to secure the property in a reasonable manner from unauthorized entry while the work is being performed.
 - d. The building and standards commission may not allow the owner, lienholder, mortgagee, manager or occupant more than 90 days to repair, remove or demolish the building or fully perform all work required to comply with the order of the building and standards commission unless the owner, lienholder, mortgagee, manager or occupant:
 - 1. Submits a detailed plan and time schedule for the work at the hearing; and
 - 2. Establishes at the hearing that the work cannot reasonably be completed within 90 days because of the scope and complexity of the work.
 - e. If the building and standards commission allows the owner, lienholder, mortgagee, manager or occupant more than 90 days to complete any part of the work required to repair, remove or demolish the building, the building and standards commission shall require the owner, lienholder, mortgagee, manager or occupant to regularly submit progress reports to the building and standards commission to demonstrate that the owner, lienholder, mortgagee, manager or occupant complied with the time schedules established by the building and standards commission for commencement and performance of the work. The order may require that the owner, lienholder, mortgagee, manager or occupant appear before the hearing panel to demonstrate compliance with the schedules.
 - f. In a public hearing to determine whether a building complies with the standards set out in this article the owner, lienholder, mortgagee, manager or occupant has the burden of proof to demonstrate the scope of work that may be required to comply with this article and the time it will take to reasonably perform the work.
 - g. Should an owner fail to comply with an order of the building and standards commission to repair, remove or demolish a building the commission may assess civil penalties against such owner

upon notice and hearing. Such notice shall be given at least ten days prior to the hearing to determine whether or not civil penalties should be assessed.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-396. Procedure after hearing.

After the hearing before the building and standards commission, the city shall deliver a copy of the order by personal delivery, by certified mail, return receipt requested, or by the United States Postal Service using signature confirmation service, to the record owners of the affected property and to any lienholder or mortgagee of the affected property. Within ten days after the date the order from the building and standards commission is issued the city will:

- (1) File a copy of the order in the office of the city secretary; and
- (2) Publish in the city's official newspaper a notice containing:
 - a. The street address or legal description of the property;
 - b. The date of the hearing;
 - c. A brief statement indicating the results of the hearing or order; and
 - d. Instructions stating where a complete copy of the order may be obtained.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-397. Enforcement—Expenses.

- (a) If an owner does not take the action ordered by the building and standards commission within the allotted time the code enforcement official shall promptly mail by certified mail, return receipt requested, a copy of the order to any lienholder or mortgagee of the building not previously served with the order.
- (b) If the owner, lienholder, mortgagee, manager or occupant should fail to comply with an order of the building and standards commission, the building and standards commission may, in addition to any other actions or remedies in this article, authorize the city to:
 - (1) Vacate, secure, remove or demolish the building.
 - (2) Relocate the occupants.
 - (3) Repair the building to the extent necessary to bring the building into compliance with the minimum standards.
- (c) The building and standards commission may authorize the code enforcement official to secure a building that violates the minimum standards and is unoccupied or is occupied only by persons who do not have a right of possession before notice and hearing.
- (d) The building and standards commission may assess all expenses incurred by the city pursuant to the foregoing provisions against the owner of the property and the property. Said assessment of expenses shall constitute a privileged lien on the property subordinate only to tax liens and previously recorded bona fide mortgage liens, unless the property is a homestead protected by the Texas Constitution in accordance with V.T.C.A., Local Government Code ch. 214 and ch. 54.
- (e) The building and standards commission by order, may assess and recover a civil penalty against the property owner in an amount not to exceed \$1,000.00 per day for each violation or, if the owner shows that the

property is the owner's lawful homestead, in an amount not to exceed \$10.00 per day for each violation, if the city proves:

- (1) The property owner was notified of the requirements of this chapter and the owner's need to comply with the requirements; and
 - (2) After notification, the property owner committed an act in violation of this article or failed to take an action necessary for compliance with this article.
 - (3) The commission may not order conditional civil penalties.
 - (4) A determination of civil penalties made by the building and standards commission is final and binding and constitutes prima facie evidence of the penalty in any court of competent jurisdiction in a civil suit brought by the city for final judgment in accordance with established penalty.
- (f) The city council hereby finds and declares that the general administrative expenses of inspecting buildings, conducting hearings, issuing notices and orders, together with associated administrative functions, require the reasonable charge of \$500.00 for each lot, adjacent lots under common ownership or tract of land. Such minimum charge is hereby established and declared to be the charge for such administrative expenses to be assessed in each instance where the building and standards commission determines that the building or structure is a dangerous building and the city has been required to proceed with notice and hearing as provided for in section 18-392, together with any additional charges as delineated in section 18-397(g). Notwithstanding any tabulation of recorded costs, a charge of \$500.00 is hereby expressly stated to be the minimum charge, unless otherwise determined by the building and standards commission. Further, the cost of securing, repairing, demolishing the building or buildings, either by the city or by persons doing so under contract with the city, shall be separately calculated and assessed in each instance where the city secures, repairs, demolishes or causes the demolition of a building or buildings pursuant to this article. Nuisance abatement, as determined by the commission, may also be included in the assessment of cost.
- (g) Any case referred to the building and standards commission for consideration shall also have attached as costs all expenses incurred by the city to research ownership and mortgagee/lienholder interests, as such research is required by state law to fix enforceable orders and liens. The city shall certify all administrative expenses and costs of securing, repairing, or demolishing a building or buildings by the city or by persons doing so under contract with the city, as a charge which shall be assessed the owner thereof, and which shall constitute a lien on the land on which the building or buildings are or were situated.
- (h) Civil penalties and expenses assessed herein shall constitute a personal liability of the property owner and a lien against the property and shall accrue interest at the rate of ten percent per annum.
- (i) If an order has been issued pursuant to this article for the repair, securing or demolition of a building or buildings and the city has let a contract for such work, and the building or buildings are subsequently repaired, secured or demolished by the owners prior to completion of the contracts let by the city, the administrative expenses and all costs for cancellation of the contract shall be certified as a charge which shall be assessed against the owners thereof, and which shall constitute a lien on the land on which the building or buildings are or were situated. Such charge shall bear interest at the rate of six percent per annum until paid.
- (j) Upon a finding by the building and standards commission that a building is dangerously damaged or deteriorated, or is likely to endanger persons or property, the code enforcement official may place a placard notice on all dwelling units which the building and standards commission has determined to be dangerously damaged or deteriorated, or likely to endanger persons or property, with the following language:

DO NOT ENTER
UNSAFE TO OCCUPY
IT IS A MISDEMEANOR TO OCCUPY THIS
BUILDING, OR TO REMOVE OR DEFACE THIS NOTICE.

BUILDING OFFICIAL
CITY OF SEABROOK, TEXAS

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-398. Offenses.

It is unlawful for the owner, occupant, lessees or manager of a building governed by this division to:

- (1) Permit a building to be in violation of any provision of this division;
- (2) Permit a building to exist in a dilapidated or substandard condition, or condition unfit for human habitation and a hazard to the public health, safety, and welfare;
- (3) Permit a building to be unoccupied and unsecured from unauthorized entry to the extent that it could be entered or used by vagrants or other uninvited persons as a place of harborage or could be entered or used by children;
- (4) Permit a building that is boarded up, fenced or otherwise secured to:
 - a. Constitute a danger to the public; or
 - b. Have inadequate means to secure the building from unauthorized entry or use.
- (5) Permit a building to be occupied only by persons who do not have a right of possession and violate any provision of this division;
- (6) Permit a building to exist in a dangerously damaged or deteriorated condition or in a condition likely to endanger persons or property;
- (7) Without authority from the code enforcement official or the fire marshal, he or she removes or destroys a placard placed pursuant to subsection 18-397(i) by such officials; or
- (8) As owner, operator, or manager of a building, he or she permits a person to occupy a building or room on which the code enforcement official or the fire marshal has placed a placard pursuant to subsection 18-397(i), or he or she occupies a building or room on which the code enforcement official or the fire marshal has placed such a placard, absent express authorization of the subject official(s).

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-399. Demolition regulations

extended to cover site clearance, leveling and grading.

- (a) In addition to the building regulations contained in this article, the regulations concerning the demolition of buildings and permits therefore are extended to cover and include that:
 - (1) All debris must be removed from the property, all holes or depressions in the ground must be filled to grade level.
 - (2) The grading and leveling and clearance of the site of the demolition where the removal of structures makes such grading, leveling or clearance necessary, or where such grading, leveling or clearance is necessary to protect adjacent property for the public safety. The grading and leveling shall include appropriate fill to insure proper drainage, and a permit shall be secured for any fill work if provided by city code.

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(Supp. No. 24, Update 3)

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- (3) All lumber, pipes and all other building materials must be removed from the property.
 - (4) All pipes and conduits must be removed from above grade and must be removed or sealed below grade.
 - (5) All piers, pilings, steps, foundations, and other appurtenances must be removed from the property.
 - (b) Each person having an interest in the building or control over the property on which the building stood prior to removal or demolition is individually responsible for completing this work.
- (Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011)

Sec. 18-400. Disconnecting public utilities.

The code enforcement official may request that public utilities be disconnected in order that demolition, other nuisance abatement or code compliance actions may be accomplished without delay in those cases where the structure is open, vacant, dilapidated, or subject to any of the conditions defining public nuisance in this article.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-401. Authority for summarily securing unoccupied buildings.

- (a) *Purpose; no emergency required.* An owner or person in control of an unoccupied building shall ensure that the building is in such condition that an unauthorized person cannot enter into it through missing or unlocked doors or windows, or through other openings into the building. The city may secure unoccupied, unsecured structures after the owner(s) fail to do so after reasonable notice, or, in the case of an unsecured, unoccupied building located within 1,000 feet of a public or private elementary school, middle school, or high school, or a state recognized day care center, at the discretion of the code compliance director, the city may secure without prior notice, as prescribed by V.T.C.A., Local Government Code § 214.0011. Subsequent notice of discretionary, summary abatement shall be provided as set forth in subsection (i)(1) and (2) below and as provided by law. A lien may be filed on non-homestead residential structures to assure recovery of the cost of securing.
- (b) *Definition.* An unsecured, unoccupied building is hereby defined to be any structure that currently has no legitimate occupant or tenant, or is occupied by persons who have no right to possession, and which has missing or unlocked doors or windows, or other unsecured openings into the building through which an unauthorized person, including a child, could enter. Any unoccupied, unsecured building is hereby declared to be a danger to the public health and safety and a public nuisance.
- (c) *Notice.* Whenever it is found that an unoccupied building is in such condition that an unauthorized person or child could enter it through missing or unlocked doors or windows or other openings, the code enforcement officer or the fire marshal may cause a written "Notice To Secure" to be given to the owner of the property or to any person having control over the property. Such notice shall inform the addressee that the building is a public nuisance, and must be secured in compliance with this section within ten days of the receipt of the notice, or that the city has already secured the structure. The notice shall be served to the addressee by first class mail or by personal delivery, and by posting the notice on or near the front door of the building by a code compliance investigator, fireman, peace officer, or other persons authorized by the city manager. When the city has already secured the structure, notice shall be given no later than the eleventh day after the date the structure is secured.
- (d) *Appeal.* Any property owner who believes that the code enforcement officer or the fire marshal has erroneously identified his or her structure as an unsecured, unoccupied structure, shall have the opportunity

to appear before a hearing of the commission or board charged with declaring such public nuisances, in person or by attorney, to present any relevant facts as to the condition of the premises upon submitting a written request for such hearing within 30 days after the structure is secured. A hearing shall be held within 20 days after the date a request is filed. Details concerning the right to appeal shall appear on the notice to secure or notice of accomplished securing. The commission/board may require the posting of a performance bond not to exceed \$1,000.00 to ensure performance of any agreement that may be reached with the owner of the property in question and which results in the postponement of a pending civil order to secure and/or clean.

- (e) *Offense.* It is unlawful for any building owner or person having control of any premises to cause, permit, or allow a public nuisance as defined in this article or to fail to timely comply with a notice to secure ordered by the code enforcement officer or fire chief given pursuant to this section. Violation shall be punishable by a fine of not less than \$50.00 nor more than \$1,000.00 unless otherwise provided in the Code (e.g., chapter 55). Each day's failure to comply after the expiration of the notice period shall constitute a separate offense.
- (f) *City may secure structures.* If the owner fails to comply with the notice to secure, the code enforcement officer or fire marshal may order the boarding up of all openings to the building so as to prevent entry, or the securing of the structure in any other reasonable fashion.
- (g) *Method of securing.* The securing of windows, doors, or any other opening allowing access to an unsecured, unoccupied structure shall be done with such materials and technique to effectively bar entrance to the structure. Such materials include, but are not limited to, plywood, lumber, steel, replacement glass, nails, screws, and bolts. The use of cardboard, tar paper, window and door screens, or any other material that will not effectively prevent entrance shall not be sufficient to meet the requirements of this section. Upon receipt of a notice to secure, each and every accessible means of entry must be secured.
- (h) *Method of cleaning.* The cleaning of an unoccupied building shall include maintenance of said structure and its lot free and clear of garbage, trash, debris, rubbish, waste, wood and metal scrap, inoperative or abandoned appliances and furniture. All weed and grass cuttings shall be removed from the premises in accordance with the provisions of chapter 55 of the city Code and state statutes.
- (i) *Collections and liens.* If the city secures a structure pursuant to authority granted by the Texas Local Government Code and in accordance with this article IV, the city shall proceed to secure payment for said actual costs of securing the property plus an administrative fee of \$180.00 by the following:
 - (1) Residential property of ten dwelling units or less: If after 30 days from billing for the securing of a structure, payment in full has not been made, the city may proceed to collect the amount due including the costs of securing, plus all associated costs and fees by filing a lien to be recorded in the real estate records of Harris County, Texas, pursuant to authority granted by law.
 - (2) All other structures: If after 30 days from billing for the securing of a structure, payment in full has not been made, the city may bring suit in a court of competent jurisdiction to collect the amount due including the cost of securing plus all associated costs and fees. The city attorney is hereby further authorized to make use of whatever legal or equitable remedies are available to collect said monies due, including filing and foreclosure of liens as appropriate.
- (j) *Fee and cost payable date.* The cost of securing, plus the attendant administrative cost shall attach and become an account receivable on the date completion of the boarding-up, fencing, or other method of securing any structure.
- (k) *Other remedies available.* The remedies provided in this section shall be available in addition to others provided by law or equity. The issuance of a notice to secure or imposition of a fine pursuant to another section of this Code shall not be required as a prerequisite to the initiation of abatement action, nor shall the issuance of a notice to secure or imposition of a fine under this section preclude any other or additional abatement remedies.

(l) *Danger posed by unsecured structure:*

- (1) Where the code enforcement official find that an unsecured building, regardless of the date of its construction, poses such a danger to public, health, safety, and welfare that in the officer's judgment summary abatement is necessary, or where an unsecured building is located within 1,000 feet of a public or private grammar school, middle school, or high school, or a state recognized day care center, he/she may cause the structure to be secured and cleaned.
 - (2) Notice to the owner(s) shall be provided before the 11th day, after the structure is secured, by personal service, or notice by first class U.S. Mail at the owner's post office address. If personal service cannot be obtained and the owner's post office address is unknown, notice may be performed by either publishing the notice twice within a ten-day period in a newspaper of general circulation in the county in which the building is located, or posting the notice on or near the front door of the building. The notice shall contain the information required by applicable state law, and as such law may from time to time be amended, at least: (i) a description of the building and the property on which it is located (need not be legal description); (ii) description of the violation; (iii) statement of owner's need to secure or that city has secured, as the case may be; and (iv) explanation of owner's right to request a hearing on the matter, if within 30 days of securing, owner files written request for hearing. The commission must hear the matter within 20 days after the date request is filed.
 - (3) It shall be unlawful for any person to enter such premises or remove the posted notice without written permission from the director of development services.
 - (4) The city's costs may be recovered and a lien filed in the same manner as to secure city expenses incurred to remediate other premises violations.
- (m) *Assessment of expenses.* The commission has the same authority to assess expenses under this section as it has to assess expenses under section 18-397 herein. A lien created under this section is subject to the same conditions as a lien created in 18-397.

(Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-402. Building and standards commission other remedies; chapters 54 and 214, Texas Local Government Code.

Nothing in this chapter shall preclude the city's pursuit of any and all other remedies allowed under civil and criminal law, or in equity, to address conditions which are treated in this chapter, under the theory of public nuisance and the abatement of dangerous buildings or structures. Neither shall the city be required, nor prohibited, to issue criminal citations before, after, or during any proceeding prescribed in this chapter.

Specifically, in addition to the provisions in this chapter and remedies afforded under V.T.C.A., Local Government Code ch. 54, Municipal Regulation of Structures, the city further asserts full authority to exercise its right to remedy under all provisions of the V.T.C.A., Local Government Code including, but not limited to, ch. 214, subchapter B, Municipal Health and Safety Ordinances, and ch. 342, Municipal Fire Protection, subchapter B, in prosecution of civil suits for enforcement, removal or destruction of buildings and structures, injunctive relief, and civil penalties to remedy conditions of public concern described in this chapter.

(Ord. No. 2009-01, § 2, 2-3-2009; Ord. No. 2011-04, § 1(Exh. A), 4-5-2011; Ord. No. 2017-40, § 2, 10-3-2017)

Ord. No. 2017-40, § 2, adopted Oct. 3, 2017, repealed former § 18-402 which pertained to appeal to district court under substantial evidence rule; lien priority, and derived from Ord. No. 2009-01, § 2, adopted Feb. 3, 2009. Ord. No. 2017-40 subsequently renumbered former § 18-401 as § 18-402.

Sec. 18-403. Judicial review of a building and standards commission order.

- (a) Any owner, lienholder or mortgagee of record, jointly or severally aggrieved by an order of the commission, may file in Harris County District Court a verified petition setting forth that the decision is illegal, in whole or in part, and specifying the grounds of the illegality. The petition must be filed with the court within 30 calendar days after the respective dates a copy of the order of the commission is personally delivered, mailed by first class mail, certified return receipt requested or delivered to them by the United States Postal Service using signature confirmation service to all persons to whom notice is required to be sent under V.T.C.A. Government Code § 54.035. Notice of the order shall be as directed by law. If a petition is not filed within the 30-calendar day period by an owner, lienholder or mortgagee, the order of the commission shall become final as to that owner, lienholder or mortgagee upon the expiration of such 30-calendar day period.
- (b) On filing of the petition, the district court may issue a writ of certiorari directed to the commission to review the decision and order of the commission and shall prescribe in the writ the time within which a return on the writ must be made, which must be longer than ten days and served on the relator or the relator's attorney.
- (c) The commission may not be required to return the original papers acted on by it, but it is sufficient for the commission to return certified or sworn copies of the papers or of parts of the papers as may be called for by the writ.
- (d) The return must concisely set forth other facts as may be pertinent and material to show the grounds of the decision appealed from and shall be verified.
- (e) The allowance of the writ does not stay proceedings on the commission decision appealed from.
- (f) The district court's review of the order of the commission shall be in accordance with V.T.C.A. Local Government Code §§ 214.0012 and 54.039.

(Ord. No. 2017-40, § 2, 10-3-2017)

Sec. 18-404. Municipal court enforcement.

Proceedings by the building and standards commission do not affect proceedings under the jurisdiction of the municipal court.

(Ord. No. 2017-40, § 2, 10-3-2017)

Secs. 18-405—18-415. Reserved.

Editor's note(s)—Section 1(Exh. A) of Ord. No. 2011-04, adopted April 5, 2011, repealed former div. 10, § 18-409, which pertained to energy conservation code adopted and derived from Code 1996, § 18-409 and Ord. No. 2002-02, § 2, adopted March 5, 2002.

City Council June 17, 2025

- 1209 Hardesty Avenue
- Substandard Structure



Background

August 14, 2024: a portion of the structure located at 1209 Hardesty Avenue was identified by the Code Enforcement Department as substandard and in violation of the Seabrook Code of Ordinances, Chapter 18, Article IV, Division 12.

Violations included:

- Unsafe roof, wall, and flooring conditions
- Violations of fire, building, and property maintenance codes
- Unsanitary and unsafe conditions, unfit for habitation
- Structural elements likely to fall or pose injury risk

September 2024: Church leadership acknowledged the substandard state but indicated financial inability to abate violations.

October 2, 2024: Official "Notice of Violation" delivered to property owner: United Pentecostal Church of Greater Clear Lake Area.

January 2025: Legal agreement drafted by city staff and accepted by the ownership to allow city-coordinated demolition in exchange for a lien placed on the property.

Substandard Structure Process

When a structure is identified as potentially substandard, the **Code Enforcement Officer** or **Building Official** may initiate an investigation. If deemed unsafe or in violation of codes:

Notice to the property owner is issued with details of violations and a timeline for correction.

If compliance isn't achieved, a **hearing is scheduled before the Building & Standards Commission (BSC)**.

The BSC determines whether the structure is officially substandard and may order:

- Repairs or remediation
- Securing or vacating the property
- Demolition, in severe cases

If a demolition is ordered, the defendant has 30 days to complete the demolition. Failure to do so will result in the city carrying out the demolition and placing a lien on the property to recover the associated costs.



Violation Photos







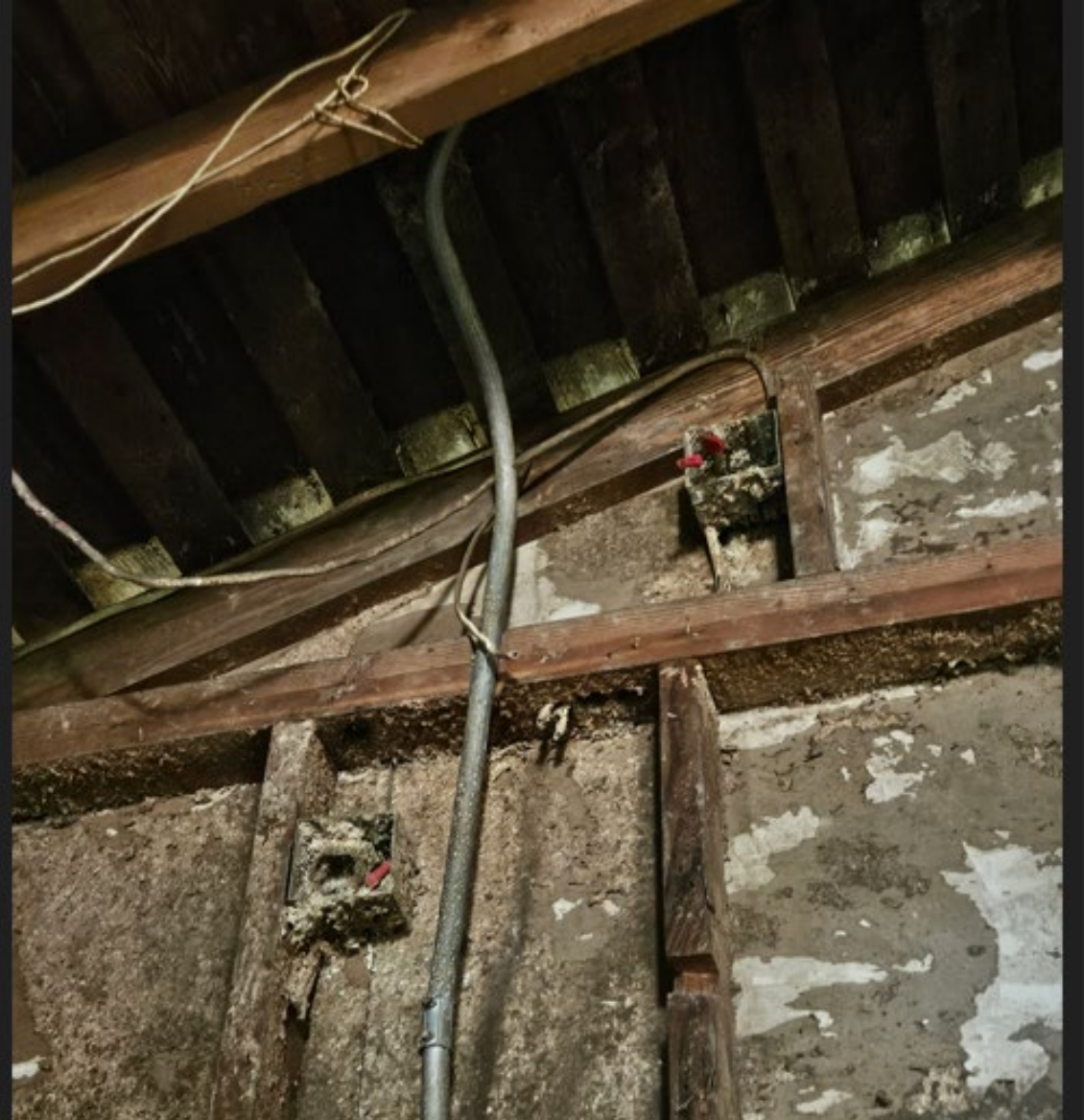
















[No Title]

Staff Recommendation

Motion to approve the expenditure not to exceed \$18,335.50 and authorize the City Manager to execute an agreement between the City of Seabrook and New Life Church, for the voluntary demolition of the substandard structure located at 1209 Hardesty Avenue, Seabrook, TX 77586, with a lien to be placed on the property. This item will be included in a future budget amendment for formal financial authorization.

Questions?



Agenda Briefing

Date of Meeting: June 17, 2025

Responsible Department: Public Works

Presenter: Brian Craig, Director of Public Works | City Engineer

Briefing Prepared By: Brian Craig

Strategic Focus Area:

General Information:

Consider and take all appropriate action on Landmark Aquatic's proposal for Pelican Bay Pool aquatic design, permitting and construction services.

Executive Summary / Background:

At previous meetings, City Council engaged Progressive Commercial Aquatics to conduct a comprehensive assessment of the pool's existing conditions, including filtration and chemical treatment systems, in compliance with current health code requirements and standards. Following the assessment, the firm provided recommendations for necessary corrections, associated costs, and three conceptual design options. City Council subsequently approved proceeding with the reconstruction phase of the consultant contract and Option B was taken to the residents for bond approval. The bond was approved, and this proposal will be to design and provide plans for Option B construction.

Funding / Fiscal Information:

Supporting Materials Attached:

1. City of Seabrook - Pelican Bay Renovation Aquatic Design Proposal - 06092025
2. Option B - Pages from Seabrook, TX - Pelican Bay Conceptual Renderings

Prior Action / Review by Council, Boards, Commissions:

Staff Recommendation:

Approve the design proposal from Landmark Aquatic.

All requests must be submitted to the City Secretary's Office no later than 12:00 p.m. on the Monday, one week prior to the regular Tuesday Council Meeting. All required attachments are to be submitted with the request. Incomplete items cannot be placed on the agenda.

LANDMARK AQUATIC

Brian Craig
Public Works Director/City Engineer
City of Seabrook, TX

June 09, 2025

Subject: City of Seabrook, TX – Pelican Bay Renovation, Aquatic Design Proposal

Dear Mr. Craig,

Thank you for the opportunity to provide a proposal for the aquatic design services for the proposed aquatic facility. The purpose of our services will be to provide the aquatic construction and permitting documents and construction administration. This proposal outlines our understanding of the project, our documents and proposed scope of services and provides a fee for our services. This proposal is valid for thirty (30) days.

A. PROJECT INFORMATION

	DESCRIPTION
Location	The project is located at the existing aquatic facility (Pelican Bay) located at 1109 Hammer St, Seabrook, TX 77586.
Proposed Improvements	Based on the aquatic facility assessment performed in 2024, conceptual design renderings reviewed by City Council, and subsequent correspondence on 05/20/25, it is proposed to demolish the existing Leisure and Lap Pools. A new Leisure Pool with zero-depth entry, children's play structure, and tanning ledge will replace the Leisure Pool and a new 6-lane 25-yard Lap Pool will be constructed. New mechanical, filtration, and chemical treatment systems will be provided. Landmark Aquatic Sub-Consultants will be responsible for an associated geotechnical survey, MEP and Civil engineering associated with the aquatics scope, and structural design of the pool shells and surge tank(s).

LANDMARK AQUATIC

B. SCOPE OF SERVICES

The Client (City of Seabrook, TX) retains the Consultant (Landmark Aquatic), for professional aquatic planning and design engineering consulting services to prepare construction documents for the pools for obtaining a construction permit and construct the swimming pools and associated aquatic mechanical and sanitization systems in conformance to the State of Texas Health and/or applicable Building Codes for Public Swimming Pools and Spas. The scope of the Consultant's services shall include:

I. DESIGN DEVELOPMENT PHASE

One (1) Scheduled Site Visit

- A. Attend meetings with Client, Design Team and Owner Representatives via teleconference or web conference as required to determine and confirm desired aquatic programmatic features, filtration / chemical treatment system options, budget, code related items and aquatic points of coordination between the respective design consultants.
- B. Provide an overview of applicable codes, standards and laws related to the swimming pool design for coordination with the project team and client, including building codes, health code, ADA Accessibility Guidelines and Virginia Graeme Baker (VGB) Pool and Spa Safety Act.
- C. Provide recommendations for aquatic facility design and operation based on Consultant's 50+ year overall experience in design, construction, service and facility management.
- D. Review project Geotechnical Report to determine aquatic shell structural design parameters which impacts overall project construction budget.
- E. Prepare plan and sections of pools and spas in CAD format for confirmation of aquatic program.
- F. Confirm aquatic equipment for design of aquatic mechanical room. Provide product aquatic cut sheets or list for review and sign-off.
- G. Prepare preliminary plan of aquatic equipment room and chemical rooms showing pump, filters, and water chemistry equipment in CAD format. Indicate where electrical, plumbing, mechanical coordination items are located.
- H. Provide preliminary aquatic construction budget for review and present value engineering options for consideration, if required.
- I. Geotechnical Survey and Report – By Landmark Aquatic Sub-Consultant
 - 1. Scope of services include field exploration, laboratory testing, engineering report, and project delivery. Excludes environmental site assessment services.
 - 2. Borings shall be taken beneath or adjacent to the existing pool shells and decking.
 - 3. Geotechnical Engineer will remain under contract for the duration of the project and be consulted during structural design of the pool shells and decking.

II. CONSTRUCTION DOCUMENT PHASE

Page 2 of 7

LANDMARK AQUATIC

No Scheduled Site Visits

- A. Attend meetings with Client, Design Team and Owner Representatives via teleconference or web conference as required for aquatic points of coordination between the respective design consultants.
- B. Prepare aquatic drawings (SP or AQ sheets) in CAD format based on the Manufacturer drawings and submit to Design/Construction Team following the drawing format indicated below. Refer to SECTION E – DESIGN TEAM COORDINATION for additional information relative to aquatic and design team scope.
 - 1. Aquatic Site Plan (building or site background from Client)
 - 2. Aquatic Demolition Plan
 - 3. Aquatic Plans and Sections
 - 4. Aquatic Details
 - 5. Aquatic Piping Plan and Details
 - 6. Aquatic Equipment Details
 - 7. Aquatic Systems Schematic
 - 8. Provide Aquatic Specifications on Plans
 - a) Swimming Pool Equipment
 - b) Swimming Pool Finish(es)
- C. Structural Design of Pool Shells and Surge Tanks – By Landmark Aquatic Sub-Consultant
 - 1. Prepare structural design construction documents for the pool and surge tank floor slab and walls.
 - 2. Specifications for the pool and surge tank poured-in-place concrete and pneumatically-applied-concrete.
 - 3. Coordinate pool deck structural documents with other disciplines.
- D. PLUMBING/CIVIL - By Landmark Aquatic Sub-Consultant
 - 1. If required in the project Geotechnical Report, the pool underdrain system design shall be by Civil for dewatering the area. Consultant shall provide a monitoring well to assist the Client for observing groundwater conditions prior to emptying pool for maintenance. Hydrostatic relief valves shall be specified by the Consultant in each pool main drain, but these relief valves are not the primary means of prevention of floating the pool shell.
 - 2. Consultant shall size pool wastewater tank / catch basin within the equipment room for periodic draining of pool and filter cleaning via an approved air gap. Plumbing and Civil shall be responsible for pool wastewater from the pit / holding tank to the appropriate sewer.

LANDMARK AQUATIC

3. Consultant shall size and provide design for pool automated fill based on domestic water supply and backflow preventer provided by Plumbing/Civil.
4. Plumbing shall be responsible for drinking fountains, hose bibs and bathroom facilities per the Health Code. Consultant may recommend locations for hose bibbs in pool equipment room and on pool deck at no greater than 150-ft apart or as listed by the Agency.
5. Deck drain system selection and layout shall be the responsibility of Plumbing with Consultant guidance on location from pool and if applicable, area drain separation.

E. MECHANICAL - By Landmark Aquatic Sub-Consultant

1. Consultant will size and specify (if desired) natural or propane gas-fired pool heaters. Mechanical is responsible to design heater gas connections, any necessary gas regulators, combustion air supply and exhaust venting. Consultant shall specify the venting configuration as selected by the Mechanical Engineer for installation by the Mechanical Contractor.
2. If pool water heater source requirement is heating hot water or steam, specification of the boiler shall be by the Mechanical Engineer with the Consultant's recommendation for heating load and coordination with pool filtration system. Controls for temperature and system shutdown shall be by the Mechanical Engineer.
3. Mechanical is responsible for providing ventilation to pool building, equipment and chemical treatment rooms.

F. ELECTRICAL – By Landmark Aquatic Sub-Consultant

1. Electrical Engineer is responsible for specifying the pool electrical panel and power. Electrical Engineer is responsible for connection of line voltage and greater to pool equipment. Connections shall be provided by the Electrical Contractor. Consultant will show low voltage control wiring connections (less than 120V) to pool equipment. Low voltage connections provided by swimming pool contractor.
2. Consultant will specify underwater lighting fixtures and niches. Electrical Engineer responsible for connections from pool panel, junction boxes and conduit to niches. Connections shall be provided by the Electrical Contractor.
3. Consultant will provide details for pool bonding and grounding per Electrical Code. Connections shall be provided by the Electrical Contractor.

G. Meet with Client and/or Architectural design team via teleconference or web conference to review plans and determine specific aquatic program and features desired and discuss points of coordination for architectural, structural, mechanical, electrical, plumbing and civil designers.

H. Provide final aquatic construction budget for review and present value engineering options for consideration, if required.

III. AGENCY REVIEW PHASE

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No (0) Scheduled Visits

- A. Furnish sealed engineering swimming pool (SP or AQ Series) plans, specifications, application, equipment cut sheets and additional documents as required to the Agency for obtaining a swimming pool construction permit. Furnish additional sealed engineering swimming pool plans to Client for submittal to the Department of Buildings or other agencies having jurisdiction, as required.
- B. Coordinate requirements for Owner, Architectural, Civil, Structural, Mechanical, Electrical and Plumbing plans with design team for consolidated Agency submittal by the Consultant.
- C. Any agency permit filing fees shall be by the Client or Owner.
- D. Coordinate any Agency comments with respective design team members and furnish consolidated responses to Agency. Response to State Building Department Plan check comments shall be provided for the aquatic engineering scope items.
- E. Respond to contractor requests for information (RFI) items pertaining to the pool and to clarify drawings as required.

IV. CONSTRUCTION ADMINISTRATION PHASE

Three (3) Scheduled Visits

- A. Review submittals by pool subcontractor for the pool and their related systems. Provide review and comments on submittals related to the aquatic items from the design team.
- B. Observe aquatic construction throughout construction at specific milestones and submit a report following the site visit.
- C. Provide final observation of the aquatic facility, submit a final punch list and furnish construction compliance letter upon completion.
- D. Address Contractor, Sub-Contractor and Design Team requests for information and provide clarifications via Bulletin response and/or drawing revisions.
- E. Address Agency requests for information during their construction observation visits.
- F. Furnish Record Documents, if requested, based on pool contractor plan markups and furnished data.

C. SCHEDULE

Completion of Construction Documents and Agency Review Submittal shall comply with the schedule as provided by the Client and/or Owner. The Consultant's schedule shall be extended based on delays provided by other Consultants or the Owner.

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D. COMPENSATION – LUMP SUM

AQUATIC TASK		LUMP SUM FEE
I.	Design Development Phase (one site visit planned)	\$24,740
II.	Construction Document Phase (no site visits planned)	\$50,820
III.	Agency Review Phase (no site visits planned)	\$4,000
IV.	Construction Administration Phase (three site visits planned, travel reimbursables included). Landmark Aquatic assumed to be the Swimming Pool Contractor.	N/A
Total for Aquatic Design, Permitting and Construction Administration		\$79,560

The Consultant monthly invoices submitted shall be based on the percentage of the Consultant's services completed. Client shall make payments to Landmark Aquatic within thirty (30) days after receipt of invoice. Upon written notice, Consultant may suspend services until payment for past due invoices is made.

Reimbursable expenses and add services are subject to Client approval. Reimbursable expenses shall consist of travel expenses and personnel time for additional trips and be billed to the Client at cost at the rates listed below.

ADDITIONAL SERVICES

1. If the Geotechnical Survey/Report calls for deep foundations of the pool shells or associated structures, additional fees shall be required for structural design of these elements.

Fee: \$19,500

2. Civil Design for water service to and from the building, underdrain system(s) as determined by the Geotechnical Survey/Report, altering the existing stormwater connections to sanitary sewer, and grading plans to be negotiated based on scope of work required and agreed upon with Client.

Fee: To be Determined

3. Site lighting design to be negotiated based upon scope of work required and agreed upon with Client.

Fee: To be Determined

Consultant shall not proceed with any additional work without Client authorization in writing. The above lump sum fee is based on our current rate schedule.

If we are authorized to proceed and the client subsequently postpones or cancels the work, we will invoice the client for the costs of project set up and mobilization incurred prior to notice of cancellation.

Additional Services shall be billed out at the following rates:

LANDMARK AQUATIC

President	\$200.00/hour
Design Director / Structural Principal	\$175.00/hour
Project Manager / Structural Designer	\$140.00/hour
Revit Designer	\$100.00/hour
Administration	\$70.00/hour
Design/Construction Administration Site Visit	\$2,500/trip, includes travel expenses
Mileage	0.65/per mile

E. DESIGN TEAM COORDINATION

1. HOLD HARMLESS

- a. The Consultant shall provide recommendation for design of the pool building and support spaces based on previous experience, but the Client, Architect and their Engineers shall be responsible for the design of the building. The Client shall hold harmless the Consultant from all claims relating to building design, and specifically claims related to condensation, moisture damage, excessive humidity, absence or poor performance of vapor barriers and corrosion of surfaces.

2. ARCHITECTURAL / BUILDING STRUCTURAL

- a. Consultant will develop a pool equipment room plan layout locating pump pit with sump pit, backwash pit/tank and chemical feed/storage rooms for Architectural coordination and building structural design.
- b. Housekeeping pads for pool equipment shall be by the Structural Engineer with the assistance of the Consultant to provide operational weights and location of items requiring a thickened slab greater than the floor slab.
- c. Building Structural Engineer and Architect are responsible for pool deck design from the back side of the respective pool wall, including backer rod, sealant, deck finish(es) and fencing.

F. AUTHORIZATION

This proposal may be accepted by executing this proposal. This proposal is valid only if authorized within thirty days from the listed proposal date. If an alternative contract is proposed additional delays may occur due to reviewing the contract. We appreciate the opportunity to provide this proposal and look forward to working with you on this project. Please call the undersigned if you have any questions or comments regarding this proposal.

LANDMARK AQUATIC

CITY OF SEABROOK

BY: Stephen Seliskar

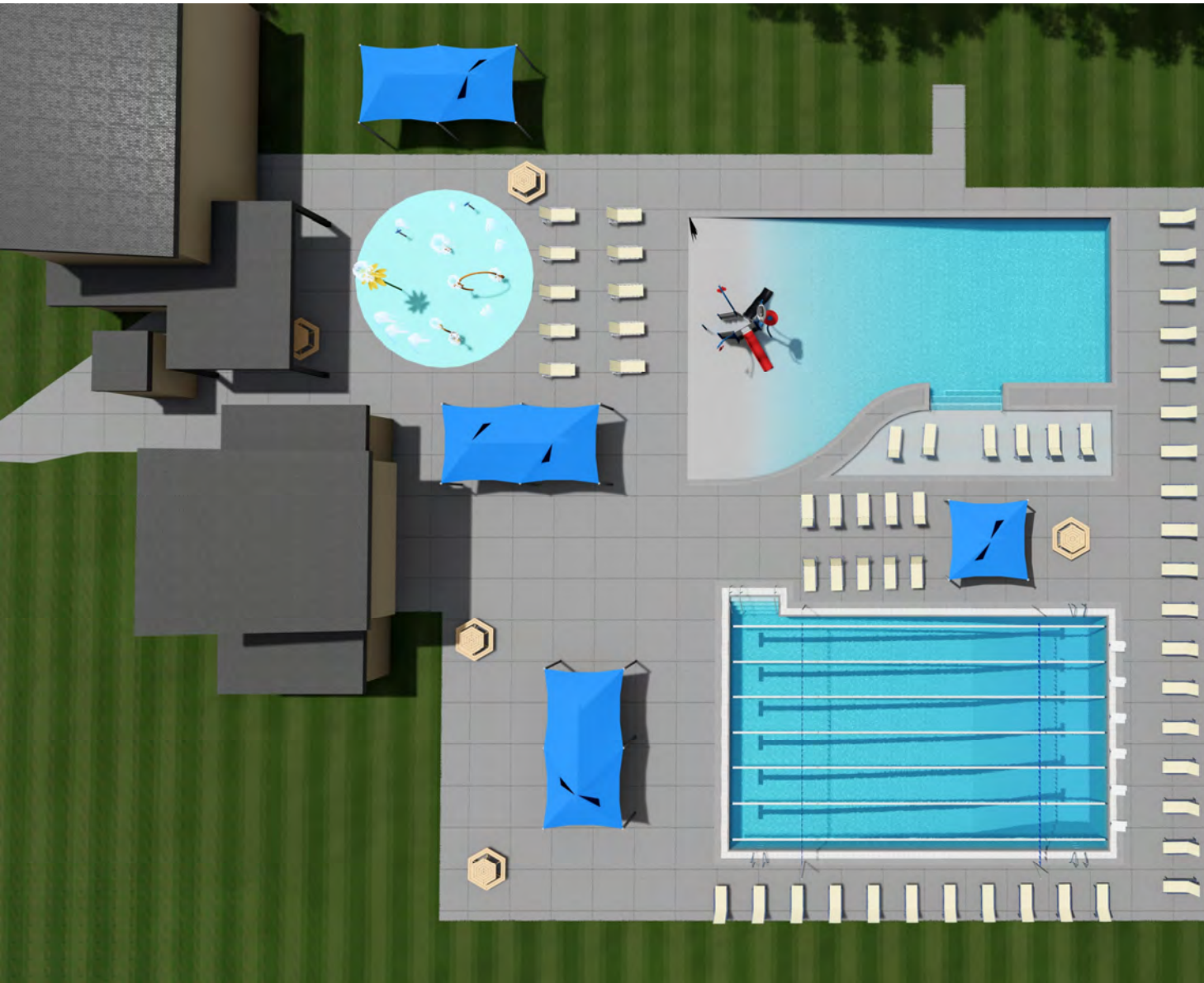
BY: _____

Stephen Seliskar
Aquatic Engineer

Brian Craig
Public Works Director/City Engineer

DATE: June 09, 2025

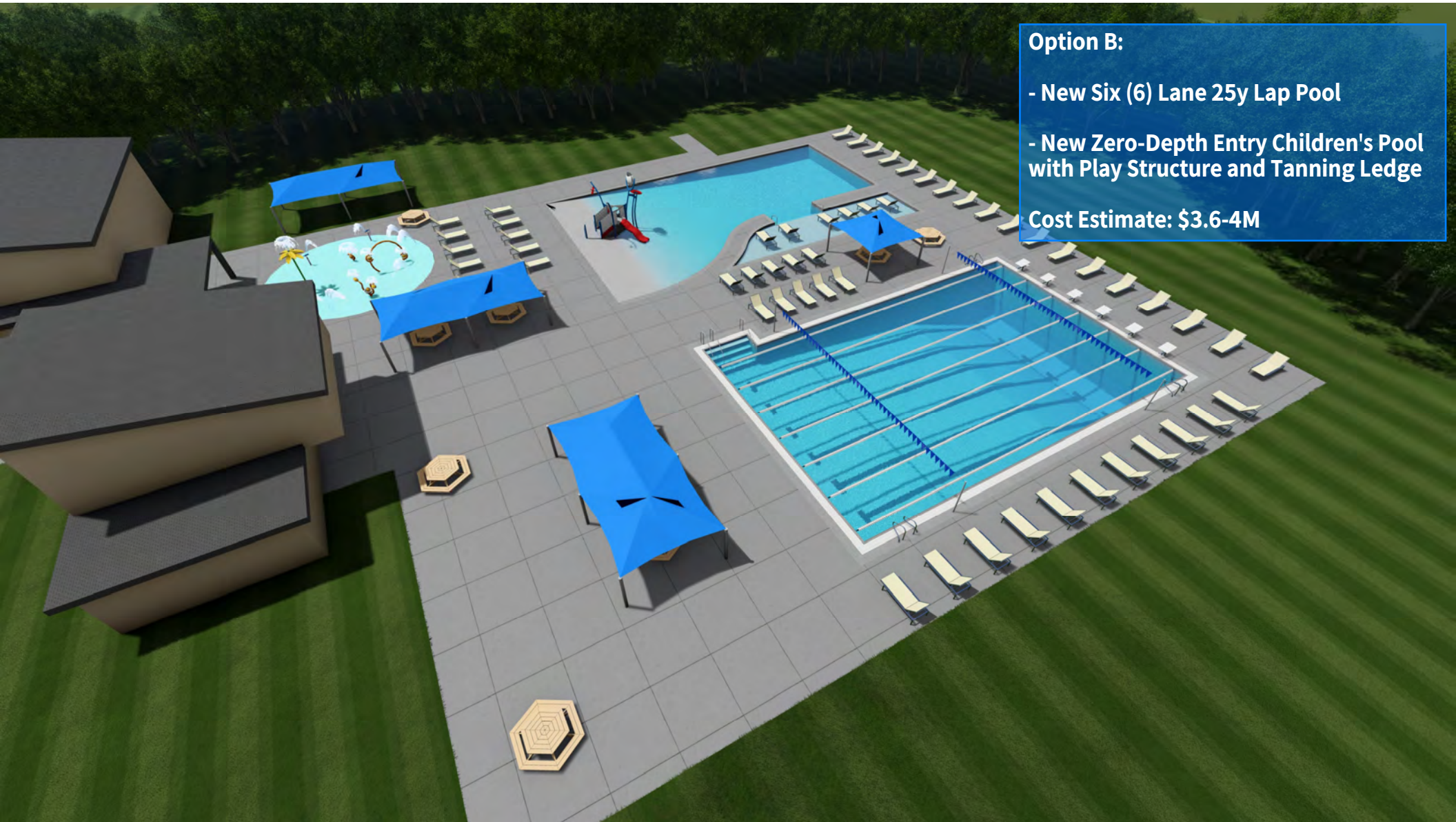
DATE: _____



Option B:

- New Six (6) Lane 25y Lap Pool
- New Zero-Depth Entry Children's Pool with Play Structure and Tanning Ledge

Cost Estimate: \$3.6-4M



Option B:

- New Six (6) Lane 25y Lap Pool
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Option B:

- New Six (6) Lane 25y Lap Pool
 - New Zero-Depth Entry Children's Pool with Play Structure and Tanning Ledge
- Cost Estimate: \$3.6-4M**



Agenda Briefing

Date of Meeting: June 17, 2025

Responsible Department: City Secretary's Office

Presenter: Crissy Naranjo, Director of Human Resources

Briefing Prepared By: Gayle Cook

Strategic Focus Area:

General Information:

Consider and take all appropriate action on a renewal with Blue Cross Blue Shield (BCBS) for employee medical insurance benefits.

Executive Summary / Background:

The City currently maintains a contract with Blue Cross Blue Shield (BCBS) to provide medical insurance coverage for employees and their dependents. The City's benefit year runs from August 1 to July 31. This schedule is designed to ensure that any changes in benefit costs are known well in advance of finalizing the City's annual budget.

For the upcoming benefit year beginning August 1, the existing BCBS contract remains in effect and was not subject to a competitive rebid process.

Renewal Details:

Upon initial renewal discussions, BCBS proposed a 34.4% increase in premiums. Due to the City's continued engagement with a benefits consultant, negotiations were conducted to reduce the increase. Through these efforts, the City was able to secure a **Best and Final Offer** (BAFO) from BCBS, resulting in a significantly lower increase of **14.5%**, equating to an estimated **\$183,200** in additional annual cost.

Financial Impact:

While this increase does represent a notable budget consideration, it is important to note that employee medical benefit costs are distributed across multiple City funds, including:

- General Fund
- Enterprise Fund

- Crime District Fund
- Hotel Occupancy Tax (HOT) Fund

As such, the financial impact is not borne solely by the General Fund.

Rationale for Increase:

The negotiated increase is largely attributed to high utilization rates and an elevated loss ratio experienced over the past benefit year.

Funding / Fiscal Information:

Supporting Materials Attached:

1. BCBS 2025-26

Prior Action / Review by Council, Boards, Commissions:

Staff Recommendation:

Staff recommends proceeding with the renewal of the BCBS medical coverage contract under the negotiated terms. This allows for continued coverage without disruption and enables accurate budgeting across all impacted funds.

Medical Rates - Current & Renewal Effective August 1, 2025

MEDICAL BENEFITS				BlueCross BlueShield Current			BlueCross BlueShield Renewal			BlueCross BlueShield Final Negotiated BAFO		
				MM0722	MM1822	MMH922 HSA	MM0722	MM1822	MMH922 HSA	MM0722	MM1822	MMH922 HSA
FINANCIALS	Buy Up	Core	HSA	Buy Up	Core	HSA	Buy Up	Core	HSA	Buy Up	Core	HSA
Employee Only	13	37	18	\$733.97	\$669.73	\$518.03	\$987.61	\$901.38	\$693.44	\$841.16	\$767.72	\$590.62
Employee & Spouse	0	2	3	\$1,840.66	\$1,679.54	\$1,299.13	\$2,476.73	\$2,260.47	\$1,739.00	\$2,109.48	\$1,925.29	\$1,481.13
Employee & Child(ren)	4	14	3	\$1,352.13	\$1,233.78	\$954.32	\$1,819.38	\$1,660.52	\$1,277.45	\$1,549.60	\$1,414.29	\$1,088.03
Employee & Family	1	10	3	\$2,354.21	\$2,148.15	\$1,661.60	\$3,167.78	\$2,891.17	\$2,224.19	\$2,698.05	\$2,462.46	\$1,894.39
	18	63	27									
Monthly Premium	108			\$17,304	\$66,894	\$21,070	\$23,284	\$90,031	\$28,204	\$19,832	\$76,681	\$24,022
Annual Premium				\$207,652	\$802,722	\$252,836	\$279,411	\$1,080,372	\$338,446	\$237,978	\$920,171	\$288,262
Combined Monthly				\$105,268			\$141,519			\$120,534		
Combined Annual				\$1,263,210			\$1,698,229			\$1,446,411		
\$ Change from Current				N/A			\$435,018			\$183,200		
% Change from Current				N/A			34.4%			14.5%		
AM Best Rating				A			A			A		

Note: These rates exclude premium taxes.

THE OPEN SPACE AND TRAILS COMMITTEE OFFICIAL REPORT

The Open Space and Trails Committee of the City of Seabrook met on **June 5, 2025**, to hold a meeting to consider:

Request for a motion to change the name of

THE OPEN SPACE AND TRAILS COMMITTEE MADE THE FOLLOWING RECOMMENDATION:

APPROVAL ☐ **APPROVAL WITH AMENDMENTS/CONDITIONS (SEE BELOW)** ☐ **DENIAL** ☐

By a concurring vote of a majority of members of the Open Space and Trails Committee present at the meeting on **June 5, 2025**, as designated below and as certified by the signature of the Committee Chairperson. **This document is not valid unless signed by the Committee Chairperson/Presiding Commissioner.**

OST to Parks & Trails

<u>VOTE:</u>	<u>AYE</u>	<u>NAY</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>INITIAL</u>
Sally Antrobus					
John Coggeshall					
Monica Comeaux	✓				mm7
Debra Harper	✓				det
Nehemiah Jackson	✓				JS
Jesse Jones	✓				JS
David Popken	✓				JS

Monica Comeaux
Monica Comeaux, Committee Chairperson
Open Space and Trails Committee

ATTEST:
Amanda Morales
Amanda Morales
Deputy City Secretary

RESOLUTION 2025-15

A RESOLUTION AMENDING RESOLUTION 2012-30, BY CHANGING THE NAME OF THE OPEN SPACE AND TRAILS COMMITTEE TO THE PARKS AND TRAILS COMMITTEE AND CONFIRMING THAT ALL OTHER ITEMS PERTAINING TO THIS COMMITTEE CONTAINED IN RESOLUTIONS 2009-05, 2009-17, 2012-30, 2019-26 AND 2022-01 SHALL REMAIN IN FULL EFFECT.

WHEREAS, the Open Space and Trails Committee was established by name by the approval of Resolution 2012-30, "A Resolution amending Resolutions 2009-05 and 2009-17", by changing the name of the Open Space, Beautification and Preservation Committee to the Open Space and Trails Committee and confirming that all other items pertaining to this Committee contained in Resolutions 2009-05 and 2009-17 "shall remain in full effect" on October 23, 2012; and

WHEREAS, at its June 5, 2025, meeting, members of Open Space and Trails Committee unanimously voted to request that the Seabrook City Council change the Committee's name to the Parks and Trails Committee; and

WHEREAS, the City Council considered, and by majority vote, approved this request at its June 17, 2025, meeting.

NOW, THEREFORE, BE RESOLVED BY THE COUNCIL OF THE CITY OF SEABROOK, STATE OF TEXAS:

THAT the name of the "Open Space and Trails Committee" is hereby formally changed to the "Parks and Trails Committee"; and

THAT, all other items contained in Resolutions 2009-05, 2009-17, 2012-30, 2019-26 and 2022-01 pertaining to this Committee and not in conflict with Resolution 2025-15, shall remain in full effect.

AND IT IS SO ORDERED, PASSED, APPROVED AND ADOPTED THIS THE 17th day of June 2025.

ATTEST:

James Sweeney
Mayor

Rachel Lewis, TRMC
City Secretary

City of Seabrook, Texas

Annual Comprehensive Financial Report

Fiscal Year Ending September 30, 2024



"The City of Seabrook is responsive, innovative and fiscally sound in delivering services that preserve, protect and enhance quality of life."

CITY OF SEABROOK, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended September 30, 2024

Prepared by
City Administration and the Finance and Accounting Office

Gayle Cook
City Manager

Sean Landis
Assistant City Manager

Michael Gibbs
Director of Finance

CITY OF SEABROOK, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended September 30, 2024

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CITY OF SEABROOK, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION



May 30, 2025

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

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) on behalf of the City of Seabrook, Texas (the "City"). It is required each year that a complete set of financial statements is presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City for the fiscal year ended September 30, 2024.

This report consists of management's representations concerning the finances of the City and deems the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of all City activities and funds. Therefore, management assumes full responsibility for the completeness and reliability of all information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements. The City also acknowledges all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements have been audited by Crowe LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2024 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ended September 30, 2024 are fairly presented in conformity with U.S. GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

As required by U.S. GAAP, management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Seabrook, incorporated in 1961, is in southeastern Harris County and is located in the Clear Lake area, which is approximately 25 miles southeast of Houston. The City is surrounded by Galveston Bay to the east; Clear Lake to the south; and the cities of Pasadena, El Lago, and Taylor Lake Village to the north and west.

The City of Seabrook is a home-rule city and has adopted a Council-Manager form of government. The City Council is comprised of a mayor and six council members. The Mayor and City Council Members are elected at large to serve four-year terms. The City Manager is appointed by the City Council and is responsible for implementation of City Council's policies and all day-to-day operations of the City.

A full range of municipal services is provided by the City including police and fire protection, emergency medical services, solid waste, water and wastewater utilities, public improvements, repair and maintenance of infrastructure, recreational and community activities, planning and zoning, and general administrative services.

As an independent political subdivision of the State of Texas, the City is considered a primary government. Pursuant to standards established by the Governmental Accounting Standards Board (GASB), the City reports all funds for which the City, as a primary government, is financially accountable. As such, this report includes financial activities of two component units as follows:

- The Seabrook Economic Development Corporation was created by the City in 1992 under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and related development activities on behalf of the City.
- The Seabrook Crime Control and Prevention District was created under the authority granted by Chapter 363 of the Texas Local Government Code and Section 323.105 of the Texas Tax Code for the purpose of strengthening and enhancing crime control activities of the City.

Local Economy

The Clear Lake area, of which Seabrook is a part, is home to NASA's Johnson Space Center and is known to be the third largest boating center in the United States. The regional economy is very diverse and not driven by just one or two industries. Everything from tourism, boating, and recreation industries to aerospace, petrochemical, and biomedical facilities can be found in the immediate Clear Lake area.

Regional Transportation Projects

The **SH 146 Expansion from Red Bluff to FM 96** project (CSJ# 0389-05-116) construction phase began on February 13, 2019, with the planned project duration for 60 months (5 years). As of the end of the fiscal year 2024, the project was substantially complete but not closed out.

The **SH 146 Expansion from Red Bluff to Spencer** (CSJ 0389-05-087) is a continuation of the Major Investment Study conducted in the late 1990s and continues the current expansion project with 3 main lanes northbound and southbound. The construction camp is operational within the city limits of Seabrook as of late 2023, at Red Bluff and SH 146 on the northwest corner in TxDOT right of way. The contractor in the phase of widening the southbound side of SH 146 and has experienced some contractor delays that report the complete widening is still over a year out. Once the southbound lane is constructed, the traffic will transfer, and the northbound side will be constructed. Two new MSE walls are expected to be constructed with this project and the continuation of the 'Bay Area Theme' with the sailboat motif and Seabrook logo will be incorporated into that intersection on three sides.

The project includes the widening of the existing four-lane undivided roadway to a six-lane divided facility (three lanes in each direction) and constructing four frontage roadways (two lanes in each direction) in selected locations, with the addition of pedestrian and bicycle facilities that come into the City limits at the intersection of Red Bluff and SH 146.

The **Port of Houston Rail Spur** project, which began in the early 2020, secured a new construction team on the project in 2023. During this fiscal year, the Port's new contractor completed rail installation across Old SH 146, Northbound and Southbound frontage roads of SH 146. Safety arms that will work with the Quiet Zones were installed but electrical and testing have not been initiated. The completed rail project will traverse SH 146 on the northern boundary of the city and create three (3) new at grade crossing on SH 146 and Old SH 146 serving rail service into the city's industrial districts and the Port of Houston.

The Port of Houston Southern Access Road presented on September 17, 2024, to the City Council about plans for the construction of the Bayport Southern Access Road. During the meeting, the public and City Council viewed a presentation about the proposed alignment from Red Bluff and extending in the Bayport complex. By exhibit, the throughfare in first phase was stated to begin at grade with possible future aerial additions. In the Houston Galveston Area Council (H-GAC), there are 3 identified projects associated with this area: 1) Todville Road Connection constructing a 2-lane raised median; 2) Bayport Cruise Terminal – widen to 4-lane; and 3) Westbound Southern Access Road construction of a direct connector westbound southern access road SH 146 to northbound SH 146.

The Old SH 146 Expansion project by Texas Department of Transportation (TxDOT) has initiated a project to reconstruct the intersection of Old SH 146 and Red Bluff Road. This project includes widening the intersection to six lanes—three lanes in each direction—to improve traffic flow and reduce congestion. Additionally, TxDOT plans to widen portions of Old SH 146, expanding it to four lanes (two lanes in each direction) to accommodate increasing traffic demands.

Economic Condition and Outlook

Property values, as projected, for the fiscal year were approximately \$1.8 billion with strong economic development projects continuing to make progress. During the 2023-2024 fiscal year, the City did experience a drop in permits and added valuation for new residential and commercial developments.

- **Seabrook Towne Center (The Edge)** – In May 2023, the Seabrook Economic Development Corporation finalized an incentive agreement to support the Seabrook Towne Center (The Edge) development. As of the close of FY 2024, vertical construction had not yet commenced. However, progress was made on site preparation, including the completion of sanitary sewer line relocations within the Planned Unit Development (PUD) area. The project is planned to include a 324-unit luxury multi-family apartment complex, approximately 37,000 square feet of leasable retail space, an entertainment plaza, and surrounding walkable trails. Additionally, the development will feature several commercial parcels fronting State Highway 146 and Lakeside Drive.
- **Seabrook Plaza One LLC** – A PUD for the project was approved in March 2023, followed by the Seabrook Economic Development Corporation's approval of an incentive agreement in September 2023. The agreement includes a \$2,000,000 grant payment and an additional \$550,000, or 50%, toward drainage system modifications. As of the end of fiscal year 2024, construction had not yet commenced. The project, located on a 15-acre site along Clear Lake, is planned to include a 170-room boutique hotel, a 76-room extended stay hotel, a 21,500-square-foot conference center and ballroom, approximately 25,000 square feet of retail space, and a 260-unit luxury multi-family residential complex.
- **Residential – Ellis Cove** – This new subdivision continued during the fiscal year for a 48 single family development just off Respdorph near the Seabrook Town Center.
- **Residential – Lake Mija Village, Section 3** – Single family construction continued on Section 3 for Lake Mija Village with an estimated 75 single family homes in the subdivision just off Lake Mija.
- **Residential – Oak Alley Estates** – This smaller residential project consisting of 10 single family units completed four units and continues its progress just of E. Meyer and N. Meyer.
- **Residential – Old Seabrook Village, Section A and B** – This 88 single family Planned Unit Development consisting of Sections A-C continued development during the year adding to sections A and B. The new section saw a slow in plans due to market conditions.

Long-Term Financial Planning

Debt Management Policy

The City Council has adopted a series of financial standards and policies for operating and debt management. To establish guidelines for debt financing, the City Council approved Resolution 2015-01, Debt Management Policy, for expenditures including facilities, land, capital equipment, and infrastructure improvements. The policy minimizes the impact of debt payments on current and future revenues.

Comprehensive Master Plan

The Comprehensive Master Plan 2040 completed its last update in 2022 and is being utilized as new developments and applications are submitted.

Capital Improvement Plan

The City annually adopts a five-year Capital Improvement Plan with the approval of a one-year annual budget during the current fiscal year that includes the short-term improvement plan for water, wastewater, drainage, and other municipal facilities. For this fiscal year, multiple projects were identified for initiation in water, wastewater, and streets.

SH 146 Expansion Stabilization Fund

In December 2011, the City adopted an ordinance establishing a Budget Stabilization Fund. Using surplus revenues from both the general and the enterprise funds from 2011, \$800,000 was set aside to offset any adverse impact caused from the construction on SH 146. This is a separate fund and is in addition to the City's 25% of operating expenditures and additional unrestricted fund balance in the general fund and the 15% in the enterprise fund. To date, the City has not utilized this special fund.

Certificates of Obligation

In 2016, the City issued Certificates of Obligation in the amount of \$2,500,000. This project made way for commercial development in the Seabrook Town Center development. The City entered into an agreement with the Seabrook Economic Development Corporation to make the debt service payments on the Certificates of Obligation as they relate to economic development. The project for this issuance was as follows:

- Ground water storage tank and water plant (CIP # W4)

In 2017, the City issued Certificates of Obligation, Series 2016A for the amount of \$6,165,000. Projects included in this issuance were as follows:

- Todville Sewer Line Replacement from Main Street to Meyer (CIP # WW4)
- Wastewater Treatment Plant Upgrades – Phase 2 (Clarifier) (CIP # WW6)
- Wastewater Treatment Plant at Pine Gully (CIP # WW9)

In 2020, the City issued Certificates of Obligation, Series 2020 for the amount of \$9,090,000. Projects for the issuance were as follows:

- Wastewater Treatment Plant Retrofit (CIP # WW9)
- El Mar Ditch Drainage Project – (CIP # D2)
- Seascape Subdivision Drainage Project (CIP # D11)
- Baybrook Subdivision Drainage Project (CIP # D12)
- Smart Water Meter Conversion (AMI) System (CIP # FAC6)

All projects were activated and in different phases of completion except for CIP # D2. This project did not proceed after issuance of debt was not approved by City Council. The funds were redirected through the capital improvement meetings for the CIP # S13 and the drainage improvements in the City owned side streets.

In 2024, the City issued Certificates of Obligation, Series 2024 for the amount of \$10,000,000. Projects for the issuance were for:

- Street Program

Bond Program 2023

On August 1, 2023, the City Council approved Ordinance 2023-19, Calling for a Special Bond Election on November 7, 2023. The following are the propositions that were presented to the qualified voters:

- Proposition A - \$27,800,000 *Public Safety Building
- Proposition B - \$ 2,400,000 EMS Renovation to Fire Station
- Proposition C - \$ 1,905,000 Fire Engine and Fire Training Tower

*Failed: Proposition A – Public Safety Building

Major Initiatives

The following capital projects are in progress and are initiatives at different stages of implementation being design, procurement, or construction.

Water

1. Red Acres Subdivision Water Line (CIP# W9)
2. Old SH 146 Interconnect (CIP# W16)
3. SH 146 Frontage Road to Red Bluff Water Line Interconnect (CIP# W21)
4. Seascape Water Lines (CIP# W31)

Wastewater

5. Pine Gully Wastewater Treatment Plant (CIP # WW9)
6. Portable Generators for Lift Stations (CIP# WW16)
7. Lakeside Sanitary Sewer Relocation (CIP# WW20)
8. Lift Station No. 5 Force Main Improvements (CIP# WW14)
9. Main Street Wastewater Plant Demo (CIP# WW19)
10. Pine Gully Lift Station Force main Bore (CIP# WW21)

Facilities

11. City Hall Generator (CIP# FAC22)
12. Fire Station Generator (CIP# FAC33)
13. Fiber Loop (CIP# FAC31)
14. EMS & EOC Building Feasibility Study (CIP# FAC25)

Parks

15. Pelican Bay Municipal Pool Facility (CIP# P24)

Overview of the Budget Process

The City of Seabrook's budget process is a multi-step procedure which transforms taxpayer requests and resources into government services and expenditures. The City of Seabrook is committed to align community goals, performance measures and council priorities to the City's budget. The following is the budget process for the City.

Definition and Authority

The budget document is a financial plan that aligns all revenues and expenditures with the services provided to Seabrook residents, based on established budgetary policies and procedures. The budget and accounting year are established in Section 5.01 of the City Charter which establishes the fiscal year will begin the first day of October and end the last day of September. The City Charter also requires the City Manager submit a proposed balanced budget to City Council at least sixty (60 days prior to the end of the fiscal year. The budget shall provide a complete financial plan of all City funds and activities for the current fiscal year and ensuing five (5) fiscal years. Additional information that shall be included in the budget, but not limited to is as follows:

- A budget message explaining the budget both in fiscal terms and in terms of the work programs, the proposed financial policies, describe the important features of the budget and indicate any major changes in revenue and expenses.
- Statement with estimated revenues and proposed expenditures for the proposed budget and ensuing five (5) years
- Tax levies, rates and collections for the proceeding three (3) years.

Budget Preparation Process

Activities of the general, debt service, and special revenue funds are included in the annual appropriated budget. The City Manager, Finance Department and Department Directors analyzed data and prepared the upcoming Fiscal Year budget. The annual process began in March with the Finance department analyzing financial estimates and historical data to work on upcoming projections. Additionally, Staff held the first strategic planning meeting for the year. Budget kick-off was held in April. The City's budget team consists of the City Manager, Department Directors, Finance Director and key members of the Finance Department. During the kickoff meeting the Finance Director distributed the budget and goal sheets to the Department Directors and held an overview of the budget process including expectations and explanation of revenue projections. The Finance Department works with the Directors to facilitate the completion of the department budgets.

All Department Directors submit the detailed budget sheets and decision packages to the finance department. Once the budget sheets and decision packages are reviewed by the finance department the budget and supporting documents are submitted to the City Manager. Department directors meet with the City Manager to go over their budgets. The Finance Director implements any changes that result from the City Manager and Directors meetings. The Finance Department works on revenue projections, reviews the budget and submits the Proposed Budget to City Council to meet the City Charters sixty day required deadline, sometime in late July.

Once the Proposed Budget has been submitted to City Council a series of budget workshops are conducted to allow Council to have additional input and change to the budget. During this period the finance department receives and estimated appraisal tax roll from Harris County Appraisal District.

Property tax is the largest revenue source for the General Fund operating budget. Estimating these revenues can have a huge impact on the level of service the City can provide the citizens. Once the finance department has the estimated tax roll, revenue estimates are recalculated, and the budget document is reviewed and public notices are prepared.

City Charter Article 5 Section 5(b states Council shall post in the City Hall and publish in the official newspaper a general summary of their proposed budget and a notice stating:

- 1) The times and places where copies of the message and budget are available for inspection by the public, and
- 2) The time and place, not less than two (2) weeks after such publication, for a public hearing on the budget.

After the public hearing the budget shall be finally adopted by ordinance by one reading not later than the twenty seventh (27) of the last month of the fiscal year.

Budgetary Control

Monthly financial reports are delivered to City Council to ensure budgetary control. The monthly performance report highlights monthly revenue and expenditures, percentages and year-to-date totals to show any variances in the appropriated funds. The monthly reports are distributed to City Council, Economic Development Board, the City Manager and the Department Directors. The City Manager is authorized to approve line item transfers within a department, however, if the overall department expenditures is increased the budget amendment must be approved by City Council.

Certificate of Achievement

The City of Seabrook received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the year ended September 30, 2023. This was the 45th consecutive year that the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting standards and applicable legal requirements.

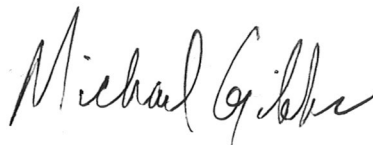
A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for an award.

Acknowledgments

The preparation of this report was accomplished with the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the departments who assisted and contributed to its preparation. We would also like to thank the Mayor, members of the City Council, and the City Manager for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

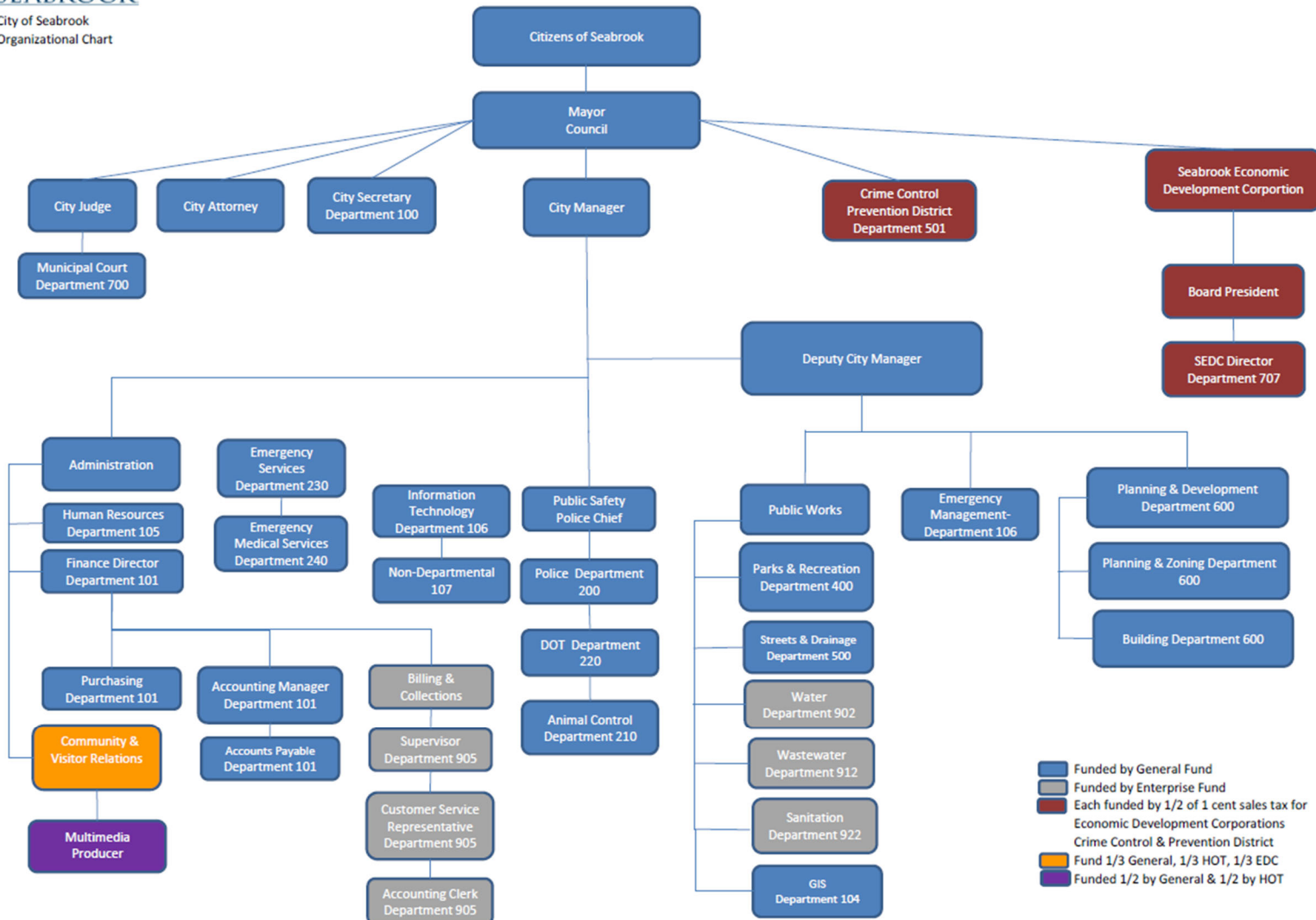


Gayle Cook
City Manager



Michael Gibbs
Director of Finance

CITY OF SEABROOK, TEXAS
ORGANIZATIONAL CHART
September 30, 2024





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Seabrook
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrell

Executive Director/CEO

CITY OF SEABROOK, TEXAS
PRINCIPAL OFFICIALS
For year ended September 30, 2024

City Officials

Thomas G. Kolupski
Jackie Rasco
Rob Hefner
Tom Tollett
Mike Giangrosso
Walter "Buddy" Hammann III
Joe Machol

Elective Position

Mayor
Council Member – Position One
Council Member – Position Two
Council Member – Position Three
Council Member – Position Four
Council Member – Position Five, Mayor Pro Tem
Council Member – Position Six

Key Staff

Gayle Cook
Sean Landis
Michael Gibbs
Rachel Lewis
Rolf Nelson
Kevin Padgett
Dick Gregg

Position

City Manager
Assistant City Manager
Director of Finance
City Secretary
Police Chief
Director of Public Services
Municipal Judge

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
City Council Members of the
City of Seabrook, Texas

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements 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 Seabrook, Texas (the "City"), as of and for the year ended September 30, 2024, 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 referred to above 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, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the City, 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

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 twelve months beyond the financial statements currently known information that may raise substantial doubt shortly thereafter.

(Continued)

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 and Government Auditing Standards 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 and *Government Auditing Standards*, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits liability and related ratios, and schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2025 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.


Crowe LLP

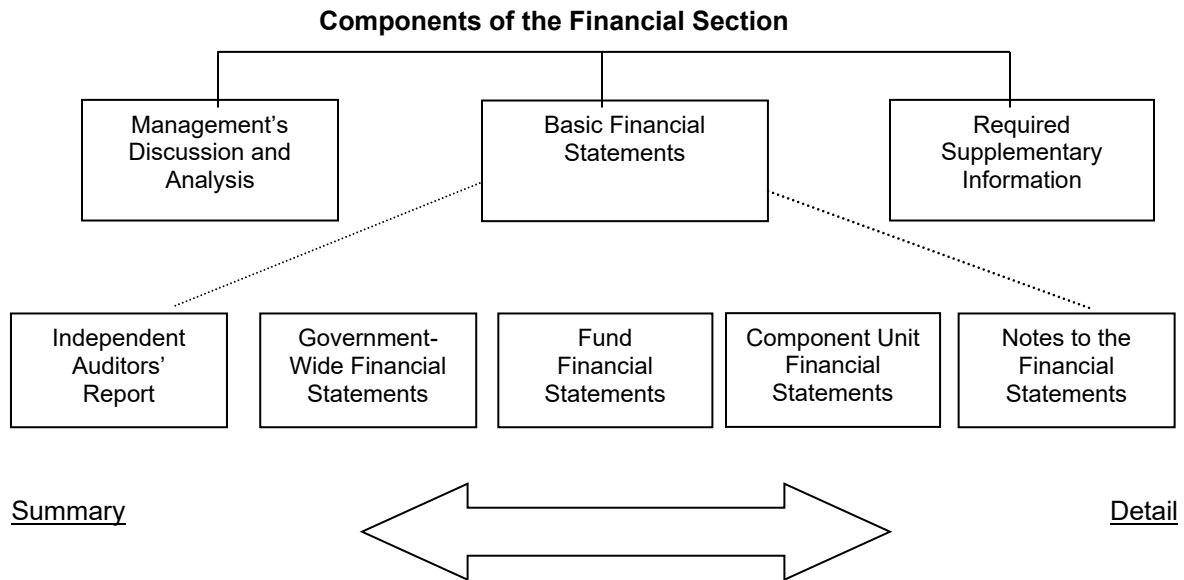
Houston, Texas
May 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Seabrook, Texas (the "City") for the year ended September 30, 2024. 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. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's basic financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference 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 nonfinancial 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.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The Statement of Activities presents information showing how the City's net position changed during the most recent 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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including public safety, public works, community development, and general administrative services. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water, wastewater, and civic center rentals.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The crime control and prevention district, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

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 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 year. Such information may be useful in evaluating the City'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 City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds 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 10 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, debt service, and capital projects funds, which are considered to be major funds for reporting purposes.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains two different types of proprietary 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 water, sewer, and sanitation operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the management of its public safety vehicles and equipment. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund, schedule of changes in net pension liability and related ratios – Texas Municipal Retirement System (TMRS), schedule of changes in the total OPEB liability and related ratios – Supplemental Death Benefits Fund, and a schedule of contributions for TMRS. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$110,087,434 as of September 30, 2024. This compares with \$100,590,433 from the prior fiscal year. The largest portion of the City's net position, 76%, reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is 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.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and other assets	\$ 37,597,777	\$ 26,245,749	\$ 15,370,627	\$ 16,720,446	\$ 52,968,404	\$ 42,966,195
Capital assets, net	44,798,395	44,337,528	67,766,117	60,334,682	112,564,512	104,672,210
Total assets	<u>82,396,172</u>	<u>70,583,277</u>	<u>83,136,744</u>	<u>77,055,128</u>	<u>165,532,916</u>	<u>147,638,405</u>
DEFERRED OUTFLOWS ON RESOURCES						
Deferred charge on refunding	66,307	103,416	4,169	8,338	70,476	111,754
Deferred outflows - pensions	2,144,054	3,728,773	301,298	504,599	2,445,352	4,233,372
Deferred outflows - OPEB	61,928	68,643	-	-	61,928	68,643
Total deferred outflows on resources	<u>2,272,289</u>	<u>3,900,832</u>	<u>305,467</u>	<u>512,937</u>	<u>2,577,756</u>	<u>4,413,769</u>
LIABILITIES						
Long-term liabilities	34,239,426	22,947,306	18,812,188	20,093,066	53,051,614	43,040,372
Other liabilities	1,578,574	4,337,563	2,613,479	3,611,141	4,192,053	7,948,704
Total liabilities	<u>35,818,000</u>	<u>27,284,869</u>	<u>21,425,667</u>	<u>23,704,207</u>	<u>57,243,667</u>	<u>50,989,076</u>
DEFERRED INFLOWS ON RESOURCES						
Deferred inflows - pensions	343,885	20,065	57,859	16,317	401,744	36,382
Deferred inflows - OPEB	112,593	141,579	-	-	112,593	141,579
Deferred inflows - leases	265,234	294,704	-	-	265,234	294,704
Total deferred inflows on resources	<u>721,712</u>	<u>456,348</u>	<u>57,859</u>	<u>16,317</u>	<u>779,571</u>	<u>472,665</u>
NET POSITION						
Net investment in capital assets	33,779,784	31,557,834	49,894,164	41,427,075	83,673,948	72,984,909
Restricted	6,551,176	6,235,065	4,972,406	4,881,538	11,523,582	11,116,603
Unrestricted	7,797,789	8,949,993	7,092,115	7,538,928	14,889,904	16,488,921
Total net position	<u>\$ 48,128,749</u>	<u>\$ 46,742,892</u>	<u>\$ 61,958,685</u>	<u>\$ 53,847,541</u>	<u>\$ 110,087,434</u>	<u>\$ 100,590,433</u>

A portion of the primary government's net position, \$11,523,582 or 10%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$14,889,904 or 14%, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$9,497,001 as compared to the prior year. Overall, total assets increased primarily related to proceeds from the issuance of new debt. Capital assets increased mostly due to ongoing construction in progress. Total liabilities increased compared to prior year primarily related to increases in long-term liability amounts at the end of the year as a result of the issuance of new debt. Compared to the prior year, deferred outflows of resources decreased mainly due to changes in actuarially determined amounts for the net difference between projected and actual investment earnings.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Statement of Activities

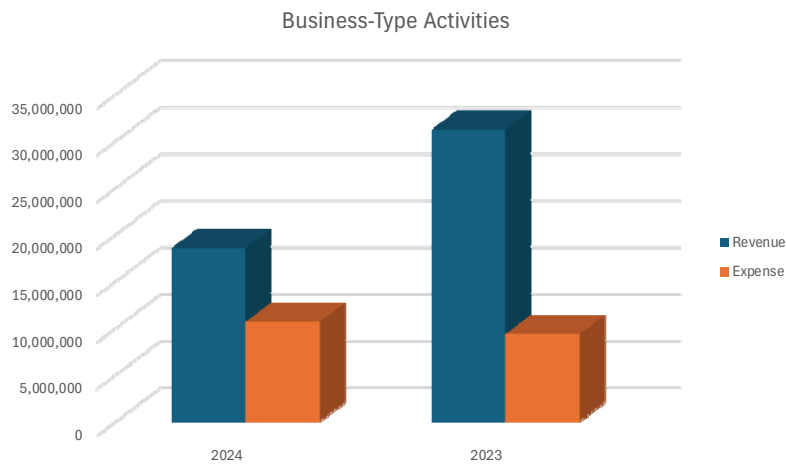
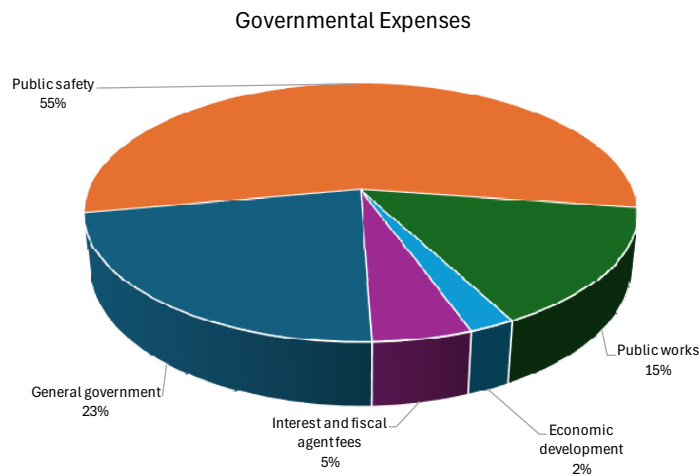
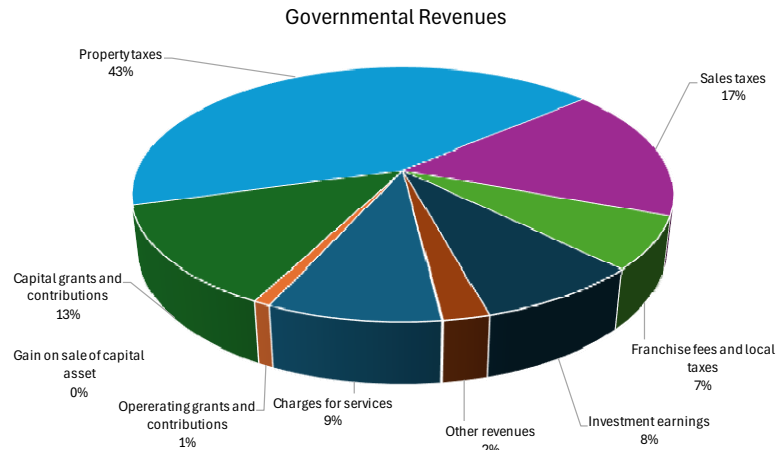
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 1,740,033	\$ 1,326,293	\$ 11,918,031	\$ 11,927,424	\$ 13,658,064	\$ 13,253,717
Operating grants and contributions	172,876	863,698	-	-	172,876	863,698
Capital grants and contributions	2,600,469	-	5,579,994	18,410,179	8,180,463	18,410,179
General revenues:						
Property taxes	8,557,112	8,125,813	-	-	8,557,112	8,125,813
Sales taxes	3,348,696	3,693,971	-	-	3,348,696	3,693,971
Franchise fees and local taxes	1,331,273	1,243,064	419,903	422,135	1,751,176	1,665,199
Investment earnings	1,660,015	1,069,225	527,453	336,432	2,187,468	1,405,657
Other revenues	467,165	590,348	21,507	27,330	488,672	617,678
Gain on sale of capital asset	14,767	-	-	-	14,767	-
Total revenues	<u>19,892,406</u>	<u>16,912,412</u>	<u>18,466,888</u>	<u>31,123,500</u>	<u>38,359,294</u>	<u>48,035,912</u>
Expenses						
General government	4,168,822	4,517,144	-	-	4,168,822	4,517,144
Public safety	10,038,953	9,122,987	-	-	10,038,953	9,122,987
Public works	2,752,134	2,794,535	-	-	2,752,134	2,794,535
Economic development	417,428	476,929	-	-	417,428	476,929
Interest and fiscal agent fees	905,071	482,521	-	-	905,071	482,521
Utilities	-	-	10,579,885	9,270,928	10,579,885	9,270,928
Total expenses	<u>18,282,408</u>	<u>17,394,116</u>	<u>10,579,885</u>	<u>9,270,928</u>	<u>28,862,293</u>	<u>26,665,044</u>
Increase in net position before transfers	1,609,998	(481,704)	7,887,003	21,852,572	9,497,001	21,370,868
Transfers	(224,141)	1,776,319	224,141	(1,776,319)	-	-
Change in net position	1,385,857	1,294,615	8,111,144	20,076,253	9,497,001	21,370,868
Beginning net position	46,742,892	45,448,277	53,847,541	33,771,288	100,590,433	79,219,565
Ending net position	<u>\$ 48,128,749</u>	<u>\$ 46,742,892</u>	<u>\$ 61,958,685</u>	<u>\$ 53,847,541</u>	<u>\$ 110,087,434</u>	<u>\$ 100,590,433</u>

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Graphic presentations of selected data from the governmental activities summary tables follow to assist in the analysis of the City's activities.



(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

For the year ended September 30, 2024, revenues from governmental activities totaled \$19,892,406, which is an increase of \$2,979,994 from the prior year. This net increase is primarily related to an increase in capital grants and contribution. Capital grants and contributions increased due to an increase in grant Coronavirus State and Local Fiscal Recovery grant revenues.

For the year ended September 30, 2024, expenses from governmental activities totaled \$18,282,408, which is an increase of \$888,292 from the prior year. This net change can be attributed to increases in public safety and interest and fiscal agent fees. These functions increased primarily due to Hurricane Beryl debris clean up expenses, as well as issuance costs related to the issuance of new debt.

Operating revenues for business-type activities increased from the prior year. Capital grants and contributions decreased by \$12,830,185 as a result of a decrease in grant activity for the wastewater plant project in the current year. Charges for services in the amount of \$11,918,031 were comparable to the prior year. Operating expenses for business-type activities increased from the prior year. Utility expenses increased by \$1,308,957 primarily due to increases in contractual and professional fees and repairs and maintenance.

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 on 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.

The City's governmental funds reflect a combined fund balance of \$33,475,889. Of this, \$52,864 is nonspendable, \$23,852,875 is restricted for various purposes, \$895,366 is committed for a stabilization fund to cover potential future budget shortfalls, \$1,600,000 is committed for a sound mitigation project, \$1,035,522 is assigned for capital projects, and \$16,030 is assigned for animal control. The remaining balance of \$6,023,232 is unassigned in the general fund.

There was a net increase in the combined fund balance of \$14,605,838 compared to the prior year, primarily due to increases in proceeds from the issuance of new debt.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$6,023,232, while total fund balance reached \$8,571,162. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41% of total general fund expenditures, while total fund balance represents 58% of the same amount. Total general fund revenues increased slightly in the current year primarily related to increases in property tax revenue. This increase is primarily due to an increase in assessed values. Total general fund expenditures also increased primarily related to increases in public safety due to Hurricane Beryl debris clean up costs.

The debt service fund has a total fund balance of \$2,220,721, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$99,958, which is a result premium from the issuance of new debt.

The fund balance in the capital projects fund was \$18,372,069, which is an increase of \$14,728,434 when compared to the prior year. This increase is primarily related to proceeds from the issuance of new debt.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Proprietary Funds – The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were less than the original and amended budgeted revenues by a net \$521,388 during 2024. This net variance is primarily related to less property tax, sales tax and licenses and permits revenue than what was anticipated. Actual expenditures were less than original and amended budgeted expenditures by \$63,237 during 2024. The greatest variance was in the public safety function.

CAPITAL ASSETS

At the end of the current year, the City's governmental and business-type activities had invested \$44,798,395 and \$67,766,117, respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$460,867 for governmental activities and a net increase of \$7,431,435 for business-type activities.

More detailed information about the City's capital assets is presented in note 3 of the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total bonds and certificates of obligation outstanding of \$43,336,499. Of this amount, \$14,410,000 was general obligation debt, \$1,046,000 was revenue bond debt, \$24,805,000 was certificates of obligation, and the remaining \$3,075,499 was a loan from the State Infrastructure Bank.

More detailed information about the City's long-term liabilities is presented in note 3 of the financial statements.

Current underlying ratings on debt issues are as follows:

<u>Debt Type</u>	<u>Moody's Investors Services</u>	<u>Standard and Poor's</u>
General obligation bonds	Aa3	AA
Revenue bonds	Aa3	AA

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council provided staff with their vision for the future of the City and specific policy guidance with which to propose the fiscal year 2025 budget. The City's general fund revenue is principally made up of property taxes, sales taxes, and franchise fees. The revenue projections for the budget are based on historical data and estimates from the finance department and individual department heads, but they have been projected conservatively.

City Council approved a general fund budget of \$16 million for the 2025 fiscal year. The 2025 budget incorporated a tax rate of \$0.455156 per \$100 of valuation, which was approximately a 1% decrease from the prior year.

(Continued)

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Michael Gibbs, Director of Finance, City Hall, 1700 First Street, Seabrook, TX, 77586; telephone (281) 291-5677; or for general City information, visit the City's website at www.seabrooktx.gov.

BASIC FINANCIAL STATEMENTS

CITY OF SEABROOK, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit
ASSETS				
Cash and cash equivalents	\$ 35,846,380	\$ 6,557,393	\$ 42,403,773	\$ 4,588,102
Receivables, net of allowances	1,438,819	3,736,697	5,175,516	188,144
Lease Receivable	259,714	-	259,714	-
Due from primary government	-	-	-	81,136
Prepays and other assets	52,864	-	52,864	-
Restricted assets:				
Temporarily restricted cash and cash equivalents	-	5,076,537	5,076,537	-
Capital assets:				
Nondepreciable capital assets	15,257,030	47,029,167	62,286,197	-
Depreciable capital assets, net	29,541,365	20,736,950	50,278,315	-
	44,798,395	67,766,117	112,564,512	-
Total assets	82,396,172	83,136,744	165,532,916	4,857,382
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	66,307	4,169	70,476	-
Deferred outflows - pensions	2,144,054	301,298	2,445,352	-
Deferred outflows - OPEB	61,928	-	61,928	-
Total deferred outflows of resources	2,272,289	305,467	2,577,756	-
LIABILITIES				
Accounts payable and accrued liabilities	858,984	2,515,080	3,374,064	2,895
Due to component unit	81,136	-	81,136	-
Unearned revenue	583,691	-	583,691	-
Accrued bond interest	54,763	98,399	153,162	-
Long-term liabilities				
Portion due within one year	2,290,247	993,593	3,283,840	-
Portion due in more than one year	31,949,179	17,818,595	49,767,774	-
Total liabilities	35,818,000	21,425,667	57,243,667	2,895
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pensions	343,885	57,859	401,744	-
Deferred inflows - OPEB	112,593	-	112,593	-
Deferred inflows- leases	265,234	-	265,234	-
Total deferred inflows of resources	721,712	57,859	779,571	-
NET POSITION				
Net investment in capital assets	33,779,784	49,894,164	83,673,948	-
Restricted for				
Debt service	2,255,569	591,878	2,847,447	-
Public safety	1,991,611	-	1,991,611	-
Parks	270,924	-	270,924	-
Tourism	1,949,813	-	1,949,813	-
Governmental programming	83,259	-	83,259	-
Capital projects	-	4,380,528	4,380,528	-
Economic development	-	-	-	4,854,487
Unrestricted	7,797,789	7,092,115	14,889,904	-
Total net position	\$ 48,128,749	\$ 61,958,685	\$ 110,087,434	\$ 4,854,487

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2024

					Net Revenue (Expense) and Changes in Net Position			
					Primary Government			
		Program Revenues						
		Charges for	Operating	Capital	Government	Business-Type		Component
Functions/Programs	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Activities	Total	Unit
Primary Government								
Governmental activities								
General government	\$ 4,168,822	\$ 872,047	\$ -	\$ -	\$ (3,296,775)	\$ -	\$ (3,296,775)	\$ -
Public safety	10,038,953	577,083	-	-	(9,461,870)	-	(9,461,870)	-
Public works	2,752,134	290,903	172,876	2,600,469	312,114	-	312,114	-
Economic development	417,428	-	-	-	(417,428)	-	(417,428)	-
Interest and fiscal agent fees	905,071	-	-	-	(905,071)	-	(905,071)	-
Total governmental activities	18,282,408	1,740,033	172,876	2,600,469	(13,769,030)	-	(13,769,030)	-
Business-type activities								
Utilities	10,579,885	11,918,031	-	5,579,994	-	6,918,140	6,918,140	-
Total business-type activities	10,579,885	11,918,031	-	5,579,994	-	6,918,140	6,918,140	-
Total primary government	\$ 28,862,293	\$ 13,658,064	\$ 172,876	\$ 8,180,463	(13,769,030)	6,918,140	(6,850,890)	-
Component Units								
Seabrook Economic Development Corp	\$ 518,302	\$ -	\$ -	\$ -	-	-	-	(518,302)
Total component units	\$ 518,302	\$ -	\$ -	\$ -	-	-	-	(518,302)
General revenues								
Property taxes					8,557,112	-	8,557,112	-
Sales taxes					3,348,696	-	3,348,696	1,090,226
Franchise fees and local taxes					692,869	419,903	1,112,772	-
Other taxes					638,404	-	638,404	-
Investment revenue					1,660,015	527,453	2,187,468	218,352
Other revenues					467,165	21,507	488,672	2,194
Gain on sale of capital asset					14,767	-	14,767	-
Transfers					(224,141)	224,141	-	-
Total general revenues and transfers					15,154,887	1,193,004	16,347,891	1,310,772
Change in net position					1,385,857	8,111,144	9,497,001	792,470
Beginning net position					46,742,892	53,847,541	100,590,433	4,062,017
Ending net position					\$ 48,128,749	\$ 61,958,685	\$ 110,087,434	\$ 4,854,487

See notes to financial statements.

CITY OF SEABROOK, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	General	Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,002,231	\$ 2,228,012	\$ 18,964,871	\$ 3,954,432	\$ 34,149,546
Receivables, net	954,324	89,611	-	394,884	1,438,819
Due from other funds	6,081	-	-	-	6,081
Lease receivable	259,714	-	-	-	259,714
Prepaid items	52,564	-	-	300	52,864
Total assets	<u>\$ 10,274,914</u>	<u>\$ 2,317,623</u>	<u>\$ 18,964,871</u>	<u>\$ 4,349,616</u>	<u>\$ 35,907,024</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 701,273	\$ 1,210	\$ 99,060	\$ 32,968	\$ 834,511
Deposits payable	-	-	-	300	300
Due to other funds	56,700	6,081	-	-	62,781
Due to component unit	81,136	-	-	-	81,136
Due to others	22,223	-	-	-	22,223
Unearned revenue	85,538	-	493,742	4,411	583,691
Total liabilities	<u>946,870</u>	<u>7,291</u>	<u>592,802</u>	<u>37,679</u>	<u>1,584,642</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - EMS services	229,039	-	-	-	229,039
Unavailable revenue - property taxes	262,609	89,611	-	-	352,220
Deferred inflows- leases	265,234	-	-	-	265,234
Total deferred inflows of resources	<u>756,882</u>	<u>89,611</u>	<u>-</u>	<u>-</u>	<u>846,493</u>
FUND BALANCES					
Nonspendable					
Prepays	52,564	-	-	300	52,864
Restricted for					
Debt service	-	2,220,721	-	-	2,220,721
Public safety	-	-	-	1,991,611	1,991,611
Parks	-	-	-	270,924	270,924
Tourism	-	-	-	1,949,813	1,949,813
Governmental programming	-	-	-	83,259	83,259
Capital projects	-	-	17,336,547	-	17,336,547
Committed for					
Stabilization fund	895,366	-	-	-	895,366
Sound mitigation project	1,600,000	-	-	-	1,600,000
Assigned for					
Capital projects	-	-	1,035,522	-	1,035,522
Animal control	-	-	-	16,030	16,030
Unassigned	6,023,232	-	-	-	6,023,232
Total fund balances	<u>8,571,162</u>	<u>2,220,721</u>	<u>18,372,069</u>	<u>4,311,937</u>	<u>33,475,889</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,274,914</u>	<u>\$ 2,317,623</u>	<u>\$ 18,964,871</u>	<u>\$ 4,349,616</u>	<u>\$ 35,907,024</u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balances for governmental funds	\$ 33,475,889
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources are, therefore, not reported in the governmental funds.

Capital assets - nondepreciable	15,257,030
Capital assets - depreciable/amortizable	27,633,520

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	581,259
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Internal service funds are used by management to charge the costs of certain capital assets and maintenance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.

Unrestricted net position	1,751,584
Net investment in capital assets	1,907,845

Some liabilities, including bonds payable, are not reported as liabilities in the governmental funds.

Accrued interest payable	(54,763)
Deferred charge on refunding	66,307
Deferred outflows - pensions	2,144,054
Deferred inflows - pensions	(343,885)
Deferred outflows - OPEB	61,928
Deferred inflows - OPEB	(112,593)
Noncurrent liabilities due in one year	(2,290,247)
Noncurrent liabilities due in more than one year	<u>(31,949,179)</u>

Net position of governmental activities	<u>\$ 48,128,749</u>
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See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 6,562,224	\$ 1,974,711	\$ -	\$ -	\$ 8,536,935
Sales taxes	2,311,313	-	-	1,037,383	3,348,696
Franchise fees and local taxes	665,146	-	-	27,723	692,869
Other taxes	-	-	-	638,404	638,404
Licenses and permits	290,903	-	-	-	290,903
Fines and forfeitures	505,198	-	-	71,885	577,083
Charges for services	820,184	-	-	19,618	839,802
Intergovernmental	167,352	-	2,600,469	5,524	2,773,345
Investment revenue	557,821	166,654	639,771	186,897	1,551,143
Other revenue	342,552	-	-	124,613	467,165
Total revenues	<u>12,222,693</u>	<u>2,141,365</u>	<u>3,240,240</u>	<u>2,112,047</u>	<u>19,716,345</u>
Expenditures					
Current					
General government	3,772,566	-	-	124,243	3,896,809
Public safety	8,537,714	-	169,682	901,209	9,608,605
Public works	2,375,291	-	-	-	2,375,291
Economic development	-	-	-	419,052	419,052
Capital outlay	-	-	2,978,702	424,426	3,403,128
Debt service					
Principal	-	1,608,217	-	138,557	1,746,774
Interest and fiscal agent fees	-	686,946	-	1,443	688,389
Issuance costs	-	-	237,980	-	237,980
Total expenditures	<u>14,685,571</u>	<u>2,295,163</u>	<u>3,386,364</u>	<u>2,008,930</u>	<u>22,376,028</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,462,878)</u>	<u>(153,798)</u>	<u>(146,124)</u>	<u>103,117</u>	<u>(2,659,683)</u>
Other Financing Sources (Uses)					
Bonds issued	-	-	13,865,000	-	13,865,000
Lease proceeds	-	-	-	346,387	346,387
Premium on bonds	-	253,756	677,980	-	931,736
Transfers in	2,394,742	-	331,578	-	2,726,320
Transfers (out)	(331,578)	-	-	(272,344)	(603,922)
Total other financing sources (uses)	<u>2,063,164</u>	<u>253,756</u>	<u>14,874,558</u>	<u>74,043</u>	<u>17,265,521</u>
Net change in fund balances	(399,714)	99,958	14,728,434	177,160	14,605,838
Beginning fund balances	<u>8,970,876</u>	<u>2,120,763</u>	<u>3,643,635</u>	<u>4,134,777</u>	<u>18,870,051</u>
Ending fund balances	<u>\$ 8,571,162</u>	<u>\$ 2,220,721</u>	<u>\$ 18,372,069</u>	<u>\$ 4,311,937</u>	<u>\$ 33,475,889</u>

See notes to financial statements.

CITY OF SEABROOK, 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, 2024

Net changes in fund balances - total governmental funds	\$ 14,605,838
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Amounts reported for governmental activities in the Statement of Activities are different because:

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/amortization expense.

Capital outlay	976,230
Depreciation/amortization expense	(1,482,139)
Disposals	(53,034)

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 issuance costs, premiums, discounts, and similar items when they are first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal payments	1,746,774
Bond proceeds	(13,865,000)
Lease proceeds	(346,387)
Bond premium	(931,736)
Amortization of premium	75,347
Amortization of deferred charges	(37,109)
Accrued interest	(16,940)

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.

Property tax	20,177
EMS services	32,245

Governmental funds report the payment of pension contributions as an expenditure; whereas, these payments are treated as reduction in the net pension liability/(asset) on the Statement of Activities.

Compensated absences	(72,605)
Net pension liability	2,129,295
Total OPEB liability	(27,808)
Change in deferred outflows - pensions	(1,584,719)
Change in deferred inflows - pensions	(323,820)
Change in deferred outflows - OPEB	(6,715)
Change in deferred inflows - OPEB	28,986

An internal service fund is used by management to charge the costs of certain capital assets and maintenance to individual funds. The net revenue (expense) is reported with governmental activities.

	518,977
Change in net position of governmental activities	<u>\$ 1,385,857</u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,557,393	\$ 1,696,834
Accounts receivable (net of allowance for uncollectibles)	3,736,697	-
Due from other funds	-	56,700
Restricted cash and cash equivalents		
Capital projects - impact fees	4,380,528	-
Capital projects - bond proceeds	104,131	-
Debt service	591,878	-
Prepaid expense	-	-
Total current assets	<u>15,370,627</u>	<u>1,753,534</u>
Noncurrent assets		
Capital assets:		
Land	1,605,575	-
Buildings	3,424,368	-
Infrastructure	28,440,081	-
Equipment	3,999,413	2,897,953
Construction in progress	45,423,592	-
Less accumulated depreciation	<u>(15,126,912)</u>	<u>(990,108)</u>
Total capital assets (net)	<u>67,766,117</u>	<u>1,907,845</u>
Total noncurrent assets	<u>67,766,117</u>	<u>1,907,845</u>
Total assets	<u>83,136,744</u>	<u>3,661,379</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	4,169	-
Deferred outflows - pensions	301,298	-
Total deferred outflows of resources	<u>305,467</u>	<u>-</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,750,217	1,950
Accrued interest payable	98,399	-
Customer deposits	764,863	-
Bonds payable - current	773,251	-
Note payable - current	178,176	-
Compensated absences- current	42,166	-
Total current liabilities	<u>3,607,072</u>	<u>1,950</u>

(Continued)

CITY OF SEABROOK, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
Noncurrent liabilities		
Bonds payable - noncurrent (net of premiums and discounts)	14,131,503	-
Note payable - noncurrent	2,897,323	-
Net pension liability	738,467	-
Compensated absences- noncurrent	<u>51,302</u>	<u>-</u>
Total noncurrent liabilities	<u>17,818,595</u>	<u>-</u>
Total liabilities	<u>21,425,667</u>	<u>1,950</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pensions	<u>57,859</u>	<u>-</u>
Total deferred inflows of resources	<u>57,859</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	49,894,164	1,907,845
Restricted for		
Capital projects - impact fees	4,380,528	-
Debt service	591,878	-
Unrestricted	<u>7,092,115</u>	<u>1,751,584</u>
Total net position	<u><u>\$ 61,958,685</u></u>	<u><u>\$ 3,659,429</u></u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
Operating revenues		
Water service	\$ 5,173,178	\$ -
Sewer service	3,932,920	-
Sanitation service	2,811,933	-
Franchise fees	419,903	-
Service fees	-	255,026
Other revenue	21,507	-
Total operating revenues	<u>12,359,441</u>	<u>255,026</u>
Operating expenses		
Personnel services	1,448,939	-
Supplies and materials	151,003	6,900
Contractual services	6,694,156	-
Repairs and maintenance	856,295	-
Depreciation	896,800	214,528
Total operating expenses	<u>10,047,193</u>	<u>221,428</u>
Operating income	<u>2,312,248</u>	<u>33,598</u>
Nonoperating revenues (expenses)		
Gain on sale of capital assets	-	67,801
Loss on disposal of assets	(6,105)	-
Intergovernmental revenue	5,579,994	-
Investment revenue	527,453	108,872
Interest expense and fiscal charges	(532,692)	-
Total nonoperating revenues	<u>5,568,650</u>	<u>176,673</u>
Income before contributions and transfers	7,880,898	210,271
Contributions and Transfers		
Capital contribution	2,527,874	133,476
Transfers in	86,014	272,344
Transfers (out)	(2,383,642)	(97,114)
Total contributions and transfers	<u>230,246</u>	<u>308,706</u>
Change in net position	8,111,144	518,977
Beginning net position	53,847,541	3,140,452
Ending Net Position	<u>\$ 61,958,685</u>	<u>\$ 3,659,429</u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
Cash flows from operating activities		
Receipts from customers and users	\$ 15,066,839	\$ 198,326
Payments to suppliers	(8,740,603)	(4,950)
Payments to employees	(1,462,490)	-
Net cash provided by operating activities	<u>4,863,746</u>	<u>193,376</u>
Cash flows from noncapital financing activities		
Transfers from other funds	86,014	272,344
Transfers (to) other funds	(2,383,642)	(97,114)
Net cash provided (used) by noncapital financing activities	<u>(2,297,628)</u>	<u>175,230</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(5,806,465)	(1,100,862)
Intergovernmental	5,579,994	-
Proceeds from sale of capital assets	-	67,801
Interest and fiscal charges	(631,007)	-
Principal paid on capital debt	(928,518)	-
Net cash (used) in capital and related financing activities	<u>(1,785,996)</u>	<u>(1,033,061)</u>
Cash flows from investing activities		
Interest on investments	<u>527,453</u>	<u>108,872</u>
Net cash provided by investing activities	<u>527,453</u>	<u>108,872</u>
Net increase/(decrease) in cash and cash equivalents	1,307,575	(555,583)
Beginning cash and cash equivalents	<u>10,326,355</u>	<u>2,252,417</u>
Ending cash and cash equivalents	<u>\$ 11,633,930</u>	<u>\$ 1,696,834</u>
Ending cash and cash equivalents		
Unrestricted cash and cash equivalents	\$ 6,557,393	\$ 1,696,834
Restricted cash and cash equivalents	5,076,537	-
	<u>\$ 11,633,930</u>	<u>\$ 1,696,834</u>

(Continued)

CITY OF SEABROOK, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 2,312,248	\$ 33,598
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	896,800	214,528
Changes in operating assets and liabilities		
(Increase) decrease in current assets		
Accounts receivable	2,657,154	-
Due from other funds	-	(56,700)
Prepays	240	-
Deferred outflows - pensions	203,301	-
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	(1,039,389)	1,950
Compensated absences	14,770	-
Customer deposits	50,244	-
Net pension liability	(273,164)	-
Deferred inflows - pensions	41,542	-
Net cash provided by operating activities	<u>\$ 4,863,746</u>	<u>\$ 193,376</u>
Noncash investing, capital, and financing activities		
Contributions of capital assets	<u>\$ 2,527,874</u>	<u>\$ 133,476</u>

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The City of Seabrook, Texas (the "City") was incorporated on October 14, 1961 and adopted the "Home Rule Charter" on August 11, 1979, pursuant to the laws of the State of Texas (the "State") which provide for a Council-Manager form of government. The City Council is the principal legislative body

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the City Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services; public works to include municipal court, drainage, building and code inspection, planning, engineering, street repair and maintenance, park maintenance, and recreational activities for citizens; economic development; and general administrative services.

The City is an independent political subdivision of the State governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The component units as listed below, although legally separate, are considered part of the reporting entity. No other entities, organizations, or functions have been included as part of the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely Presented Component Unit

Seabrook Economic Development Corporation (SEDC) has been included in the reporting entity as a discretely presented component unit. The SEDC was created by the City under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and development activities on behalf of the City. The Board of Directors (the "Board") is appointed by, and serves at the discretion of, the City Council. SEDC's Board is comprised of the Mayor, a City Council member, and five members who are not employees or City officials, all of whom are appointed by City Council. City Council approval is required for annual budgets and bonded debt issuance. However, the SEDC does not service the City exclusively. In the event of dissolution, net position of the SEDC shall be conveyed to the City. Separate financial statements of the SEDC may be obtained from the finance department of the City.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit

Crime Control and Prevention District: The Seabrook Crime Control and Prevention District (the “Board”) has been included in the reporting entity as a blended component unit. The District was created by the City under the authority granted by Chapter 363 of the Texas Local Government Code and Section 323.105 of the Texas Tax Code for the purpose of strengthening and enhancing crime control activities of the City. Management of the City has operational responsibility for the component unit. The District provides services exclusively to the City.

An election was held on May 7, 2005 approving the creation of the District and the collection of a one-half cent sales tax to fund its operations, effective on October 1, 2005.

The Board of Directors (the “Board”) is substantively the same as City Council. Their respective positions on the Board will be held until their City Council seat is vacated, at which time the incoming elected member of City Council will fill the position on the Board. The District was to remain in existence for a period of five years and may then be extended upon approval by the voters. On May 8, 2010, voters approved the renewal of the District for a period of 20 years. In the event of dissolution, net position of the District shall be conveyed to the City.

The District is reported as a special revenue fund and does not issue separate financial statements.

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 activities of the primary government and its component unit. *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.

Basis of Presentation – Government-Wide 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 City’s enterprise funds. Separate financial statements are provided for governmental and proprietary funds.

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 in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City’s water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements: The fund financial statements provide information about the City’s funds. 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in other funds. The principal sources of revenues include local property taxes, sales taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, community development, and public works. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on all long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds are considered nonmajor funds for reporting purposes.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

The City reports the following proprietary funds:

The *enterprise fund* is used to account for the operations that provide water and wastewater collection and the construction of related facilities. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The acquisition, maintenance, and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), and other City funds.

The *internal service fund* accounts for fleet management provided to other departments on a cost-reimbursement basis.

During the course of operations, the City 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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 and proprietary fund 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 City 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 leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, 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 City.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance:

Cash and Cash Equivalents: 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.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City maintains pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and cash equivalents."

Investments: Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

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

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

Inventories and Prepaid Items: Inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets: Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

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. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvements	50 years
Machinery and equipment	5 to 25 years
Water and sewer system	40 to 50 years
Infrastructure	10 to 50 years

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- 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.
- Deferred inflows related to leases are amortized over the terms of the leases.

At the fund level, the City 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 emergency medical services (EMS). These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

Compensated Employee Absences: Employees earn vacation based on years of service with the City. Amounts accumulated may be paid to employees upon termination of employment or during employment. Employees must take vacation within 12 months after earning it. Vacation not taken within 12 months after earning may be accumulated from one year to the next, not to exceed 240 hours.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sick leave and long-term disability are not accrued but recognized when paid, since no liability exists upon termination of employment, with the exception of Civil Service employees. Civil Service personnel are compensated for accrued sick leave for up to 90 days upon termination of employment.

The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

Long-Term Obligations: In government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

Leases: The City is a lessor for a lease of a tower license. 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 are composed of fixed payments from the lessee.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Net Position Flow Assumption: Sometimes the City 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 City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions: Sometimes the City 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 City'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.

Fund Balance Policies: Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City 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 City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager to assign fund balance. The City 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.

The City strives to maintain an unassigned fund balance equivalent to 25 percent of budgeted expenditures, based on current year expenditures. The purpose of the unassigned fund balance is to alleviate significant unanticipated budget shortfalls and to ensure the orderly provisions of services to

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

citizens. Should unassigned fund balance fall below the goal or have a deficiency, the City will seek to adjust budget resources in the subsequent fiscal years to restore the balance.

The City approved an ordinance to establish a stabilization fund to supplement the budget and to compensate for the potential loss of revenue caused by the future construction on State Highway (SH) 146. The stabilization fund will be used to afford the City one budget year to assess the impact of SH 146 expansion and construction, allowing the City to adjust services, personnel, and operations to cover any operating deficit due to business and/or property losses. It is the City's policy that City Council may commit fund balance for this purpose since this potential revenue shortfall is outside the normal course of the City's operations.

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, 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.

Pensions: For the 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.

Other Postemployment Benefits: The City participates in a defined benefit group-term life insurance plan administered by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

Revenues and Expenditures/Expenses:

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.

Property Taxes: Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

Proprietary Funds Operating and Nonoperating Revenues and Expenses: Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 enterprise and internal service funds are charges to customers for sales and services. The enterprise 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 the enterprise and internal service 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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects fund, which adopts a project length budget. 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 charter in the approved budget is the department level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended September 30, 2024. All special revenue funds have adopted budgets.

Expenditures in Excess of Appropriations: For the year ended September 30, 2024, expenditures exceeded appropriations at the legal level of control as follows:

Crime Control Prevention District	\$276,634
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NOTE 3 - DETAILED NOTES ON ALL FUNDS

Deposits and Investments: As of September 30, 2024, the City and SEDC had the following cash equivalents:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	<u>\$ 50,090,088</u>	0.08
Portfolio weighted average maturity		0.08

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. The City's investment policy limits investments in public fund investment pools rated as to investment quality not less than "AAA" or "AAAm," or an equivalent rating by at least one nationally recognized rating service. Investments in SEC-registered and regulated money market mutual funds must have an investment quality not less than "AAA-," or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2024, the City's investments in investment pools were rated "AAA" or "AAAm" by Standard & Poor's.

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. The City's investment policy requires funds on deposit at the

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

depository bank to be collateralized by securities. As of September 30, 2024, fair market values of pledged securities and FDIC coverage 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.

TexPool - TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool ('AAAm'). As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, debt service fund, the nonmajor governmental funds in the aggregate, and the component unit, including the applicable allowances for uncollectible accounts.

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Component Unit</u>
Property taxes	441,472	\$ 155,846	\$ -	\$ -
Sales taxes	395,321	-	177,819	188,144
Ambulance fees	529,016	-	-	-
Franchise fees	38,951	-	6,187	-
Other taxes	-	-	201,926	-
Other receivables	72,288	-	8,952	-
Less allowance	<u>(522,724)</u>	<u>(66,235)</u>	<u>-</u>	<u>-</u>
Total	<u>954,324</u>	<u>\$ 89,611</u>	<u>\$ 394,884</u>	<u>\$ 188,144</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	<u>Unavailable Revenue</u>
Delinquent property taxes receivable - general fund	\$ 262,609
Delinquent property taxes receivable - debt service fund	89,611
Delinquent emergency medical services receivable	<u>229,039</u>
Total	<u><u>\$ 581,259</u></u>

Leases Receivable: The City has entered into a lease agreement related to the lease of certain areas of the Crown Castle tower license agreement. The lease spans 12 years, and the City will receive yearly payments of \$29,470 plus interest for the leases. The City recognized \$29,470 in lease revenue during the current fiscal year related to these leases. As of September 30, 2024, the City's receivable for lease payments was \$259,714. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. September 30, 2024, the balance of the deferred inflow of resources was \$265,234.

The remaining principal and interest payments from the lease and amortization of the deferred inflows are as follows:

Fiscal Year Ended <u>September 30,</u>	<u>Lease Receipts</u>			<u>Amortization of Deferred Inflows</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$ 23,106	\$ 10,101	\$ 33,207	\$ 29,470
2026	24,929	9,274	34,203	29,470
2027	26,848	8,381	35,229	29,470
2028	28,866	7,420	36,286	29,470
2029	30,988	6,387	37,375	29,470
2030-2033	<u>124,977</u>	<u>13,635</u>	<u>138,612</u>	<u>117,884</u>
	<u><u>\$ 259,714</u></u>	<u><u>\$ 55,198</u></u>	<u><u>\$ 314,912</u></u>	<u><u>\$ 265,234</u></u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

	<u>Beginning Balance</u>	<u>Increase/ Reclassifications</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
<u>Governmental activities</u>				
Capital assets not being depreciated/ amortized				
Land	\$ 14,848,184	\$ -	\$ -	\$ 14,848,184
Construction in progress	<u>210,084</u>	<u>225,366</u>	<u>(26,604)</u>	<u>408,846</u>
Total capital assets not being depreciated/amortized	<u>15,058,268</u>	<u>225,366</u>	<u>(26,604)</u>	<u>15,257,030</u>
Other capital assets				
Infrastructure	28,718,566	6,105	-	28,724,671
Buildings and improvements	19,620,960	61,000	(7,520)	19,674,440
Machinery and equipment	11,474,651	1,598,314	(359,313)	12,713,652
Right-to-use asset	<u>-</u>	<u>346,387</u>	<u>-</u>	<u>346,387</u>
Total other capital assets	<u>59,814,177</u>	<u>2,011,806</u>	<u>(366,833)</u>	<u>61,459,150</u>
Less accumulated depreciation/ amortization for				
Infrastructure	(13,998,031)	(550,456)	-	(14,548,487)
Buildings and improvements	(7,802,686)	(504,321)	7,520	(8,299,487)
Machinery and equipment	(8,734,200)	(572,613)	306,279	(9,000,534)
Right-to-use asset	<u>-</u>	<u>(69,277)</u>	<u>-</u>	<u>(69,277)</u>
Total accumulated depreciation/ amortization	<u>(30,534,917)</u>	<u>(1,696,667)</u>	<u>313,799</u>	<u>(31,917,785)</u>
Other capital assets, net	<u>29,279,260</u>	<u>315,139</u>	<u>(53,034)</u>	<u>29,541,365</u>
Governmental activities capital assets, net	<u>\$ 44,337,528</u>	<u>\$ 540,505</u>	<u>\$ (79,638)</u>	<u>\$ 44,798,395</u>
		Plus deferred loss on refunding		66,307
		Plus unspent bond proceeds		17,336,547
		Less associated debt		<u>(28,421,465)</u>
		Net investment in capital assets		<u>\$ 33,779,784</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation was charged to governmental activities functions as follows:

General government	\$ 423,645
Public safety	520,537
Public works	<u>752,485</u>
Total governmental activities depreciation and amortization	<u>\$ 1,696,667</u>

Construction in progress and other significant commitments under related construction contracts as of September 30, 2024 were \$458,438.

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
<u>Business-type activities</u>				
Capital assets not being depreciated				
Land	\$ 1,605,575	\$ -	\$ -	\$ 1,605,575
Construction in progress	<u>40,437,005</u>	<u>5,577,868</u>	<u>(591,281)</u>	<u>45,423,592</u>
Total capital assets not being depreciated	<u>42,042,580</u>	<u>5,577,868</u>	<u>(591,281)</u>	<u>47,029,167</u>
Other capital assets				
Water and sewer system	25,305,925	3,134,156	-	28,440,081
Buildings and improvements	3,424,368	-	-	3,424,368
Machinery and equipment	<u>3,829,552</u>	<u>207,492</u>	<u>(37,631)</u>	<u>3,999,413</u>
Total other capital assets	<u>32,559,845</u>	<u>3,341,648</u>	<u>(37,631)</u>	<u>35,863,862</u>
Less accumulated depreciation for				
Water and sewer system	(9,367,760)	(620,698)	-	(9,988,458)
Buildings and improvements	(2,346,227)	(74,990)	-	(2,421,217)
Machinery and equipment	<u>(2,553,756)</u>	<u>(201,112)</u>	<u>37,631</u>	<u>(2,717,237)</u>
Total accumulated depreciation	<u>(14,267,743)</u>	<u>(896,800)</u>	<u>37,631</u>	<u>(15,126,912)</u>
Other capital assets, net	<u>18,292,102</u>	<u>2,444,848</u>	<u>-</u>	<u>20,736,950</u>
Business-type activities capital assets, net	<u>\$ 60,334,682</u>	<u>\$ 8,022,716</u>	<u>\$ (591,281)</u>	<u>\$ 67,766,117</u>
Plus deferred loss on refunding				4,169
Plus unspent bond proceeds				104,131
Less associated debt				<u>(17,980,253)</u>
Net investment in capital assets				<u>\$ 49,894,164</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 896,800
Total business-type activities depreciation expense	<u>\$ 896,800</u>

Construction in progress and remaining commitments under related construction contracts for proprietary fund projects as of September 30, 2024 were \$1,439,189.

Long-Term Debt: The following is a summary of changes in the City's total long-term liabilities for the year end. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	Beginning Balances	Additions	(Reductions)	Ending Balances	Amounts Due Within One Year
Governmental activities					
Direct borrowings/placements:					
General obligation bonds	\$ 5,300,000	\$ -	\$ (1,250,000)	\$ 4,050,000	\$ 1,285,000
Certificates of obligation	275,000	-	(70,000)	205,000	70,000
Bonds, notes, and other payables:					
Certificates of obligation	2,634,657	9,715,000	(13,217)	12,336,440	136,749
General obligation bonds	6,335,000	4,150,000	(275,000)	10,210,000	365,000
Deferred amounts:					
For issuance discounts/premiums	555,806	931,736	(75,347)	1,412,195	-
	<u>15,100,463</u>	<u>14,796,736</u>	<u>(1,683,564)</u>	<u>28,213,635</u>	<u>* 1,856,749</u>
Other liabilities					
Net pension liability (asset)	6,296,350	-	(2,129,295)	4,167,055	-
Total OPEB liability	304,796	27,808	-	332,604	7,528
Leases	-	346,387	(138,557)	207,830	* 51,634
Compensated absences	1,245,697	437,113	(364,508)	1,318,302	374,336
Total governmental activities	<u>\$ 22,947,306</u>	<u>\$ 15,608,044</u>	<u>\$ (4,315,924)</u>	<u>\$ 34,239,426</u>	<u>\$ 2,290,247</u>
Long-term debt due in more than one year				<u>\$ 31,949,179</u>	
*Debt associated with capital assets				<u>\$ 28,421,465</u>	

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Business-type activities</u>					
Direct borrowings/placements:					
Note - State loan	\$ 3,248,234	\$ -	\$ (172,735)	\$ 3,075,499	\$ 178,176
Revenue bonds	1,260,000	-	(214,000)	1,046,000	225,000
General obligation bonds	300,000	-	(150,000)	150,000	150,000
Certificates of obligation	1,430,000	-	(165,000)	1,265,000	170,000
Bonds, notes, and other payables:					
Certificates of obligation	11,225,343	-	(226,783)	10,998,560	228,251
Deferred amounts:					
For issuance discounts/premiums	1,539,160	-	(93,966)	1,445,194	-
	<u>19,002,737</u>	<u>-</u>	<u>(1,022,484)</u>	<u>17,980,253</u>	<u>* 951,427</u>
Other liabilities					
Net pension liability (asset)	1,011,631	-	(273,164)	738,467	-
Compensated absences	<u>78,698</u>	<u>69,870</u>	<u>(55,100)</u>	<u>93,468</u>	<u>42,166</u>
Total governmental activities	<u>\$ 20,093,066</u>	<u>\$ 69,870</u>	<u>\$ (1,350,748)</u>	<u>\$ 18,812,188</u>	<u>\$ 993,593</u>
Long-term debt due in more than one year				<u>\$ 17,818,595</u>	
*Debt associated with capital assets				<u>\$ 17,980,253</u>	

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. The governmental activities compensated absences, net pension liability, and total OPEB liability are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The City's long-term debt includes all outstanding bonded debt secured by the full faith and credit of the City. The bonds are certificates of obligation and general obligation bonds that are secured by the full faith and credit of the City and are paid from taxes levied on all taxable property located within the City.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The following is a summary of the terms of general obligation bonds, certificates of obligation, revenue bonds, and lease and subscription liabilities outstanding as of September 30, 2024:

<u>Description</u>	<u>Interest Rate</u>	<u>Balance</u>
<u>Governmental Activities</u>		
General obligation bonds		
Series 2003	4.40%	\$ 385,000
Series 2013 refunding	1.86%	505,000
Series 2015	2.00-3.25%	6,060,000
Series 2017 refunding	1.96%	3,160,000
Series 2024	4.25 5.00%	4,150,000
Total general obligation bonds		<u>14,260,000</u>
Certificates of obligation		
Series 2010	3.64%	205,000
Series 2020	2.00-4.00%	2,621,440
Series 2024	4.00-5.00%	9,715,000
Total certificates of obligation		<u>12,541,440</u>
Lease		
Police body cameras	5.00%	207,830
Total governmental activities long-term debt		<u>\$ 27,009,270</u>
<u>Business-Type Activities</u>		
General obligation bonds		
Series 2013 refunding	1.86%	\$ 150,000
Total general obligation bonds		<u>150,000</u>
Certificates of obligation		
Series 2016	2.13%	1,265,000
Series 2016A	2.00%	4,695,000
Series 2020	2.00-4.00%	6,303,560
Total certificates of obligation		<u>12,263,560</u>
Revenue bonds		
Series 2003 refunding	4.45%	155,000
Series 2008	4.12%	891,000
Total revenue bonds		<u>1,046,000</u>
State loan		
State Infrastructure Bank Loan 2018	3.15%	3,075,499
Total state loan		<u>3,075,499</u>
Total business-type activities long-term debt		<u>\$ 16,535,059</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Annual debt service requirements to retire outstanding obligations and direct borrowings are as follows:

Fiscal Year Ended September 30,	Governmental Activities		Governmental Activities		Business-Type Activities		Business-Type Activities	
	Direct Borrowings/Placement		Governmental Activities		Direct Borrowings/Placement		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,355,000	\$ 95,735	\$ 501,749	\$ 942,632	\$ 723,176	\$ 167,413	\$ 228,251	\$ 436,106
2026	1,435,000	59,111	478,217	923,596	760,788	145,520	236,783	429,541
2027	1,465,000	29,807	498,217	905,082	783,578	119,350	246,783	420,705
2028	-	-	1,111,826	885,667	375,549	92,294	638,174	411,470
2029	-	-	1,154,168	845,495	386,709	82,203	660,832	385,943
2030-2034	-	-	6,435,986	3,546,252	1,487,952	262,009	3,719,014	1,511,653
2035-2039	-	-	3,876,862	2,465,832	1,018,747	65,425	4,028,138	742,568
2040-2044	-	-	3,884,415	1,515,327	-	-	1,240,585	64,423
2045-2049	-	-	4,605,000	577,000	-	-	-	-
	<u>\$ 4,255,000</u>	<u>\$ 184,653</u>	<u>\$ 22,546,440</u>	<u>\$ 12,606,883</u>	<u>\$ 5,536,499</u>	<u>\$ 934,214</u>	<u>\$ 10,998,560</u>	<u>\$ 4,402,409</u>

In April 2024, the City issued General Obligation Bonds, Series 2024 in the amount of \$4,150,000. The bond will be used for renovating, expanding, developing and equipping the Seabrook Fire Station; this includes additions for emergency medical services, emergency management services, an emergency center, and all matters incident or necessary thereto. The bond will mature during fiscal year 2044 and have an interest rate ranging from 4% to 5%.

In April 2024, the City issued Certificates of Obligation, Series 2024 in the amount of \$9,715,000. The certificates will be used for the design, engineering, acquisition and construction of certain public works and the purchase of equipment for authorized needs and purposes. The certificates will mature during fiscal year 2044 and have an interest rate ranging from 4% to 5%.

Leases Payable: The City has entered into lease agreements as lessee for the use of police body cameras. As of September 30, 2024, the value of the lease liability was \$207,830. The City is required to make monthly payments of \$52,500. The interest rate is based on the incremental borrowing rate of 5%. In addition, the City's right to- use lease asset will be amortized using a straight-line basis over the remaining term of the leases. The value of the right-to-use assets as of the end of the current fiscal year was \$346,387 and had accumulated amortization of \$69,277. The future principal and interest payments as of September 30, 2024 for governmental activities were as follows:

Fiscal Year Ended September 30,	Governmental Activities	
	Lease	
	Principal	Interest
2025	\$ 51,634	\$ 866
2026	51,849	651
2027	52,065	435
2028	52,282	218
	<u>\$ 207,830</u>	<u>\$ 2,170</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Federal Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

Interfund Transactions: The interfund balances as of year end were as follows.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>
General	Debt service	\$ 6,081
Internal service	General	56,700
		<u>\$ 62,781</u>

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amounts</u>
Capital projects	General	\$ 331,578
Internal service	Nonmajor governmental	272,344
General	Internal service	11,100
Utility	Internal service	86,014
General	Utility	2,383,642
		<u>\$ 3,084,678</u>

Transfers from the general fund to the capital project fund were subsidies for construction in progress expenditures. Other transfers between funds are utilized to move unrestricted fund revenues to finance various programs that must be accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for grant programs and governmental expenditures.

Restricted Assets: The utility enterprise fund has restricted certain cash and investments for customer deposits and construction.

NOTE 4 - OTHER INFORMATION

Risk Management: The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's (TML) Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

The City also provides workers' compensation insurance through the TML Workers' Compensation Fund (the "Fund"). Workers' compensation premiums are subject to change when audited by the Fund. At September 30, 2024, the City believed the amounts paid on workers' compensation would not change significantly from the amounts recorded.

Contingent Liabilities: 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 that 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. No claim liabilities are reported at year end.

Pension Plans:

Texas Municipal Retirement System

Plan Description: The City participates as one of 934 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the "Board"); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at tmrs.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 member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	2024	2023
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	30% of CPI	30% of CPI

Employees Covered by Benefit Terms: At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	91
Inactive employees entitled to, but not yet receiving, benefits	62
Active employees	114
 Total	 267

Contributions: Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, 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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.11% and 16.37% in calendar years 2023 and 2024 , respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2024 were \$1,419,877, which are equal to the required contributions.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
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

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 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 is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to 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 n 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global public equity	35%	6.7%
Core fixed income	6%	4.7%
Non-core fixed income	20%	8.0%
Other public and private markets	12%	8.0%
Real estate	12%	7.6%
Hedge funds	5%	6.4%
Private equity	<u>10%</u>	11.6%
Total	<u>100%</u>	

Discount Rate: The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Changes in the NPL:

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 1,472,641	\$ -	\$ 1,472,641
Interest	3,097,577	-	3,097,577
Difference between expected and actual experience	(336,387)	-	(336,387)
Changes in assumptions	(165,681)	-	(165,681)
Contributions - employer	-	1,386,571	(1,386,571)
Contributions - employee	-	603,383	(603,383)
Net investment income	-	4,509,563	(4,509,563)
Benefit payments, including refunds of employee contributions	(2,285,418)	(2,285,418)	-
Administrative expense	-	(28,707)	28,707
Other changes	-	(201)	201
Net Changes	1,782,732	4,185,191	(2,402,459)
Balance at December 31, 2022	46,296,414	38,988,433	7,307,981
Balance at December 31, 2023	<u>\$ 48,079,146</u>	<u>\$ 43,173,624</u>	<u>\$ 4,905,522</u>

Sensitivity of the NPL to Changes in the Discount Rate: The following presents the NPL of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability/(asset)	<u>\$ 11,049,340</u>	<u>\$ 4,905,522</u>	<u>\$ (209,789)</u>

Pension Plan Fiduciary Net Position: Detailed information about TMRS's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at www.tmr.com.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions: For the fiscal year ended September 30, 2024, the City recognized pension expense of \$1,170,801.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 295,274	\$ 274,955
Changes in assumptions	-	126,789
Net difference between projected and actual investment earnings	1,055,665	-
Contributions subsequent to the measurement date	<u>1,094,413</u>	<u>-</u>
Total	<u>\$ 2,445,352</u>	<u>\$ 401,744</u>

\$1,094,413 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year ended September 30,</u>	<u>Pension Expense</u>
2025	\$ 313,626
2026	341,336
2027	700,433
2028	<u>(406,200)</u>
Total	<u>\$ 949,195</u>

Other Postemployment Benefits:

TMRS - Supplemental Death Benefits

Plan Description: The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

Benefits: The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

Participation in the SDBF as of December 31, 2023 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	61
Inactive employees entitled to, but not yet receiving, benefits	10
Active employees	<u>114</u>
 Total	 <u><u>185</u></u>

Total OPEB Liability: The City's total OPEB liability of \$332,604 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	3.77%*
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	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).
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables 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 Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Changes in the Total OPEB Liability:

	Total OPEB <u>Liability</u>
Changes for the year:	
Service cost	\$ 11,189
Interest	12,256
Difference between expected and actual experience	607
Changes of assumptions	15,826
Benefit payments*	<u>(8,607)</u>
Net changes	31,271
Balance at September 30, 2022	<u>301,333</u>
Balance at September 30, 2023	<u><u>\$ 332,604</u></u>

* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the City's yearly contributions for retirees.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount <u>Rate (2.77%)</u>	Discount <u>Rate (3.77%)</u>	1% Increase in Discount <u>Rate (4.77%)</u>
City's total OPEB liability	<u>\$ 396,903</u>	<u>\$ 332,604</u>	<u>\$ 282,062</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: At September 30, 2024, the City recognized OPEB expense of \$17,707. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes in actuarial assumptions	\$ 54,548	\$ 106,920
Differences between expected and actual economic experience	695	5,673
Contributions subsequent to the measurement date	<u>6,685</u>	<u>-</u>
Total	<u><u>\$ 61,928</u></u>	<u><u>\$ 112,593</u></u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

\$6,685 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2025.

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year ended September 30.</u>	<u>OPEB Expense</u>
2025	\$ (5,500)
2026	(9,442)
2027	(14,727)
2028	(20,860)
2029	(7,088)
Thereafter	<u>267</u>
Total	<u>\$ (57,350)</u>

Tax Abatements and Economic Incentives:

The City and the SEDC have authority under Texas Local Government Code, Chapters 380 and 505, to adopt programs that promote local economic development, spur economic improvement, stimulate commercial activity, generate additional sales tax, and enhance the property tax base of the City. These programs may abate or rebate property taxes and sales taxes that are paid by the recipient. The programs may also include incentive payments or reductions in fees that are not tied to taxes. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact, or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses into the City. Agreements generally contain recapture provisions which mandate repayment or termination if recipients do not meet the required provisions of the economic incentives.

Programs may rebate a flat amount or percentage of property taxes or sales taxes that are received by the City or the SEDC. They may result in fee reductions such as utility charges or building inspection fees. Some agreements may take the form of one-time incentive payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure, or other expenses. As of fiscal year 2024, the SEDC has granted the following incentive agreements:

The SEDC agreed to rebate the amount of SEDC sales tax paid by Merloaded, LLC relating to a restaurant in an amount not to exceed \$40,000, or for a period of up to ten years, whichever occurs first. During fiscal year 2024, the SEDC rebated \$6,309 in sales taxes paid by Merloaded, LLC.

The SEDC agreed to rebate the amount of SEDC sales tax paid by Mario's Pizza relating to a restaurant in an amount not to exceed \$74,813, for a period of up to ten years after Mario's Pizza completes relocation. During fiscal year 2024, the SEDC rebated \$4,615 in sales taxes paid by Mario's Pizza.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Property taxes	\$ 6,957,067	\$ 6,957,067	\$ 6,562,224	(394,843)	\$ 6,044,300
Sales taxes	2,585,725	2,585,725	2,311,313	(274,412)	2,544,164
Franchise fees	730,013	730,013	665,146	(64,867)	712,162
Licenses and permits	500,000	500,000	290,903	(209,097)	276,441
Fines and forfeitures	450,998	450,998	505,198	54,200	300,923
Charges for services	758,527	758,527	820,184	61,657	723,499
Intergovernmental	112,937	112,937	167,352	54,415	446,310
Investment revenue	329,377	329,377	510,484	181,107	391,610
Other revenue	272,100	272,100	342,552	70,452	290,753
Total revenues	<u>12,696,744</u>	<u>12,696,744</u>	<u>12,175,356</u>	<u>(521,388)</u>	<u>11,730,162</u>
Expenditures					
General government					
Legislative	324,412	318,063	318,063	-	382,173
Administrative	680,034	644,039	644,039	-	1,510,807
Information technology	537,825	534,999	534,999	-	521,845
Nondepartmental	535,692	456,768	456,768	-	877,606
Community development	756,445	788,114	788,114	-	689,788
Legal	229,400	120,745	120,745	-	-
Public affairs	236,411	211,986	211,986	-	-
Finance	731,166	697,852	697,852	-	-
Total general government	<u>4,031,385</u>	<u>3,772,566</u>	<u>3,772,566</u>	<u>-</u>	<u>3,982,219</u>
Public safety					
Public safety	6,848,994	6,834,927	6,774,906	60,021	6,609,632
Emergency management	112,978	101,946	101,946	-	131,197
Animal control	279,950	270,787	270,787	-	264,968
DOT-CVE	399,436	291,672	288,456	3,216	269,899
Municipal court	572,195	530,393	530,393	-	517,655
Hurricane Beryl	-	571,226	571,226	-	-
Total public safety	<u>8,213,553</u>	<u>8,600,951</u>	<u>8,537,714</u>	<u>63,237</u>	<u>7,793,351</u>
Public works					
Parks	1,158,302	1,068,103	1,068,103	-	949,822
Public works	1,345,568	1,307,188	1,307,188	-	1,252,610
	<u>2,503,870</u>	<u>2,375,291</u>	<u>2,375,291</u>	<u>-</u>	<u>2,202,432</u>
Total expenditures	<u>14,748,808</u>	<u>14,748,808</u>	<u>14,685,571</u>	<u>63,237</u>	<u>13,978,002</u>
Excess of revenues over expenditures	<u>(2,052,064)</u>	<u>(2,052,064)</u>	<u>(2,510,215)</u>	<u>(458,151)</u>	<u>(2,247,840)</u>

(Continued)

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Other financing sources (uses)					
Transfers in	2,383,642	2,383,642	2,394,742	11,100	5,543,541
Transfers (out)	<u>(331,578)</u>	<u>(331,578)</u>	<u>(331,578)</u>	<u>-</u>	<u>(292,000)</u>
Total other financing (uses)	<u>2,052,064</u>	<u>2,052,064</u>	<u>2,063,164</u>	<u>11,100</u>	<u>5,251,541</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(447,051)</u>	<u>\$ (447,051)</u>	<u>\$ 3,003,701</u>
Beginning fund balance			<u>8,075,510</u>		
Ending fund balance			<u>\$ 7,628,459</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. Reconciliation of general fund balance to fund financial statements:

Net effect of subfunds within the general	
fund without appropriated budgets	<u>942,703</u>
	<u>\$ 8,571,162</u>

CITY OF SEABROOK, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the year ended September 30, 2024

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 1,472,641	\$ 1,384,219	\$ 1,326,064	\$ 1,305,168	\$ 1,154,034	\$ 1,039,984	\$ 1,025,430	\$ 969,041	\$ 848,138	\$ 868,525
Interest (on the total pension liability)	3,097,577	2,943,902	2,753,205	2,629,179	2,495,569	2,378,239	2,286,065	2,164,619	2,088,380	2,004,153
Difference between expected and actual experience	(336,387)	53,414	735,786	(92,932)	181,638	136,392	(97,278)	475,863	189,720	(201,421)
Change of assumptions	(165,681)	-	-	-	121,784	-	-	-	570,417	-
Benefit payments, including refunds of employee contributions	(2,285,418)	(2,012,745)	(2,025,238)	(2,003,650)	(2,094,707)	(1,652,132)	(2,059,777)	(1,617,253)	(1,428,117)	(1,487,513)
Net change in total pension liability	1,782,732	2,368,790	2,789,817	1,837,765	1,858,318	1,902,483	1,154,440	1,992,270	2,268,538	1,183,744
Beginning total pension liability	46,296,414	43,927,624	41,137,807	39,300,042	37,441,724	35,539,241	34,384,801	32,392,531	30,123,993	28,940,249
Ending total pension liability	<u>\$ 48,079,146</u>	<u>\$ 46,296,414</u>	<u>\$ 43,927,624</u>	<u>\$ 41,137,807</u>	<u>\$ 39,300,042</u>	<u>\$ 37,441,724</u>	<u>\$ 35,539,241</u>	<u>\$ 34,384,801</u>	<u>\$ 32,392,531</u>	<u>\$ 30,123,993</u>
Plan fiduciary net position										
Contributions - employer	\$ 1,386,571	\$ 1,258,793	\$ 1,265,378	\$ 1,222,777	\$ 1,081,777	\$ 1,001,258	\$ 954,625	\$ 807,730	\$ 759,316	\$ 807,068
Contributions - employee	603,383	564,329	552,899	539,007	486,348	439,538	434,767	412,107	379,116	413,007
Net investment income	4,509,563	(3,082,742)	4,897,752	2,668,641	4,782,392	(962,606)	3,996,792	1,852,069	40,850	1,513,501
Benefit payments, including refunds of employee contributions	(2,285,418)	(2,012,745)	(2,025,238)	(2,003,650)	(2,094,707)	(1,652,132)	(2,059,777)	(1,617,253)	(1,428,117)	(1,487,513)
Administrative expense	(28,707)	(26,692)	(22,672)	(17,279)	(27,037)	(18,609)	(20,714)	(20,918)	(24,879)	(15,799)
Other	(201)	31,851	154	(675)	(812)	(972)	(1,050)	(1,127)	(1,229)	(1,299)
Net change in plan fiduciary net position	4,185,191	(3,267,206)	4,668,273	2,408,821	4,227,961	(1,193,523)	3,304,643	1,432,608	(274,943)	1,228,965
Beginning plan fiduciary net position	38,988,433	42,255,639	37,587,365	35,178,543	30,950,581	32,144,104	28,839,461	27,406,853	27,681,796	26,452,831
Ending plan fiduciary net position	<u>\$ 43,173,624</u>	<u>\$ 38,988,433</u>	<u>\$ 42,255,638</u>	<u>\$ 37,587,364</u>	<u>\$ 35,178,542</u>	<u>\$ 30,950,581</u>	<u>\$ 32,144,104</u>	<u>\$ 28,839,461</u>	<u>\$ 27,406,853</u>	<u>\$ 27,681,796</u>
Net Pension Liability	<u>\$ 4,905,522</u>	<u>\$ 7,307,981</u>	<u>\$ 1,671,986</u>	<u>\$ 3,550,443</u>	<u>\$ 4,121,500</u>	<u>\$ 6,491,143</u>	<u>\$ 3,395,137</u>	<u>\$ 5,545,340</u>	<u>\$ 4,985,678</u>	<u>\$ 2,442,197</u>
Plan fiduciary net position as a percentage of total pension liability	89.80%	84.21%	96.19%	91.37%	89.51%	82.66%	90.45%	83.87%	84.61%	91.89%
Covered Payroll	\$ 8,606,900	\$ 8,061,846	\$ 7,745,699	\$ 7,700,104	\$ 6,947,829	\$ 6,257,427	\$ 6,210,964	\$ 5,887,247	\$ 5,415,949	\$ 5,413,615
Net pension liability as a percentage of covered payroll	57.00%	90.65%	21.59%	46.11%	59.32%	103.74%	54.66%	94.19%	92.06%	45.11%

CITY OF SEABROOK, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the year ended September 30, 2024

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,419,877	\$ 1,369,531	\$ 1,247,906	\$ 1,243,032	\$ 1,244,320	\$ 1,046,439	\$ 976,004	\$ 920,301	\$ 789,851	\$ 766,607
Contributions in relation to the actuarially determined contribution	(1,419,877)	(1,369,531)	(1,247,906)	(1,243,032)	(1,244,320)	(1,046,439)	(976,004)	(920,301)	(789,851)	(766,607)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 8,606,900	\$ 8,561,183	\$ 7,929,016	\$ 7,734,305	\$ 7,875,897	\$ 6,670,465	\$ 6,178,270	\$ 6,167,712	\$ 5,719,105	\$ 5,414,848
Contributions as a percentage of covered payroll	16.50%	16.00%	15.74%	16.07%	15.80%	15.69%	15.80%	14.92%	13.81%	14.16%

Notes to Required Supplementary Information:

- Valuation Date: 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	22 years (longest amortization ladder)
Asset valuation method	10 year smoothed market; 12.00% 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: There were no benefit changes during the year.

CITY OF SEABROOK, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS
For the year ended September 30, 2024

	Measurement Year*						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability							
Service cost	\$ 11,189	\$ 21,767	\$ 19,364	\$ 15,400	\$ 10,422	\$ 10,638	\$ 9,316
Interest (on the total OPEB liability)	12,256	8,136	8,151	9,233	9,683	8,777	8,566
Difference between expected and actual experience	607	(3,128)	(1,652)	(6,221)	888	(1,835)	-
Change of assumptions	15,826	(153,487)	13,837	55,703	53,454	(19,676)	21,889
Benefit payments**	<u>(8,607)</u>	<u>(6,449)</u>	<u>(6,197)</u>	<u>(2,310)</u>	<u>(2,084)</u>	<u>(1,877)</u>	<u>(1,863)</u>
Net change in total OPEB liability	31,271	(133,161)	33,503	71,805	72,363	(3,973)	37,908
Beginning total OPEB liability	<u>301,333</u>	<u>434,494</u>	<u>400,991</u>	<u>329,186</u>	<u>256,823</u>	<u>260,796</u>	<u>222,888</u>
Ending total OPEB liability	<u>\$ 332,604</u>	<u>\$ 301,333</u>	<u>\$ 434,494</u>	<u>\$ 400,991</u>	<u>\$ 329,186</u>	<u>\$ 256,823</u>	<u>\$ 260,796</u>
Covered Payroll	\$ 8,606,900	\$ 8,061,846	\$ 7,745,699	\$ 7,700,104	\$ 6,947,829	\$ 6,257,427	\$ 6,210,964
Net OPEB liability as a percentage of covered payroll	3.86%	3.74%	5.61%	5.21%	4.74%	4.10%	4.20%

*Only seven years of information is currently available. The City will build this schedule over the next four-year period.

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

1. Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.
2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	3.77%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements GASB Statement No. 68.
Mortality rates - service retirees	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).
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% 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 floor.

COMBINING STATEMENTS AND SCHEDULES

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL DEBT SERVICE FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Property taxes	\$ 2,066,855	\$ 1,979,064	\$ 1,974,711	\$ (4,353)	\$ 2,040,850
Investment revenue	36,000	420,410	166,654	(253,756)	139,932
Total revenues	<u>2,102,855</u>	<u>2,399,474</u>	<u>2,141,365</u>	<u>(258,109)</u>	<u>2,180,782</u>
Expenditures					
Debt service					
Principal	1,608,217	1,608,217	1,608,217	-	1,566,749
Interest and fiscal charges	441,638	694,263	686,946	7,317	484,923
Total expenditures	<u>2,049,855</u>	<u>2,302,480</u>	<u>2,295,163</u>	<u>7,317</u>	<u>2,051,672</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>53,000</u>	<u>96,994</u>	<u>(153,798)</u>	<u>(250,792)</u>	<u>129,110</u>
Other financing sources (uses)					
Premium on bonds	-	-	253,756	253,756	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>253,756</u>	<u>253,756</u>	<u>-</u>
Net change in fund balance	<u>\$ 53,000</u>	<u>\$ 96,994</u>	<u>99,958</u>	<u>\$ 2,964</u>	<u>\$ 129,110</u>
Beginning fund balance			<u>2,120,763</u>		
Ending fund balance			<u>\$ 2,220,721</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
For the year September 30, 2024

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects.

Hotel/Motel Occupancy Tax Fund

This fund is used to account for revenues generated from a hotel and motel occupancy tax and expenditures for improvements that serve the purpose of attracting visitors and tourists.

Municipal Court Programs Fund

This fund is used to account for municipal court revenue from court fines and fees that are legally restricted to be used for child safety, court security, judicial efficiency, and court technology programs.

Park Improvement Fees Fund

This fund is used to account for the collection of fees to be used for park improvement activities.

Crime Control and Prevention District Fund

This fund is used to account for revenues derived from a special sales tax collected and restricted to maintain and expand police department programs that will deliver a higher quality of service to Seabrook citizens while aiding in the prevention and control of crime.

Public Safety Programs Fund

This fund is used to account for expenditures for various public safety projects funded primarily through grants and contributions.

Cable PEG Fees Fund

This fund is used to account for cable fees collected to provide public, educational, and governmental (PEG) programming to its citizens.

Animal Control Fund

This fund is used to account for the operations of the City's animal control department and for the purchase and repair of equipment and facilities used in animal control.

CITY OF SEABROOK, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Hotel and Motel Occupancy Tax	Municipal Court Programs	Park Improvement Fees	Crime Control and Prevention District	Public Safety Programs	Cable PEG Fees	Animal Control	
ASSETS								
Cash and cash equivalents	\$ 1,762,757	\$ 136,903	\$ 273,135	\$ 1,315,539	\$ 372,996	\$ 77,072	\$ 16,030	\$ 3,954,432
Receivables, net	201,926	-	-	177,819	8,952	6,187	-	394,884
Prepaid items	-	300	-	-	-	-	-	300
Total assets	<u>\$ 1,964,683</u>	<u>\$ 137,203</u>	<u>\$ 273,135</u>	<u>\$ 1,493,358</u>	<u>\$ 381,948</u>	<u>\$ 83,259</u>	<u>\$ 16,030</u>	<u>\$ 4,349,616</u>
LIABILITIES								
Accounts payable and accrued liabilities	\$ 12,370	\$ -	\$ -	\$ 18,998	\$ 1,600	\$ -	\$ -	\$ 32,968
Deposits payable	-	-	300	-	-	-	-	300
Unearned revenue	2,500	-	1,911	-	-	-	-	4,411
Total liabilities	<u>14,870</u>	<u>-</u>	<u>2,211</u>	<u>18,998</u>	<u>1,600</u>	<u>-</u>	<u>-</u>	<u>37,679</u>
FUND BALANCES								
Nonspendable								
Prepaid items	-	300	-	-	-	-	-	300
Restricted for								
Public safety	-	136,903	-	1,474,360	380,348	-	-	1,991,611
Parks	-	-	270,924	-	-	-	-	270,924
Tourism	1,949,813	-	-	-	-	-	-	1,949,813
Governmental programming	-	-	-	-	-	83,259	-	83,259
Assigned	-	-	-	-	-	-	16,030	16,030
Total fund balances	<u>1,949,813</u>	<u>137,203</u>	<u>270,924</u>	<u>1,474,360</u>	<u>380,348</u>	<u>83,259</u>	<u>16,030</u>	<u>4,311,937</u>
Total liabilities and fund balances	<u>\$ 1,964,683</u>	<u>\$ 137,203</u>	<u>\$ 273,135</u>	<u>\$ 1,493,358</u>	<u>\$ 381,948</u>	<u>\$ 83,259</u>	<u>\$ 16,030</u>	<u>\$ 4,349,616</u>

CITY OF SEABROOK, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS
For the year ended September 30, 2024

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Hotel and Motel Occupancy Tax	Municipal Court Programs	Park Improvement Fees	Crime Control and Prevention District	Public Safety Programs	Cable PEG Fees	Animal Control	
Revenues								
Sales and use taxes	\$ -	\$ -	\$ -	\$ 1,037,383	\$ -	\$ -	\$ -	\$ 1,037,383
Franchise fees	-	-	-	-	-	27,723	-	27,723
Hotel occupancy tax	638,404	-	-	-	-	-	-	638,404
Fines and forfeitures	-	43,114	-	-	28,771	-	-	71,885
Charges for services	-	-	19,618	-	-	-	-	19,618
Intergovernmental	-	-	-	-	5,524	-	-	5,524
Investment revenue	82,870	2,098	13,660	67,218	15,977	4,640	434	186,897
Other revenue	8,886	-	-	2,477	113,250	-	-	124,613
Total revenues	730,160	45,212	33,278	1,107,078	163,522	32,363	434	2,112,047
Expenditures								
Current								
General government	-	-	-	-	-	124,243	-	124,243
Public safety	-	25,472	-	755,951	116,111	-	3,675	901,209
Economic development	404,560	-	14,492	-	-	-	-	419,052
Capital outlay	-	-	5,518	346,387	72,521	-	-	424,426
Debt service								
Principal	-	-	-	138,557	-	-	-	138,557
Interest and fiscal agent fees	-	-	-	1,443	-	-	-	1,443
Total expenditures	404,560	25,472	20,010	1,242,338	188,632	124,243	3,675	2,008,930
Excess (deficiency) of revenues over (under) expenditures	325,600	19,740	13,268	(135,260)	(25,110)	(91,880)	(3,241)	103,117
Other financing sources (uses)								
Lease proceeds	-	-	-	346,387	-	-	-	346,387
Transfers (out)	-	-	-	(272,344)	-	-	-	(272,344)
Total other financing sources (uses)	-	-	-	74,043	-	-	-	74,043
Net change in fund balance	325,600	19,740	13,268	(61,217)	(25,110)	(91,880)	(3,241)	177,160
Beginning fund balance	1,624,213	117,463	257,656	1,535,577	405,458	175,139	19,271	4,134,777
Ending fund balance	\$ 1,949,813	\$ 137,203	\$ 270,924	\$ 1,474,360	\$ 380,348	\$ 83,259	\$ 16,030	\$ 4,311,937

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL HOTEL AND MOTEL OCCUPANCY TAX FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Hotel and motel occupancy tax	\$ 502,396	\$ 502,396	\$ 638,404	\$ 136,008	\$ 499,732
Investment revenue	27,107	27,107	82,870	55,763	60,342
Other revenue	8,175	8,175	8,886	711	66,919
Total revenues	<u>537,678</u>	<u>537,678</u>	<u>730,160</u>	<u>192,482</u>	<u>626,993</u>
Expenditures					
Current					
Economic development	<u>508,084</u>	<u>508,084</u>	<u>404,560</u>	<u>103,524</u>	<u>458,115</u>
Total expenditures	<u>508,084</u>	<u>508,084</u>	<u>404,560</u>	<u>103,524</u>	<u>458,115</u>
Net change in fund balance	<u>\$ 29,594</u>	<u>\$ 29,594</u>	325,600	<u>\$ 296,006</u>	<u>\$ 168,878</u>
Beginning fund balance			<u>1,624,213</u>		
Ending fund balance			<u>\$ 1,949,813</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL MUNICIPAL COURT PROGRAMS FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Fines and forfeitures	\$ 32,347	\$ 32,347	\$ 43,114	\$ 10,767	\$ 24,489
Investment revenue	853	853	2,098	1,245	1,776
Total revenues	<u>33,200</u>	<u>33,200</u>	<u>45,212</u>	<u>12,012</u>	<u>26,265</u>
Expenditures					
Current					
Public safety	27,438	38,225	25,472	12,753	11,500
Total expenditures	<u>27,438</u>	<u>38,225</u>	<u>25,472</u>	<u>12,753</u>	<u>11,500</u>
Net change in fund balance	<u>\$ 5,762</u>	<u>\$ (5,025)</u>	19,740	<u>\$ 24,765</u>	<u>\$ 14,765</u>
Beginning fund balance			<u>117,463</u>		
Ending fund balance			<u>\$ 137,203</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARK IMPROVEMENT FEES FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Charges for services	\$ 10,313	\$ 10,313	\$ 19,618	\$ 9,305	\$ 20,271
Investment revenue	703	703	13,660	12,957	14,310
Total revenues	<u>11,016</u>	<u>11,016</u>	<u>33,278</u>	<u>22,262</u>	<u>34,581</u>
Expenditures					
Current					
Economic development	-	14,492	14,492	-	12,960
Capital outlay	<u>246,144</u>	<u>246,144</u>	<u>5,518</u>	<u>240,626</u>	<u>134,942</u>
Total expenditures	<u>246,144</u>	<u>260,636</u>	<u>20,010</u>	<u>240,626</u>	<u>147,902</u>
Net change in fund balance	<u>\$ (235,128)</u>	<u>\$ (249,620)</u>	13,268	<u>\$ 262,888</u>	<u>\$ (113,321)</u>
Beginning fund balance			<u>257,656</u>		
Ending fund balance			<u>\$ 270,924</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CRIME CONTROL AND PREVENTION DISTRICT FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Sales taxes	\$ 1,136,199	\$ 1,136,199	\$ 1,037,383	\$ (98,816)	\$ 1,149,807
Investment revenue	25,537	25,537	67,218	41,681	45,186
Other revenue	-	-	2,477	2,477	3,688
Total revenues	<u>1,161,736</u>	<u>1,161,736</u>	<u>1,107,078</u>	<u>(54,658)</u>	<u>1,198,681</u>
Expenditures					
Current					
Public safety	827,730	825,704	755,951	69,753	748,580
Capital outlay	-	-	346,387	(346,387)	-
Debt service	-	-	-	-	-
Principal	-	138,557	138,557	-	-
Interest and fiscal agent fees	-	1,443	1,443	-	-
Total expenditures	<u>827,730</u>	<u>965,704</u>	<u>1,242,338</u>	<u>(276,634) *</u>	<u>748,580</u>
Excess of revenues over expenditures	<u>334,006</u>	<u>196,032</u>	<u>(135,260)</u>	<u>(331,292)</u>	<u>450,101</u>
Other financing sources (uses)					
Lease proceeds	-	-	346,387	346,387	-
Transfers (out)	<u>(272,344)</u>	<u>(272,344)</u>	<u>(272,344)</u>	<u>-</u>	<u>(193,671)</u>
Total other financing (uses)	<u>(272,344)</u>	<u>(272,344)</u>	<u>74,043</u>	<u>346,387</u>	<u>(193,671)</u>
Net change in fund balance	<u>\$ 61,662</u>	<u>\$ (76,312)</u>	<u>(61,217)</u>	<u>\$ 15,095</u>	<u>\$ 256,430</u>
Beginning fund balance			<u>1,535,577</u>		
Ending fund balance			<u>\$ 1,474,360</u>		

Notes to Required Supplementary Information:

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

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC SAFETY PROGRAMS FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Fines and forfeitures	\$ 26,287	\$ 26,287	\$ 28,771	\$ 2,484	\$ 25,326
Intergovernmental	2,400	2,400	5,524	3,124	2,212
Investment revenue	8,395	8,395	15,977	7,582	15,944
Other revenue	<u>111,679</u>	<u>111,679</u>	<u>113,250</u>	<u>1,571</u>	<u>111,189</u>
Total revenues	<u>148,761</u>	<u>148,761</u>	<u>163,522</u>	<u>14,761</u>	<u>154,671</u>
Expenditures					
Current					
Public safety	121,112	121,225	116,111	5,114	86,148
Capital outlay	<u>134,349</u>	<u>196,598</u>	<u>72,521</u>	<u>124,077</u>	<u>76,110</u>
Total expenditures	<u>255,461</u>	<u>317,823</u>	<u>188,632</u>	<u>129,191</u>	<u>162,258</u>
Net change in fund balance	<u>\$ (106,700)</u>	<u>\$ (169,062)</u>	(25,110)	<u>\$ 143,952</u>	<u>\$ (7,587)</u>
Beginning fund balance			<u>405,458</u>		
Ending fund balance			<u>\$ 380,348</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CABLE PEG FEES FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Franchise fees	\$ 33,781	\$ 33,781	\$ 27,723	\$ (6,058)	\$ 31,170
Investment revenue	<u>6,220</u>	<u>6,220</u>	<u>4,640</u>	<u>(1,580)</u>	<u>6,871</u>
Total revenues	<u>40,001</u>	<u>40,001</u>	<u>32,363</u>	<u>(7,638)</u>	<u>38,041</u>
Expenditures					
Current					
General government	<u>46,000</u>	<u>138,386</u>	<u>124,243</u>	<u>14,143</u>	<u>29,731</u>
Total expenditures	<u>46,000</u>	<u>138,386</u>	<u>124,243</u>	<u>14,143</u>	<u>29,731</u>
Net change in fund balance	<u>\$ (5,999)</u>	<u>\$ (98,385)</u>	<u>(91,880)</u>	<u>\$ 6,505</u>	<u>\$ 8,310</u>
Beginning fund balance			<u>175,139</u>		
Ending fund balance			<u>\$ 83,259</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ANIMAL CONTROL FUND
For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Interest	\$ 30	\$ 30	\$ 434	\$ 404	\$ 176
Other revenue	3,434	3,434	-	(3,434)	-
Total revenues	<u>3,464</u>	<u>3,464</u>	<u>434</u>	<u>(3,030)</u>	<u>176</u>
Expenditures					
Current					
Public safety	7,650	7,650	3,675	3,975	-
Total expenditures	<u>7,650</u>	<u>7,650</u>	<u>3,675</u>	<u>3,975</u>	<u>-</u>
Net change in fund balance	<u>\$ (4,186)</u>	<u>\$ (4,186)</u>	(3,241)	<u>\$ 945</u>	<u>\$ 176</u>
Beginning fund balance			<u>19,271</u>		
Ending fund balance			<u>\$ 16,030</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

STATISTICAL SECTION

CITY OF SEABROOK, TEXAS
STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the government's overall financial health.

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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

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These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.

DEBT CAPACITY.....	87
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These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION.....	91
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

OPERATING INFORMATION.....	93
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These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports from the relevant year.

CITY OF SEABROOK, TEXAS
NET POSITION BY COMPONENT
Last Ten Years
(Accrual Basis of Accounting)

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities										
Net investment in capital assets	\$ 33,779,784	\$ 31,557,834	\$ 34,022,511	\$ 30,820,312	\$ 28,175,351	\$ 27,201,835	\$ 26,318,825	\$ 25,265,858	\$ 23,619,809	\$ 22,278,266
Restricted	6,551,176	6,235,065	5,738,814	5,539,625	4,876,957	4,672,760	4,757,197	4,694,544	5,170,228	4,861,342
Unrestricted	<u>7,797,789</u>	<u>8,949,993</u>	<u>5,686,952</u>	<u>6,756,244</u>	<u>7,127,429</u>	<u>7,053,199</u>	<u>6,521,332</u>	<u>5,949,341</u>	<u>5,987,299</u>	<u>4,193,837</u>
Total governmental activities net position	<u>\$ 48,128,749</u>	<u>\$ 46,742,892</u>	<u>\$ 45,448,277</u>	<u>\$ 43,116,181</u>	<u>\$ 40,179,737</u>	<u>\$ 38,927,794</u>	<u>\$ 37,597,354</u>	<u>\$ 35,909,743</u>	<u>\$ 34,777,336</u>	<u>\$ 31,333,445</u>
Business-type activities										
Net investment in capital assets	\$ 49,894,164	\$ 41,427,075	\$ 22,199,475	\$ 8,050,272	\$ 6,958,646	\$ 8,283,669	\$ 8,812,420	\$ 4,673,874	\$ 10,976,731	\$ 10,898,317
Restricted	4,972,406	4,881,538	4,433,873	4,433,874	4,300,283	3,145,604	2,674,389	2,683,443	2,522,751	2,495,389
Unrestricted	<u>7,092,115</u>	<u>7,538,928</u>	<u>7,137,940</u>	<u>9,294,829</u>	<u>9,687,504</u>	<u>6,717,220</u>	<u>5,914,543</u>	<u>8,759,092</u>	<u>1,783,998</u>	<u>1,449,615</u>
Total business-type activities net position	<u>\$ 61,958,685</u>	<u>\$ 53,847,541</u>	<u>\$ 33,771,288</u>	<u>\$ 21,778,975</u>	<u>\$ 20,946,433</u>	<u>\$ 18,146,493</u>	<u>\$ 17,401,352</u>	<u>\$ 16,116,409</u>	<u>\$ 15,283,480</u>	<u>\$ 14,843,321</u>
Primary government										
Net investment in capital assets	\$ 83,673,948	\$ 72,984,909	\$ 56,221,986	\$ 38,870,584	\$ 35,133,997	\$ 35,485,504	\$ 35,131,245	\$ 29,939,732	\$ 34,596,540	\$ 33,176,583
Restricted	11,523,582	11,116,603	10,172,687	9,973,499	9,177,240	7,818,364	7,431,586	7,377,987	7,692,979	7,356,731
Unrestricted	<u>14,889,904</u>	<u>16,488,921</u>	<u>12,824,892</u>	<u>16,051,073</u>	<u>16,814,933</u>	<u>13,770,419</u>	<u>12,435,875</u>	<u>14,708,433</u>	<u>7,771,297</u>	<u>5,643,452</u>
Total primary government net position	<u>\$ 110,087,434</u>	<u>\$ 100,590,433</u>	<u>\$ 79,219,565</u>	<u>\$ 64,895,156</u>	<u>\$ 61,126,170</u>	<u>\$ 57,074,287</u>	<u>\$ 54,998,706</u>	<u>\$ 52,026,152</u>	<u>\$ 50,060,816</u>	<u>\$ 46,176,766</u>

CITY OF SEABROOK, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses										
Governmental activities										
General government	\$ 4,168,822	\$ 4,517,144	\$ 4,092,940	\$ 3,796,799	\$ 3,680,753	\$ 3,890,689	\$ 3,900,540	\$ 3,338,192	\$ 3,454,477	\$ 3,848,282
Public safety	10,038,953	9,122,987	8,060,818	8,103,724	8,837,709	7,124,146	6,629,558	6,668,690	6,104,299	4,786,353
Public works	2,752,134	2,794,535	2,699,573	1,992,198	2,380,054	2,509,691	2,438,285	2,283,662	2,209,046	1,899,510
Economic development	417,428	476,929	543,142	294,254	524,516	689,091	812,566	778,571	617,333	348,324
Other intergovernmental charges	905,071	482,521	508,528	553,692	561,811	543,882	592,887	681,853	762,518	838,721
Total governmental activities expenses	<u>18,282,408</u>	<u>17,394,116</u>	<u>15,905,001</u>	<u>14,740,667</u>	<u>15,984,843</u>	<u>14,757,499</u>	<u>14,373,836</u>	<u>13,750,968</u>	<u>13,147,673</u>	<u>11,721,190</u>
Business-type activities										
Utilities	<u>10,579,885</u>	<u>9,270,928</u>	<u>8,034,750</u>	<u>8,004,669</u>	<u>6,754,222</u>	<u>6,076,489</u>	<u>6,035,659</u>	<u>5,901,487</u>	<u>5,279,016</u>	<u>4,832,090</u>
Total business-type activities expenses	<u>10,579,885</u>	<u>9,270,928</u>	<u>8,034,750</u>	<u>8,004,669</u>	<u>6,754,222</u>	<u>6,076,489</u>	<u>6,035,659</u>	<u>5,901,487</u>	<u>5,279,016</u>	<u>4,832,090</u>
Total primary government expenses	<u>\$ 28,862,293</u>	<u>\$ 26,665,044</u>	<u>\$ 23,939,751</u>	<u>\$ 22,745,336</u>	<u>\$ 22,739,065</u>	<u>\$ 20,833,988</u>	<u>\$ 20,409,495</u>	<u>\$ 19,652,455</u>	<u>\$ 18,426,689</u>	<u>\$ 16,553,280</u>
Program revenues										
Governmental activities										
Charges for services	\$ 1,740,033	\$ 1,326,293	\$ 1,948,404	\$ 1,504,924	\$ 1,665,033	\$ 973,666	\$ 1,035,570	\$ 1,143,174	\$ 876,229	\$ 902,015
Operating grants and contributions	172,876	863,698	405,973	462,317	1,187,359	432,945	487,907	282,408	334,239	238,472
Capital grants and contributions	<u>2,600,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,408</u>	<u>2,453</u>	<u>294,298</u>	<u>260,223</u>	<u>478,432</u>	<u>232,198</u>
Total governmental activities program revenues	<u>4,513,378</u>	<u>2,189,991</u>	<u>2,354,377</u>	<u>1,967,241</u>	<u>2,854,800</u>	<u>1,409,064</u>	<u>1,817,775</u>	<u>1,685,805</u>	<u>1,688,900</u>	<u>1,372,685</u>

(Continued)

CITY OF SEABROOK, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type activities										
Charges for services	\$ 11,918,031	\$ 11,927,424	\$ 10,703,944	\$ 9,514,435	\$ 8,370,924	\$ 7,905,427	\$ 8,000,219	\$ 7,644,570	\$ 6,817,957	\$ 6,379,326
Capital grants and contributions	5,579,994	18,410,179	11,035,992	993,752	2,600,228	303,446	427,662	236,655	73,878	141,601
Total business-type activities revenues	17,498,025	30,337,603	21,739,936	10,508,187	10,971,152	8,208,873	8,427,881	7,881,225	6,891,835	6,520,927
Total primary government program revenues	\$ 22,011,403	\$ 32,527,594	\$ 24,094,313	\$ 12,475,428	\$ 13,825,952	\$ 9,617,937	\$ 10,245,656	\$ 9,567,030	\$ 8,580,735	\$ 7,893,612
Net (expense)/revenue										
Governmental activities	\$ (13,769,030)	\$ (15,204,125)	\$ (13,550,624)	\$ (12,773,426)	\$ (13,130,043)	\$ (13,348,435)	\$ (12,556,061)	\$ (12,065,163)	\$ (11,458,773)	\$ (10,348,505)
Business-type activities	6,918,140	21,066,675	13,705,186	2,503,518	4,216,930	2,132,384	2,392,222	1,979,738	1,612,819	1,688,837
Total primary government net (expense) revenue	\$ (6,850,890)	\$ 5,862,550	\$ 154,562	\$ (10,269,908)	\$ (8,913,113)	\$ (11,216,051)	\$ (10,163,839)	\$ (10,085,425)	\$ (9,845,954)	\$ (8,659,668)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 8,557,112	\$ 8,125,813	\$ 8,064,350	\$ 8,145,649	\$ 7,612,682	\$ 7,027,755	\$ 6,975,344	\$ 6,441,270	\$ 6,452,911	\$ 6,004,934
Sales and use taxes	3,348,696	3,693,971	3,510,399	3,396,295	2,994,232	2,776,366	2,946,279	3,037,188	2,901,318	2,768,645
Franchise fees and local taxes	1,331,273	1,243,064	1,197,595	1,254,909	1,113,688	1,329,757	1,426,481	1,229,769	1,264,528	1,294,765
Investment revenue	1,660,015	1,069,225	171,800	9,411	149,979	334,911	229,697	117,990	60,941	8,544
Other revenues	467,165	547,548	638,174	792,443	632,640	1,036,348	1,064,992	608,779	2,210,157	814,897
Special item	14,767	42,800	62,327	-	-	-	-	-	525,000	-
Transfers	(224,141)	1,776,319	2,238,075	2,062,935	2,084,076	2,173,738	1,822,415	1,762,574	1,487,809	1,688,330
Total governmental activities	15,154,887	16,498,740	15,882,720	15,661,642	14,587,297	14,678,875	14,465,208	13,197,570	14,902,664	12,580,115
Business-type activities										
Franchise fees	419,903	422,135	378,111	345,335	344,369	298,573	299,010	292,975	-	-
Investment revenue	527,453	336,432	69,138	8,432	107,906	263,537	203,399	94,532	18,721	2,442
Other revenues	21,507	27,330	7,795	38,195	214,811	224,385	212,727	228,258	296,428	290,465
Transfers	224,141	(1,776,319)	(2,238,075)	(2,062,935)	(2,084,076)	(2,173,738)	(1,822,415)	(1,762,574)	(1,487,809)	(1,688,330)
Total business-type activities	1,193,004	(990,422)	(1,783,031)	(1,670,973)	(1,416,990)	(1,387,243)	(1,107,279)	(1,146,809)	(1,172,660)	(1,395,423)
Total primary government	\$ 16,347,891	\$ 15,508,318	\$ 14,099,689	\$ 13,990,669	\$ 13,170,307	\$ 13,291,632	\$ 13,357,929	\$ 12,050,761	\$ 13,730,004	\$ 11,184,692
Changes in net position										
Governmental activities	\$ 1,385,857	\$ 1,294,615	\$ 2,332,096	\$ 2,888,216	\$ 1,457,254	\$ 1,330,440	\$ 1,909,147	\$ 1,132,407	\$ 3,443,891	\$ 2,231,610
Business-type activities	8,111,144	20,076,253	11,992,313	832,542	2,799,940	745,141	1,284,943	539,954	440,159	293,414
Total primary government	\$ 9,497,001	\$ 21,370,868	\$ 14,324,409	\$ 3,720,758	\$ 4,257,194	\$ 2,075,581	\$ 3,194,090	\$ 1,672,361	\$ 3,884,050	\$ 2,525,024

CITY OF SEABROOK, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES
Last Ten Years
(Accrual Basis of Accounting)

Function	Change 2023-2024	Fiscal Year									
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Property	0.8%	\$ 8,557,112	\$ 8,125,813	\$ 8,064,350	\$ 8,145,649	\$ 7,612,682	\$ 7,027,755	\$ 6,975,344	\$ 6,441,270	\$ 6,452,911	\$ 6,004,934
Sales and use	5.2%	3,348,696	3,693,971	3,510,399	3,396,295	2,994,232	2,776,366	2,946,279	3,037,188	2,901,318	2,768,645
Franchise fees and local taxes	3.8%	1,331,273	1,243,064	1,197,595	1,254,909	1,113,688	1,329,757	1,426,481	1,229,769	1,264,528	1,294,765
Totals	2.3%	<u>\$ 13,237,081</u>	<u>\$ 13,062,848</u>	<u>\$ 12,772,344</u>	<u>\$ 12,796,853</u>	<u>\$ 11,720,602</u>	<u>\$ 11,133,878</u>	<u>\$ 11,348,104</u>	<u>\$ 10,708,227</u>	<u>\$ 10,618,757</u>	<u>\$ 10,068,344</u>

CITY OF SEABROOK, TEXAS
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General fund										
Nonspendable	\$ 52,564	\$ 77,856	\$ 48,545	\$ 55,889	\$ 52,707	\$ 67,459	\$ 86,334	\$ 38,780	\$ 84,443	\$ 142,883
Committed	2,495,366	2,495,366	2,455,709	2,449,729	2,449,307	2,441,637	822,402	2,409,881	2,404,292	801,976
Assigned	-	-	-	-	-	-	-	21,000	21,000	21,000
Unassigned	<u>6,023,232</u>	<u>6,397,654</u>	<u>3,423,264</u>	<u>5,072,555</u>	<u>6,564,500</u>	<u>6,925,563</u>	<u>8,025,330</u>	<u>5,830,055</u>	<u>5,052,164</u>	<u>5,149,807</u>
Total governal fund	<u>\$ 8,571,162</u>	<u>\$ 8,970,876</u>	<u>\$ 5,927,518</u>	<u>\$ 7,578,173</u>	<u>\$ 9,066,514</u>	<u>\$ 9,434,659</u>	<u>\$ 8,934,066</u>	<u>\$ 8,299,716</u>	<u>\$ 7,561,899</u>	<u>\$ 6,115,666</u>
All other governmental funds										
Nonspendable	\$ 300	\$ 1,204	\$ 40,870	\$ 44,257	\$ -	\$ 62,762	\$ 103,953	\$ 34,630	\$ 31,896	\$ 23,333
Restricted	23,852,875	8,452,418	12,028,292	11,061,868	7,982,410	5,023,848	4,757,197	4,868,848	11,536,398	12,484,357
Assigned	<u>1,051,552</u>	<u>1,445,553</u>	<u>1,445,377</u>	<u>1,442,093</u>	<u>1,441,141</u>	<u>522,655</u>	<u>522,655</u>	-	-	-
Total all other governmental funds	<u>\$ 24,904,727</u>	<u>\$ 9,899,175</u>	<u>\$ 13,514,539</u>	<u>\$ 12,548,218</u>	<u>\$ 9,423,551</u>	<u>\$ 5,609,265</u>	<u>\$ 5,383,805</u>	<u>\$ 4,903,478</u>	<u>\$ 11,568,294</u>	<u>\$ 12,507,690</u>

CITY OF SEABROOK, TEXAS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes and fees	\$ 13,216,904	\$ 13,022,185	\$ 12,793,272	\$ 12,539,258	\$ 11,709,039	\$ 11,095,136	\$ 11,349,124	\$ 10,759,116	\$ 10,567,809	\$ 10,077,143
Licenses and fees	290,903	276,441	770,103	318,576	368,305	291,126	392,499	346,990	162,395	234,429
Fines and forfeitures	577,083	350,738	415,051	401,555	627,683	556,447	514,887	615,090	596,813	526,530
Charges for services	839,802	743,770	763,250	784,793	669,045	126,093	128,184	181,094	117,021	141,056
Intergovernmental	2,773,345	863,698	405,973	462,317	1,184,743	435,398	490,391	362,416	764,278	470,670
Investment revenue	1,551,143	992,834	160,117	8,717	138,414	357,272	221,271	114,471	60,941	8,544
Other revenues	467,165	547,548	416,865	557,226	632,640	598,998	1,058,957	608,779	2,210,157	814,897
Total revenues	19,716,345	16,797,214	15,724,631	15,072,442	15,329,869	13,460,470	14,155,313	12,987,956	14,479,414	12,273,269
Expenditures										
General government	3,896,809	4,011,950	3,630,593	3,479,615	3,709,753	3,422,795	3,495,141	3,075,333	3,060,008	3,680,496
Public safety	9,608,605	8,639,579	8,035,131	7,852,225	8,394,178	6,391,905	6,099,004	5,744,384	5,526,619	4,550,492
Public works	2,375,291	2,202,432	1,942,671	1,845,927	1,900,645	2,060,579	2,175,847	1,993,389	2,334,366	1,805,990
Economic development	419,052	471,075	549,179	298,109	520,730	681,919	809,430	691,646	613,263	349,247
Capital outlay	3,403,128	1,283,160	2,265,947	81,116	442,360	219,453	193,970	6,351,653	2,211,265	1,361,769
Debt service:			1,526,749							
Principal	1,746,774	1,566,749	514,056	1,491,749	1,440,000	1,410,000	1,345,000	1,265,000	1,215,000	935,000
Interest and fiscal agent fees	688,389	484,923	-	563,089	506,334	525,677	583,780	619,594	768,742	699,810
Bond issuance costs	237,980	-	-	-	52,737	-	-	59,046	-	126,244
Refunding contribution	-	-	-	-	-	-	-	105,881	-	-
Total expenditures	22,376,028	18,659,868	18,464,326	15,611,830	16,966,737	14,712,328	14,702,172	19,905,926	15,729,263	13,509,048
Excess (deficiency) of revenues over (under) expenditures	(2,659,683)	(1,862,654)	(2,739,695)	(539,388)	(1,636,868)	(1,251,858)	(546,859)	(6,917,970)	(1,249,849)	(1,235,779)
Other financing sources (uses)										
Transfers in	2,726,320	5,543,541	5,083,888	4,576,674	3,045,973	2,040,825	2,352,098	1,854,983	2,549,695	1,736,381
Transfer out	(603,922)	(4,252,893)	(3,028,527)	(2,636,177)	(1,117,597)	(559,492)	(690,562)	(924,746)	(793,009)	(48,051)
Refunding bonds issued	-	-	-	-	-	-	-	5,365,000	-	-
Proceeds from debt	14,211,387	-	-	-	2,669,904	-	-	-	-	8,380,000
Premium on bonds issued	931,736	-	-	-	484,729	-	-	-	-	305,494
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	(5,304,266)	-	-
Insurance proceeds	-	-	-	235,217	-	-	-	-	-	-
Total other financing sources (uses)	17,265,521	1,290,648	2,055,361	2,175,714	5,083,009	1,481,333	1,661,536	990,971	1,756,686	10,373,824
Net change in fund balances	\$ 14,605,838	\$ (572,006)	\$ (684,334)	\$ 1,636,326	\$ 3,446,141	\$ 229,475	\$ 1,114,677	\$ (5,926,999)	\$ 506,837	\$ 9,138,045
Debt service as a percentage of noncapital expenditures	12.49%	12.30%	12.62%	13.34%	12.67%	14.23%	14.05%	14.67%	15.53%	14.13%

CITY OF SEABROOK, TEXAS
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Real property	\$ 2,073,262,438	\$ 1,931,682,141	\$ 1,745,644,123	\$ 1,649,341,446	\$ 1,555,906,561	\$ 1,420,712,298	\$ 1,363,048,039	\$ 1,263,608,355	\$ 1,149,250,879	\$ 1,050,841,139
Personal property	195,594,679	160,676,614	149,950,968	150,017,016	142,704,467	134,321,104	120,684,600	104,585,004	101,798,001	83,736,870
Less: Tax exempt property	<u>(396,305,206)</u>	<u>(360,190,868)</u>	<u>(322,822,093)</u>	<u>(306,343,957)</u>	<u>(289,422,871)</u>	<u>(268,916,146)</u>	<u>(251,105,865)</u>	<u>(226,833,984)</u>	<u>(206,733,522)</u>	<u>(183,332,730)</u>
Total Taxable Assessed Value ⁽¹⁾	<u>\$ 1,872,551,911</u>	<u>\$ 1,732,167,887</u>	<u>\$ 1,572,772,998</u>	<u>\$ 1,493,014,505</u>	<u>\$ 1,409,188,157</u>	<u>\$ 1,286,117,256</u>	<u>\$ 1,232,626,774</u>	<u>\$ 1,141,359,375</u>	<u>\$ 1,044,315,358</u>	<u>\$ 951,245,279</u>
Total Direct Tax Rate	\$ 0.457755	\$ 0.476526	\$ 0.524444	\$ 0.543613	\$ 0.551983	\$ 0.551983	\$ 0.574911	\$ 0.565177	\$ 0.612611	\$ 0.640030

Source: Harris County Certified Tax Rolls and Corrections

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.
 Tax rates are per \$100 of assessed value.

Note: In 2002, the City approved creation of the Harris County Municipal Utility District (HC MUD 373) and agreed to pay HC MUD 373 12 percent of the taxes collected by the City on land and improvements for entities within the HC MUD 373 jurisdiction for a term of seven and a half years, so long as the HC MUD 373 has any bonded indebtedness. Total direct rates exclude the HC MUD 373 tax of \$0.355 because it only affects 298 tax accounts within the City.

CITY OF SEABROOK, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City by fund:										
General	0.35219	0.35657	0.39011	0.39985	0.40314	0.40314	0.41941	0.39457	0.42346	0.45951
Debt service	0.10557	0.11995	0.13434	0.14376	0.14884	0.14884	0.15551	0.17060	0.18916	0.18052
Total direct rates	<u>0.45776</u>	<u>0.47652</u>	<u>0.52445</u>	<u>0.54361</u>	<u>0.55198</u>	<u>0.55198</u>	<u>0.57492</u>	<u>0.56517</u>	<u>0.61262</u>	<u>0.64003</u>
Clear Creek Independent School District	0.97460	1.11460	1.17970	1.26590	1.31000	1.40000	1.40000	1.40000	1.40000	1.40000
Harris County	0.35007	0.34373	0.37693	0.39116	0.40713	0.41858	0.41801	0.41656	0.41656	0.41731
Harris County Flood Control District	0.03105	0.03055	0.03349	0.03142	0.02792	0.02877	0.28310	0.02829	0.02829	0.02736
Port of Houston Authority	0.00574	0.00799	0.00872	0.00991	0.01074	0.01155	0.01256	0.01334	0.01334	0.01531
Harris County Hospital District	0.14343	0.14831	0.16221	0.16671	0.16591	0.17108	0.17110	0.17179	0.17000	0.17000
Harris County Dept. of Education	<u>0.00480</u>	<u>0.00490</u>	<u>0.00499</u>	<u>0.00499</u>	<u>0.00500</u>	<u>0.00519</u>	<u>0.00520</u>	<u>0.00520</u>	<u>0.00520</u>	<u>0.00600</u>
Total Direct and Overlapping Rates ⁽¹⁾	<u>\$ 1.96745</u>	<u>\$ 2.12660</u>	<u>\$ 2.29049</u>	<u>\$ 2.41370</u>	<u>\$ 2.47868</u>	<u>\$ 2.58715</u>	<u>\$ 2.86489</u>	<u>\$ 2.60035</u>	<u>\$ 2.64601</u>	<u>\$ 2.67601</u>

Tax rates per \$100 of assessed valuation

Source: Harris Central Appraisal District

(1) Overlapping rates are those of local and county governments that apply within the City of Seabrook.

Note: In 2002, the City approved creation of the Harris County Municipal Utility District (HC MUD 373) and agreed to pay HC MUD 373 12 percent of the taxes collected by the City on land and improvements for entities within the HC MUD 373 jurisdiction for a term of seven and a half years, so long as the HC MUD 373 has any bonded indebtedness. Total direct rates exclude the HC MUD 373 tax of \$0.355 because it only affects 298 tax accounts within the City.

CITY OF SEABROOK, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Ten Years Ago

<u>Property Taxpayer</u>	2024			2015		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Taxable Assessed Value</u>
Western Rim Investors	\$ 76,715,507	1	4.10%	\$ -	0	0.00%
Aireit Bayport 146 DC LP	49,500,000	2	2.64%	-	0	0.00%
Seabrook Properties LLC.	45,272,247	3	2.42%	-	0	0.00%
Vista Shores 2011LP	32,251,952	4	1.72%	10,290,397	4	1.08%
WREF Bar Harbor LP	31,636,076	5	1.69%	-	0	0.00%
Sinbad Landing Corp.	28,584,636	6	1.53%	15,635,635	1	1.64%
Duke Reality LP	22,554,605	7	1.20%	-	0	0.00%
Marina Max	19,761,742	8	1.06%	-	0	0.00%
3000 Nasa Parkway LLC	18,121,584	9	0.97%	8,474,143	5	0.89%
Grove at Searock LLC	16,283,313	10	0.87%	-	0	0.00%
Nasa Road Apartments LLC	-	-	0.00%	6,966,678	7	0.73%
Repsdorph Road LTD	-	-	0.00%	15,578,988	2	1.64%
DMH 90	-	-	0.00%	11,738,989	3	1.23%
Lamrock 3/2001LP	-	-	0.00%	6,870,649	8	0.72%
Centerpoint Energy Inc.	-	-	0.00%	7,494,860	6	0.79%
Omkar Group Seabrook LP	-	-	0.00%	5,261,535	9	0.55%
Seabrook Hospitality	-	-	0.00%	4,689,967	10	0.50%
Subtotal	340,681,662		18.20%	93,001,841		9.77%
Other taxpayers	1,531,870,249		81.80%	858,243,438		90.23%
Total taxable assessed value*	<u>\$ 1,872,551,911</u>		<u>100.00%</u>	<u>\$ 951,245,279</u>		<u>100.00%</u>

Source: Harris County Tax Assessor-Collector's records.

CITY OF SEABROOK, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax levy	\$ 8,618,798	\$ 8,075,029	\$ 8,042,633	\$ 7,977,305	\$ 7,612,966	\$ 6,997,431	\$ 6,960,493	\$ 6,411,690	\$ 6,329,284	\$ 5,984,940
Current tax collected	\$ 8,494,568	\$ 7,968,492	\$ 7,965,081	\$ 7,869,493	\$ 7,525,983	\$ 6,902,533	\$ 6,887,981	\$ 6,344,390	\$ 6,248,998	\$ 5,908,134
Percentage of current tax collections	98.56%	98.68%	99.04%	98.65%	98.86%	98.64%	98.96%	98.95%	98.73%	98.72%
Collections in subsequent years	-	55,663	55,891	88,952	65,349	76,202	52,724	51,882	67,828	66,419
Total tax collections to date	<u>\$ 8,494,569</u>	<u>\$ 8,024,156</u>	<u>\$ 8,020,973</u>	<u>\$ 7,958,446</u>	<u>\$ 7,591,333</u>	<u>\$ 6,978,736</u>	<u>\$ 6,940,706</u>	<u>\$ 6,396,273</u>	<u>\$ 6,316,827</u>	<u>\$ 5,974,554</u>
Total collections as a percentage of current levy	98.56%	98.68%	99.61%	99.71%	99.69%	99.71%	99.69%	99.74%	99.78%	99.80%

CITY OF SEABROOK, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Primary government										
Governmental activities:										
General obligation bonds	\$ 14,726,094	\$ 11,803,022	\$ 13,715,316	\$ 15,199,828	\$ 16,197,805	\$ 17,593,645	\$ 18,959,485	\$ 20,265,325	\$ 21,394,753	\$ 22,590,010
Certificates of obligation	13,487,541	3,297,441	2,991,406	3,073,155	3,610,396	540,000	600,000	655,000	705,000	750,000
Leases	207,830	-	-	-	-	-	-	-	-	-
Subtotal	<u>28,421,465</u>	<u>15,100,463</u>	<u>16,706,722</u>	<u>18,272,983</u>	<u>19,808,201</u>	<u>18,133,645</u>	<u>19,559,485</u>	<u>20,920,325</u>	<u>22,099,753</u>	<u>23,340,010</u>
Business-type activities:										
Revenue bonds	\$ 1,046,000	\$ 1,260,000	\$ 1,465,000	\$ 1,665,000	\$ 1,856,000	\$ 2,039,000	\$ 2,209,000	\$ 2,377,000	\$ 2,653,000	\$ 2,918,000
Certificates of obligation	13,708,754	14,194,503	14,666,719	15,133,937	15,591,155	7,680,000	8,005,000	8,320,000	2,500,000	-
General obligation bonds	150,000	300,000	445,000	585,000	725,000	1,614,440	1,785,128	1,955,815	1,145,000	1,155,000
Notes payable	3,075,499	3,248,234	3,415,694	3,490,110	3,562,254	3,632,195	3,700,000	-	-	-
Subtotal	<u>17,980,253</u>	<u>19,002,737</u>	<u>19,992,413</u>	<u>20,874,047</u>	<u>21,734,409</u>	<u>14,965,635</u>	<u>15,699,128</u>	<u>12,652,815</u>	<u>6,298,000</u>	<u>4,073,000</u>
Total primary government	<u>\$ 46,401,718</u>	<u>\$ 34,103,200</u>	<u>\$ 36,699,135</u>	<u>\$ 39,147,030</u>	<u>\$ 41,542,610</u>	<u>\$ 33,099,280</u>	<u>\$ 35,258,613</u>	<u>\$ 33,573,140</u>	<u>\$ 28,397,753</u>	<u>\$ 27,413,010</u>
Personal income	\$ 809,281,658	\$ 826,032,402	\$ 822,105,864	\$ 803,229,960	\$ 797,085,120	\$ 796,559,396	\$ 740,316,290	\$ 725,800,284	\$ 557,459,388	\$ 52,444,395
Debt as a percentage of personal income	5.73%	4.13%	4.46%	4.87%	5.21%	4.16%	4.76%	4.63%	5.09%	5.23%
Population	15,118	15,118	15,112	15,036	14,931	14,826	14,554	14,287	13,716	12,843
Debt per capita	\$ 3,069	\$ 2,256	\$ 2,429	\$ 2,603	\$ 2,782	\$ 2,232	\$ 2,423	\$ 2,350	\$ 2,070	\$ 2,134

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF SEABROOK, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Taxable Assessed Value										
All property	\$1,872,551,911	\$1,732,167,887	\$1,572,772,998	\$1,493,014,505	\$1,409,188,157	\$1,286,117,256	\$1,232,626,774	\$1,141,359,375	\$1,044,315,358	\$ 951,245,279
Net bonded debt										
Gross bonded debt	\$ 42,072,389	\$ 29,594,966	\$ 31,818,441	\$ 33,991,920	\$ 36,124,356	\$ 27,428,085	\$ 29,349,613	\$ 20,920,325	\$ 25,744,753	\$ 24,495,010
Less debt service funds	<u>2,220,721</u>	<u>2,120,763</u>	<u>1,991,653</u>	<u>1,943,158</u>	<u>1,913,432</u>	<u>1,795,563</u>	<u>1,785,719</u>	<u>1,783,732</u>	<u>1,796,375</u>	<u>1,799,611</u>
Total net bonded debt	<u>\$ 39,851,668</u>	<u>\$ 27,474,203</u>	<u>\$ 29,826,788</u>	<u>\$ 32,048,762</u>	<u>\$ 34,210,924</u>	<u>\$ 25,632,522</u>	<u>\$ 27,563,894</u>	<u>\$ 19,136,593</u>	<u>\$ 23,948,378</u>	<u>\$ 22,695,399</u>
Ratio of net bonded debt to assessed value	2.13%	1.59%	1.90%	2.15%	2.43%	1.99%	2.24%	1.68%	2.29%	2.39%
Population	15,118	15,118	15,112	15,036	14,931	14,826	14,554	14,287	13,716	12,843
Net bonded debt per capita	\$ 2,636	\$ 1,817	\$ 1,974	\$ 2,131	\$ 2,291	\$ 1,729	\$ 1,894	\$ 1,339	\$ 1,746	\$ 1,767

CITY OF SEABROOK, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

	Net Bonded Debt <u>Outstanding</u> ⁽¹⁾	Estimated Percentage <u>Applicable</u> ⁽²⁾	Estimated Share of Overlapping <u>Debt</u> ⁽¹⁾
Debt Repaid with Property Taxes			
Governmental unit			
Clear Creek Independent School District	\$ 1,176,243	4.58%	\$ 53,872
Harris County ⁽³⁾	2,577,839	0.21%	5,413
Harris County Flood Control District	991,095	0.21%	2,081
Port of Houston Authority	426,134	0.21%	895
Harris County Municipal Utility District 373	865	100.00%	<u>865</u>
Subtotal, overlapping debt			63,127
City Direct Debt (in thousands)	\$ 28,214	100.00%	<u>28,214</u>
Total direct and overlapping debt			<u>\$ 91,340</u>

Sources: Harris County Auditor's Office
Accounting records of the City and the various taxing authorities

(1) Dollars in thousands

(2) Excludes toll road tax bonds. The City's policy and practice have been to provide payment of debt service on the outstanding Toll Road Tax Bonds from toll revenues and certain other funds, and to date no tax has been collected to provide for such debt service.

(3) Excludes commercial paper transactions. Harris County and the Harris County Flood Control District have established a general obligation commercial paper program payable from ad valorem taxes for the purpose of financing various short-term assets and temporary construction financing for certain long-term fixed assets. The commercial paper program consists of six series totaling \$655 million. To date, specific projects have been approved for no more than \$462.8 million.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

CITY OF SEABROOK, TEXAS
PLEDGED-REVENUE COVERAGE
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Gross Revenues ⁽¹⁾	\$ 12,886,894	\$ 12,713,321	\$ 11,229,146	\$ 9,906,394	\$ 9,038,010	\$ 8,472,410	\$ 8,715,355	\$ 8,260,336	\$ 7,133,106	\$ 6,672,233
Operating Expenses ⁽²⁾	<u>9,150,393</u>	<u>7,916,986</u>	<u>6,785,238</u>	<u>6,763,194</u>	<u>5,546,860</u>	<u>5,472,137</u>	<u>5,084,986</u>	<u>4,897,551</u>	<u>4,512,995</u>	<u>4,155,276</u>
Net Revenues Available for Debt Service	<u>\$ 3,736,501</u>	<u>\$ 4,796,335</u>	<u>\$ 4,443,908</u>	<u>\$ 3,143,200</u>	<u>\$ 3,491,150</u>	<u>\$ 3,000,273</u>	<u>\$ 3,630,369</u>	<u>\$ 3,362,785</u>	<u>\$ 2,620,111</u>	<u>\$ 2,516,957</u>
Debt Service Requirements ⁽³⁾										
Principal	\$ 214,000	\$ 205,000	\$ 200,000	\$ 191,000	\$ 183,000	\$ 170,000	\$ 168,000	\$ 276,000	\$ 265,000	\$ 265,000
Interest	<u>52,902</u>	<u>61,810</u>	<u>70,495</u>	<u>78,793</u>	<u>86,746</u>	<u>94,130</u>	<u>101,430</u>	<u>112,192</u>	<u>123,933</u>	<u>155,894</u>
Total	<u>\$ 266,902</u>	<u>\$ 266,810</u>	<u>\$ 270,495</u>	<u>\$ 269,793</u>	<u>\$ 269,746</u>	<u>\$ 264,130</u>	<u>\$ 269,430</u>	<u>\$ 388,192</u>	<u>\$ 388,933</u>	<u>\$ 420,894</u>
Coverage	14.00	17.98	16.43	11.65	12.94	11.36	13.47	8.66	6.74	5.98

⁽¹⁾ Total revenues including interest

⁽²⁾ Total operating expenses less depreciation

⁽³⁾ Includes revenue bonds only

CITY OF SEABROOK, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

<u>Fiscal</u> <u>Year</u>	<u>Population</u> ⁽¹⁾⁽⁵⁾	<u>Personal</u> <u>Income</u> ⁽⁴⁾	<u>Per Capita</u> <u>Personal</u> <u>Income</u> ⁽⁵⁾	<u>Median</u> <u>Age</u> ⁽⁵⁾	<u>School</u> <u>Enrollment</u> ⁽²⁾	<u>Unemployment</u> <u>Rate</u> ⁽³⁾⁽⁵⁾
2015	12,843	\$ 524,443,905	\$ 40,835	36.8	\$ 1,763	4.9%
2016	13,716	557,459,388	40,643	36.8	1,778	505.0%
2017 ⁽⁶⁾	14,287	725,800,284	50,801	39.8	1,754	3.1%
2018	14,554	740,316,290	50,866	39.8	1,674	4.2%
2019	14,826	796,599,396	53,726	37.2	1,681	2.5%
2020	14,931	797,085,120	53,383	37.6	1,574	1.0%
2021	15,036	803,229,960	53,419	37.7	1,742	3.4%
2022	15,112	822,105,864	54,403	34.7	1,607	4.7%
2023	15,118	826,032,402	54,639	34.8	1,536	2.9%
2024	15,118	809,281,658	53,531	34.8	1,420	4.1%

Data Sources:

- (1) Records of the City
- (2) Clear Creek Independent School District
- (3) Tracer
- (4) Personal income information is a total for the year.
- (5) Sperlings Best Places
- (6) Retail Coach

CITY OF SEABROOK, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

<u>Employer</u>	<u>Fiscal Year</u>			
	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Total City Employment (%)</u>	<u>Employees</u>	<u>Total City Employment (%)</u>
Technical Automation Service Corporation	230	18.57%	189	18.12%
City of Seabrook	118	9.53%	99	9.49%
Tookies Seafood	108	8.72%	-	0.00%
Kroger	95	7.67%	100	9.59%
Seabrook Intermediate School	93	7.51%	91	8.72%
Bay Area Elementary	90	7.26%	80	7.67%
Lakewood Yacht Club	68	5.49%	70	6.71%
Maas Nursery and Landscaping	52	4.20%	38	3.64%
Kiwo, Inc.	48	3.87%	22	2.11%
McDonald's	47	3.79%	35	3.36%
Bay Area Trees and Landscape	46	3.71%	46	4.41%
Mario's Flying Pizza	46	3.71%	40	3.84%
Seabrook Classic Café	45	3.63%	49	4.70%
Merlion	38	3.07%	-	0.00%
Hooters	35	2.82%	80	7.67%
Marine Max	35	2.82%	32	3.07%
Burkes Outlet	25	2.02%	-	0.00%
Gulf Coast Limestone	<u>20</u>	1.61%	<u>72</u>	6.90%
Total	<u>1,239</u>	<u>100.00%</u>	<u>1,043</u>	<u>100.00%</u>

Sources: Bay Area Economic Partnership, City records

CITY OF SEABROOK, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Government:										
City manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Legislative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Marketing	1.00	1.00	1.00	1.00	1.80	0.80	0.80	0.80	1.00	0.50
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75
Purchasing	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Finance	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.50
Aministrative Assistants	-	-	-	-	1.00	1.00	-	-	-	-
GIS	2.00	2.00	2.00	2.00	1.00	-	-	-	-	-
Information technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Streets and drainage	9.43	9.43	9.43	9.43	9.38	8.38	8.38	8.72	8.38	8.17
Community development	5.30	5.30	5.30	5.30	5.30	5.30	6.00	6.00	5.00	5.00
Municipal court	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>
Subtotal	<u>33.73</u>	<u>33.73</u>	<u>33.73</u>	<u>33.73</u>	<u>34.48</u>	<u>31.48</u>	<u>29.68</u>	<u>30.02</u>	<u>28.88</u>	<u>27.92</u>
Public Safety:										
Police	35.25	35.25	35.25	35.25	33.25	33.75	32.50	33.00	37.00	36.00
Emergency management	2.00	2.00	2.00	2.00	2.00	1.50	1.00	1.00	1.00	1.00
Animal control	3.00	3.00	3.00	3.00	2.70	2.70	2.70	2.20	1.68	1.48
Commerical vehicle enforcement	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-
Crime district	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.00	5.00	5.00
Emergency Medical Services	<u>7.42</u>	<u>7.42</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>55.92</u>	<u>55.92</u>	<u>55.50</u>	<u>55.50</u>	<u>53.20</u>	<u>46.20</u>	<u>44.70</u>	<u>44.20</u>	<u>44.68</u>	<u>43.48</u>
Enterprise Operations:										
Water	7.53	7.53	7.53	7.53	7.48	7.48	7.48	7.81	7.48	7.03
Sewer	4.91	4.91	4.91	4.91	4.86	4.86	4.86	5.19	4.86	4.78
Billing	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>
Subtotal	<u>15.44</u>	<u>15.44</u>	<u>15.44</u>	<u>15.44</u>	<u>15.34</u>	<u>15.34</u>	<u>15.34</u>	<u>16.00</u>	<u>15.34</u>	<u>14.81</u>
Parks and Recreation	9.65	9.65	9.65	9.65	8.60	8.60	7.60	7.91	7.91	9.78
Hotel Tax	2.00	2.00	1.00	1.00	1.20	1.20	1.20	1.20	1.00	1.00
Economic Development	<u>1.70</u>	<u>1.70</u>	<u>1.70</u>	<u>1.70</u>	<u>1.70</u>	<u>1.70</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>1.00</u>
Total	<u>118.44</u>	<u>118.44</u>	<u>117.02</u>	<u>117.02</u>	<u>114.52</u>	<u>104.52</u>	<u>100.52</u>	<u>101.33</u>	<u>99.81</u>	<u>97.99</u>

Source: Economic development department

CITY OF SEABROOK, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Function/Program										
Police										
Arrests	514	397	405	589	644	662	839	1,580	1,120	686
Accident reports	222	237	275	232	230	271	259	648	241	358
Citations	2,477	2,574	2,280	2,594	3,361	5,365	2,130	5,315	5,871	3,620
Offense reports	1,320	843	950	1,148	1,119	870	707	848	823	442
Calls for service	20,594	18,566	11,878	10,770	12,132	12,132	12,772	6,589	13,170	10,084
Fire										
Emergency responses	716	712	588	875	599	490	459	410	386	326
Fire incidents	35	25	24	34	25	27	20	30	20	24
Total calls for service	1,047	975	770	909	749	666	663	621	555	605
Average response time	5:41	3:34	2:48	4:41	4:19	4:13	4:57	4:54	5:00	5:00
EMS										
Emergency responses	1,553	1,362	1,215	1,208	905	-	-	-	-	-
Transports	885	760	650	620	25	-	-	-	-	-
No transports	668	602	565	588	749	-	-	-	-	-
Average response time	5:06	4:54	3:55	4:35	4:37	-	-	-	-	-
Water										
New accounts	286	282	368	384	378	371	252	359	362	346
Average daily consumption (thousands of gallons)	1,612	1,593	1,715	1,622	1,768	1,625	1,802	1,708	1,602	1,602
Total consumption	461,029	461,029	587,125	592,046	442,981	593,675	658,942	623,545	618,735	584,860
Peak daily consumption (thousands of gallons)	3,370	2,836	2,643	2,527	2,677	2,454	2,296	2,881	2,989	2,974
Sewer										
Average daily sewage treatment (thousands of gallons)	857	1,109	1,160	1,290	1,315	1,431	1,262	1,300	1,220	1,393
Total consumption	312,763	404,827	417,612	459,240	481,723	522,331	458,634	475,586	444,910	510,623
Peak daily consumption (thousands of gallons)	5,191	5,729	4,450	7,060	7,055	7,730	5,192	8,127	5,310	6,947

Source: Various City departments

CITY OF SEABROOK, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Function/Program										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrols	26	26	26	26	26	26	26	17	17	17
Fire stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles - centerlines)	44.3	44.3	44.1	43.3	43.3	43.3	43.0	43.0	42.6	42.6
Streetlights	1,053	1,053	1,053	1,053	1,053	1,053	1,050	1,048	1,048	1,048
Parks and recreation										
Parks	19	19	19	19	19	19	19	19	19	19
Parks acreage	232	232	232	232	232	232	232	232	232	232
Baseball/softball diamonds	3	3	3	3	3	3	3	3	3	3
Swimming pools	2	2	2	2	2	2	2	2	2	2
Community centers	1	1	1	2	2	2	2	2	2	2
Water										
Water mains (miles)	58.3	58.3	58.1	57.3	57.3	57.3	57.3	56.8	56.4	56.4
Fires hydrants	570	570	525	516	516	516	514	510	505	503
Storage capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.1	2.1
Sewer										
Sanitary swers (miles)	56.5	56.5	56.3	55.5	55.5	55.5	55.5	55.3	54.9	54.9
Strom swers (miles)	24.4	24.4	24.4	23.6	23.6	23.6	23.4	23.4	23.2	23.2
Open ditch/creek/canal drainage (miles)	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5
Treatment capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

Source: Various City departments

CITY OF SEABROOK
SINGLE AUDIT REPORT
September 30, 2024

CITY OF SEABROOK

SINGLE AUDIT REPORT
September 30, 2024

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and City Council
Of the City of Seabrook, Texas:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements 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 as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Houston, Texas
May 30, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and City Council
Of the City of Seabrook, Texas:

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited the City of Seabrook's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended September 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements 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 as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 30, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.


Crowe LLP

Houston, Texas
May 30, 2025

CITY OF SEABROOK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF THE TREASURY			
Direct Award			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 2,600,469
Total U.S. Department of the Treasury			<u>2,600,469</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Award			
Homeland Security Grant Program	97.067	4902501	6,020
Pass-through Texas Division of Emergency Management			
Hazard Mitigation Grant Program	97.039	DR-4332-0358	<u>4,324,784</u>
Total U.S. Department of Homeland Security			<u>4,330,804</u>
 Total federal awards expended			 <u>\$ 6,931,273</u>

See accompanying notes to the schedule.

CITY OF SEABROOK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2024

NOTE 1 – REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the federal awards expended by City of Seabrook (the City) for the year ended September 30, 2024.

NOTE 2 - BASIS OF ACCOUNTING

The Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 4 – INDIRECT COST RATE

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5 – PRIOR YEAR EXPENDITURES

Expenditures in the amount of \$696,024 related to the federal program Hazard Mitigation Grant Program, Assistance Listing 97.039, were incurred in the prior year but withheld as retainage and paid out in fiscal year 2024. Accordingly, these expenditures have been listed on the fiscal year 2024 SEFA.

CITY OF SEABROOK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2024

Section I - Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ices) identified?	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major federal programs:					
Material weakness(es) identified?	No				
Significant deficiency(ies) identified?	None Reported				
Type of auditor's report issued on compliance for major federal programs:	Unmodified				
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No				
Identification of major federal programs:					
<table><tbody><tr><td><u>Award Listing Number</u></td><td><u>Name of Federal program or Cluster</u></td></tr><tr><td>21.027</td><td>Coronavirus State and Local Fiscal Recovery Funds</td></tr></tbody></table>	<u>Award Listing Number</u>	<u>Name of Federal program or Cluster</u>	21.027	Coronavirus State and Local Fiscal Recovery Funds	
<u>Award Listing Number</u>	<u>Name of Federal program or Cluster</u>				
21.027	Coronavirus State and Local Fiscal Recovery Funds				
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000				
Auditee qualified as low-risk auditee?	Yes				

Section II - Financial Statement Findings

No matters were reported.

Section III – Federal Awards Findings and Questioned Costs

No matters were reported.

CITY OF SEABROOK
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
September 30, 2024

None noted.



Agenda Briefing

Date of Meeting: June 17, 2025

Responsible Department: Economic Development

Presenter:

Briefing Prepared By: Gayle Cook

Strategic Focus Area:

General Information:

Consider and take all appropriate action on the ratification of a business development incentive agreement by Soulfreak Holdings LLC, as approved by the Seabrook Economic Development Corporation (SEDC) on May 7, 2025, in accordance with the previously posted Business Incentive Program Project Resolution for New Business Development at 1305 Main Street, in an amount not to exceed \$41,400.00.

Executive Summary / Background:

On June 3, 2025, the City Council reviewed, for ratification, a Performance Agreement between the Seabrook Economic Development Corporation (SEDC) and Soulfreak Holdings LLC. This agreement was originally approved by the SEDC and presented to Council for final ratification.

During the June 3 meeting, City Council opted to return the agreement to SEDC for further review, rather than proceed with ratification. Council discussion focused primarily on potential additional provisions, specifically:

- Inclusion of the landlord as a party to the agreement, and
- Assurances related to rent control, such as capping or limiting percentage increases in rent over time to protect the long-term viability of the tenant (Soulfreak Holdings LLC).

SEDC Action:

On June 10, 2025, the SEDC reconsidered the item during their regular meeting. After discussion, the SEDC took no formal action on the agreement, opting to maintain the

original terms as previously presented to Council.

Funding / Fiscal Information:

Supporting Materials Attached:

1. Incentive Agreement - Soulfreak Holdings

Prior Action / Review by Council, Boards, Commissions:

May 7, 2025 Seabrook Economic Development Corporation

Staff Recommendation:

SEABROOK ECONOMIC DEVELOPMENT CORPORATION PERFORMANCE AGREEMENT

This Performance Agreement (this "Agreement") is made by and between the Seabrook Economic Development Corporation, a State of Texas Type B economic development corporation (the "SEDC"), and **Soulfreak Holdings LLC** (the "Company") (with the SEDC and the Company each being a "Party", and collectively the "Parties"), and is entered into by the Parties as of the Effective Date as defined herein.

RECITALS

WHEREAS, the SEDC has established certain programs in accordance with Chapters 501, 502, and 505 of the Texas Local Government Code to promote local economic development and stimulate business and commercial activity (the "Projects") within the City of Seabrook (the "City"), and when the Projects involve a direct incentive to a company, Chapter 501 of the Texas Local Government Code requires the SEDC to memorialize such incentive in a performance agreement with such company (a "Performance Agreement"); and

WHEREAS, the Parties have concluded and hereby find that this Agreement promotes economic development in the City and that this Agreement is a Performance Agreement, providing for the SEDC's provision of a direct incentive to the Company; and

WHEREAS, to ensure that the direct incentive of the SEDC provided under this Agreement is utilized in a manner consistent with Chapters 501, 502, and 505 of the Texas Local Government Code, the Company has agreed to comply with certain conditions for receiving the SEDC's direct incentive, as provided herein; and

WHEREAS, the Company is the **leasee** of certain property generally located at **1305 Main Street** Seabrook, Texas 77586, and more particularly described (the "Property"), in the attached **Exhibit "A"**; and

WHEREAS, the SEDC has received a grant application (the "Application") from the Company regarding certain improvements to be made to the Property (the "Program"), with the Application which includes a description of the Program being attached to this Agreement as **Exhibit "B"**; and

WHEREAS, the SEDC has current funds on hand in the full amount of the grant contemplated in the Application (the "Grant"), and the SEDC desires to provide the Grant according to the terms and conditions of this Agreement, including the requirement that the Company pay back the Grant if certain performance measures are not met by the Company as provided herein; **and NOW, THEREFORE:**

IN CONSIDERATION OF THE MUTUAL BENEFITS DESCRIBED IN THIS AGREEMENT, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

SECTION 1. RECITALS

The facts and statements included in the Recitals to this Agreement are hereby incorporated into this Agreement for all intents and purposes.

SECTION 2. AUTHORITY

A. The SEDC's participation in this Agreement is authorized by Chapters 501, 502, and 505 of the Texas Local Government Code. At a meeting of the Board of Directors of the SEDC (the "Board") on May 7, 2025, the Board determined that the Program is qualifies for one of the Projects previously approved by the Board and the Council, with the Projects being authorized in Section 501, 502, and 505 of the Texas Local Government Code and authorized the SEDC to offer a direct incentive to the Company. This Agreement satisfies Chapters 501, 502, and 505 of the Texas Local Government Code and serves as a Performance Agreement reflecting the obligations of the SEDC and Company regarding the direct incentive.

B. The SEDC has taken all necessary actions and obtained all necessary approvals to enter into this Agreement, which includes the City Council of the City (the "Council") approving the Project authorizing this Agreement by resolution through two (2) readings at meetings of the Council, with a copy of such **Resolution** being attached to this Agreement as **Exhibit "F"**.

C. The SEDC acknowledges that the Company's participation in this Agreement and the Company's decision to commit substantial resources and money to acquire and develop the Property are made in reliance upon the SEDC's performance of its obligations under this Agreement and is subject to the Company's performance of its obligations under this Agreement.

SECTION 3. DEFINITIONS

In addition to the terms defined in the Recitals or elsewhere in this Agreement, as used in this Agreement, the following words or phrases shall have the following meanings:

- (1) "Capital Investment" means funds expended in good faith by the Company in furtherance of the Program, including but not limited to site work, construction costs, materials, landscaping, and required signage.
- (2) "Certificate of Occupancy" means a certificate of occupancy issued by the City in accordance with its standard practices and may include a temporary certificate of occupancy. A Certificate of Occupancy shall not include a certificate of occupancy issued in error, by mistake, or based upon a misrepresentation of facts by the Company or its agent.
- (3) "Economic Development Grant Payment" means the reimbursement amount to be paid to the Company by the SEDC upon the Company's satisfaction of the terms of this Agreement, in an amount not to exceed, as provided herein.
- (4) "Effective Date" means the last date this Agreement is signed by all Parties.
- (5) "Force Majeure" means any contingency or cause beyond the reasonable control of a Party

including, without limitation: war, riots, acts of terrorism, acts of the public enemy, insurrections, civil commotion; labor disputes, a general inability to obtain labor or materials or reasonable substitutes for either, unusual delay in transportation, strikes, slowdowns or work stoppages; acts of God, casualties, explosions, floods, fire, earthquake, tornado, hurricane or other severe and adverse weather conditions; pandemics, epidemics, infectious disease outbreaks, public health emergencies, health and safety circumstances that require individual isolation, quarantine or quarantine-like restrictions; delays caused by actions or inactions, or other acts or omissions on the part of any public utility or state or federal government (or de facto governmental entity), state or federal government official or their respective agents or employees; and, delays caused by state or federal governmental restrictions, regulations, or controls.

(6) "Jobs" means employment of individuals working at or on the Property as a result of the Program. Such individuals shall be "full time" (averaging at least twenty (20) hours per week), or "part time" (averaging less than twenty (20) hours per week). For the purposes of proving up jobs, the Company shall use the form attached hereto.

(7) "Open for Business" means that the applicable portion of the Property is under roof and air-conditioned and heated is open for full-time business operations for all intended purposes.

SECTION 4. TERM

This Agreement shall become enforceable upon the Effective Date and will terminate on the first to occur upon the: receipt by the Company of the Economic Development Grant Payment; or, the termination of this Agreement as provided for herein (the "Term"). However, the Term shall not exceed **10 years** from the Effective Date, at which time this Agreement shall automatically expire unless extended in writing approved by both Parties.

SECTION 5. THE COMPANY'S PERFORMANCE CRITERIA

The Company must satisfy and provide proof to the Board that the following have been accomplished in order to receive the Economic Development Grant Payments, with such performance criteria being certified by the Company as provided in this Agreement, including the Capital Investment and Job Creation Certification form attached to this Agreement as **Exhibit "C"**, which shall be executed and delivered concurrently with this Agreement:

(1) Completion of the Application, including all required forms and documents associated therewith; and,

(2) The Company has done all of the following:

- (a) Successful completion of project by proof of a Certificate of Occupancy
- (b) Created at least 2 Full Time and 4 Part Time Jobs.

SECTION 6. ECONOMIC DEVELOPMENT GRANT PAYMENTS

A. Within thirty (30) days of the Board's determination that the Company has satisfied the performance criteria set forth in Section 5 above, the SEDC shall provide an Economic

Development Grant Payment to the Company in an amount not to exceed **\$41,400.00 New Business Development Incentive** as a reimbursement for the Company's costs associated with the Program. In no event shall the SEDC be required to make any Economic Development Grant Payment to the Company except as provided herein, and subject to satisfaction of the conditions set forth above. The obligations contained in this Agreement shall cease upon payment in full to the Company of the Economic Development Grant Payment, or the expiration of the Term, whichever occurs first.

B. A delay in the payment of the Economic Development Grant Payment by the SEDC due to a delay in receiving any sales tax revenues or sales and use tax information from the Texas Comptroller shall not be considered a default on the part of the SEDC so long as the SEDC uses reasonable efforts to obtain such sales tax revenues or sales and use tax information and make the Economic Development Grant Payment to Company within thirty (30) days after the receipt of such sales tax revenues or sales and use tax information from the Texas Comptroller.

C. If applicable, in order to assist the SEDC in its accounting of the Economic Development Grant Payment, the Company shall sign and submit to the SEDC and maintain during the Term, the Waiver of Sales Tax Confidentiality form attached as **Exhibit "D"**, or other similar form required by the Texas Comptroller as may be required from time to time during the Term to permit the release of sales tax information relating to the Company Facility. ***Non-applicable for this agreement.***

SECTION 7. THE COMPANY'S COVENANTS, WARRANTIES, AND OBLIGATIONS

The Company hereby makes the following covenants and warranties to the SEDC, and agrees to timely and fully perform the following obligations and duties:

- (1)** The Company is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas during the Term of this Agreement;
- (2)** The execution of this Agreement has been duly authorized by the Company, and the corporate officer signing this Agreement is an officer of the Company, empowered to execute this Agreement and bind the Company, with said authorization, signing, and binding effect is not in contravention of any law, rule, or regulation, or of the provisions of the Company's articles of incorporation, bylaws, or of any agreement or instrument to which the Company is a party or by which it may be bound;
- (3)** The execution and performance of this Agreement by the Company constitutes its valid and binding obligation, subject to the terms and conditions set forth in this Agreement;
- (4)** As of the date of this Agreement, no litigation or governmental proceeding is pending or, to the knowledge of the Company, threatened against or affecting the Company that may result in any material adverse change in the Company's business, properties, or operation; and no consent, approval, or authorization of or registration or declaration within any governmental authority is required in connection with the execution of this Agreement or the transactions contemplated hereby;
- (5)** There are no bankruptcy proceedings or other proceedings currently pending or

contemplated, and the Company has not been informed of any potential involuntary bankruptcy proceedings;

(6) The Company shall pay all state and local taxes due and owing by the Company to all taxing authorities having jurisdiction over the Property prior to delinquency;

(7) In the event of bankruptcy, receivership, or closure or cessation of operations at the Property, the Company shall maintain the Property in good condition and in compliance with applicable building and property maintenance codes and ordinances;

(8) The Company shall not discriminate against any person on the basis of race, color, national origin, sex, or by reason of being disabled, and shall refrain from violating any applicable local, state, and federal law which may have a material adverse effect on the City's or the SEDC's reputation by virtue of the City's or the SEDC's relationship with Company;

(9) The Company acknowledges that for contracts needing City or SEDC approval, that the City or the SEDC may not accept or enter into a contract until it has received from the Company a completed, signed, and notarized Texas Ethics Commission (the "TEC") Form 1295 from the Company complete with a certificate number assigned by the TEC, pursuant to Texas Government Code Chapter 2252 and the rules promulgated thereunder by the TEC, with a copy of the **TEC Form 1295** attached hereto **Exhibit "E"**;

(10) Pursuant to Chapter 2264 of the Texas Government Code, the Company certifies that as of the Effective Date of this Agreement and throughout the Term, the Company's business, or a branch, division, or department thereof, does not and will not knowingly employ an undocumented worker (as defined in §2264.001 of the Texas Government Code), and if the Company's business, or a branch, division, or department thereof, is convicted of a violation of 8 U.S.C. §1324a(f) occurring during the Term of this Agreement, the Company shall repay to the SEDC the total amount of the Economic Development Grant Payment paid to the Company under this Agreement, plus interest at agreed rate not later than the one hundred twentieth (120th) day after the date the SEDC notifies the Company of the violation; and it is agreed that for purposes of this subsection, but only if permissible under Chapter 2264 of the Texas Government Code, that:

(a) For the purposes of this Section, "Company's business" shall be limited to the Company's business in Seabrook, Texas;

(b) The Company shall not be liable for a violation of Chapter 2264 of the Texas Government Code by a person or entity with whom the Company contracts;

(c) Neither the Company nor its business, or branch, division, or department thereof, shall be deemed to have been "convicted of a violation" until all appeals have been exhausted and/or the time for all appeals has expired; and,

(d) The date that "SEDC notifies the Company of the violation" may not be earlier than the date that the Company has been "convicted of a violation" as provided in the immediately preceding subsection; and,

(11) For purposes of this Section “agreed rate” shall mean the lesser of:

(a) the Wall Street Journal prime rate announced by and as quoted in Wall Street Journal, from time to time, as its prime commercial rate or, if the Wall Street Journal prime rate ceases to be made available by the publisher, or any successor to the publisher, a similar reference interest rate based on the interest large United States money center commercial banks charge on short term uninsured loans to their most creditworthy borrowers, or

(b) the highest lawful rate.

SECTION 8. DEFAULT

A. The following shall constitute a default by the Company under this Agreement (a “Company Default”):

(1) The appointment of a receiver of the Company, or of all or any substantial part of its property, and the failure of such receiver to be discharged within ninety (90) days thereafter.

(2) The adjudication of the Company as bankrupt.

(3) The filing by the Company of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

(4) Upon the expiration of the notice and cure period set forth below, a breach of a material representation under this Agreement by the Company.

(5) Upon the expiration of the notice and cure period set forth below, a breach of any material covenant set forth herein.

B. The following shall constitute a default by the SEDC under this Agreement (a “SEDC Default”):

(1) The appointment of a receiver of the SEDC, or of all or any substantial part of its property, and the failure of such receiver to be discharged within ninety (90) days thereafter.

(2) The adjudication of the SEDC as bankrupt.

(3) The filing by the SEDC of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

(4) Upon the expiration of the notice and cure period set forth below, a breach of a material representation under this Agreement by the SEDC.

(5) Upon the expiration of the notice and cure period set forth below, the SEDC’s failure to pay any Economic Development Grant Payment to the Company in accordance with this Agreement.

(6) Upon the expiration of the notice and cure period set forth below, a breach of the SEDC’s

obligations set forth in this Agreement.

C. In the event of the occurrence of a breach or default by a Party under this Agreement, as applicable, the non-defaulting Party shall give written notice to the other Parties of such default, and the actions necessary to cure such alleged default, and the defaulting Party shall have sixty (60) days thereafter to cure said default or if the defaulting Party is diligently pursuing the cure of such default but such default is not reasonably curable within sixty (60) days, then the defaulting Party shall have such additional amount of time as is reasonably necessary to cure such default but no more than thirty (30) additional days. Should a default or breach as described herein, remain uncured after such cure period it shall constitute a Company Default or SEDC Default, as applicable, and the non-defaulting Party shall have the right to exercise the remedies set forth below.

SECTION 9. REMEDIES.

A. Upon the occurrence of a Company Default, the SEDC shall have the right to terminate this Agreement by written notice to the Company, in which event the SEDC shall have no obligation to make any future Economic Development Grant Payment to the Company under this Agreement.

B. Upon the occurrence of a SEDC Default, the Company shall have the right to terminate this Agreement by written notice to the SEDC, in which event the Company shall have no further obligations under this Agreement.

C. In addition, and without terminating this Agreement, any Party shall further have the power to enforce specific performance to collect amounts owing by the other Parties under this Agreement or to otherwise compel the other Parties to perform their obligations under this Agreement. Further, any Party shall have the right to bring an action for a declaratory judgment.

D. The SEDC shall be entitled to a refund of any portion of or all Economic Development Grant Payments made to the Company, except as otherwise provided herein, and further provided that the SEDC shall be entitled to recapture any portion of or all Economic Development Grant Payments which were made based upon materially false or fraudulent information certified to or provided by the Company and for which the Company would not otherwise have been entitled. No action shall lie for damages against the Company except that the SEDC shall be entitled to any action to recover any amounts owed by the Company as provided in the foregoing sentence.

E. Upon the occurrence of a SEDC Default, the Company has the right to bring any action to recover any amounts owed to it under this Agreement plus interest from the date due at the agreed amount. In addition, the Company shall have the right to seek a judicial declaration of the appropriate amount of the Economic Development Grant Payment owing to the Company by the SEDC under this Agreement.

F. THE SEDC DOES NOT WAIVE ANY GOVERNMENTAL IMMUNITIES THAT IT MAY HAVE AS NOW EXIST OR MAY BE CREATED UNDER ANY APPLICABLE LAW OR JUDGEMENT.

G. If any legal action or proceeding is commenced by any Party to enforce the provisions of this

Agreement or to recover any damages permitted under this Agreement from the breaching Party, the Party entitled to relief shall additionally recovered its reasonable legal fees and costs.

H. The sole and exclusive remedies of the Company for a breach by the SEDC under this Agreement shall be those expressly provided for in this Agreement and the Company hereby waives any other remedies under law or in equity.

I. A Party shall not be deemed to be in default of this Agreement if performance of this Agreement is delayed, disrupted, or becomes impossible because of an event of Force Majeure, but only for so long as the event of Force Majeure reasonably delays, disrupts, or prevents performance.

J. Any delay for any amount of time by a Party in providing notice of default to the other Party shall in no event be deemed or constitute a waiver of such default by such non-defaulting Party of any of its rights and remedies available in law or in equity.

K. Any waiver granted by one Party to another Party shall not be deemed or constitute a waiver of any other existing or future default by such Party or of a subsequent default of the same act or event.

SECTION 10. LIABILITY LIMITATIONS OF THE SEDC

The SEDC is making payments under this Agreement solely and exclusively from the sales tax revenues it receives from the Texas Comptroller and such funds are not financed and will not be financed or otherwise paid from any other source. Under no circumstances shall the obligations of the SEDC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. No public official or employee shall be personally responsible for any liability arising under or growing out of this Agreement.

SECTION 11. MISCELLANEOUS PROVISIONS

A. Changes in Law. Should a change in law prevent or prohibit the SEDC from complying with or making any payments under this Agreement, the Parties agree to terminate this Agreement; provided, however, that, to the extent feasible and permitted by applicable law, the Parties agree to work together in good faith to modify this Agreement or enter into a new agreement or otherwise provide the Company with a remedy or reasonably equivalent value to otherwise accomplish the purpose of this Agreement, and if the Parties do not agree, then a court may equitably reform this Agreement.

B. Binding Effect. This Agreement will be binding on and inure to the benefit of the Parties and their respective successors and assigns.

C. Assignment, Sale, Merger, or Transfer. Except as provided below, the Company may not assign all or part of its rights under this Agreement to a third party, or otherwise sell, merge, or transfer substantially all its then owned assets to another entity (each, a "Transfer"), without written notice of a Transfer provided by the Company to the SEDC at least thirty (30) days prior to a Transfer.

D. Notice. Notice shall be effective upon receipt or refusal of delivery by the Party to be notified. Any notice or other communication (the "Notice") given under this Agreement shall be in writing,

and may be given:

- (1) by depositing the Notice in the United States Mail, postage paid, certified, and addressed to the Party to be notified with return receipt requested;
- (2) by personal delivery of the Notice to the Party;
- (3) by depositing the Notice with Federal Express or another nationally recognized courier service for next day delivery;
- (4) by electronic delivery of the Notice to an e-mail address provided by each Party; or,
- (5) by confirmed facsimile, at a number provided by each Party, only if a copy of the Notice is also given in one of the manners specified in (1), (2), (3), or (4).

E. Notice Contact Information. Unless changed as approved in writing by all Parties, for the purposes of the Notice, the contact information of the Parties is as follows:

For the SEDC:

Seabrook Economic Development Corp.
Attn: Executive Director
1700 1st Street
Seabrook, Texas 77586

For the Company:

Soulfreak Holdings LLC
Attn: Amy Cortez-Albro
604 Appia Dr
Kemah, TX 77565

F. Interpretation. Each of the Parties has been represented by counsel of its choosing in the negotiation and preparation of this Agreement. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly and reasonably and neither more strongly for or against, either Party based on draftsmanship.

G. Relationship of the Parties. This Agreement shall not be construed as establishing a partnership or joint venture, joint enterprise, express or implied agency, or employer-employee relationship between the Parties. Neither Party, nor either's past, present, or future elected officials, officers, directors, employees, or agents, assume any responsibility or liability to any third party in connection with the development of the Property or the design, construction, or operation of any portion of the Property.

H. Applicable Law and Venue. This Agreement is made, and will be construed and interpreted, under the laws of the State of Texas without regard to any conflicts of law provision, and venue will lie in a state district court in Harris County, Texas. The Parties consent to, and waive any objection to, in person jurisdiction in Harris County, Texas.

I. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable in any respect under present or future laws, the remainder of this Agreement shall not be affected so long as the intent, purpose, and benefits of this Agreement are not affected in any manner materially adverse to either Party hereto. This Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein, and in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable, is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable, and effects the intent, purpose, and benefits of this Agreement.

J. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience

only and will in no way enlarge or limit the scope or meaning of the paragraphs.

K. No Third-Party Beneficiaries. This Agreement is not intended to confer any rights, privileges, or causes of action upon any third party.

L. Counterparts. This Agreement may be executed simultaneously in two (2) or more counterparts, each of which will be deemed an original, but all of which will constitute the same instrument. A signature transmitted by facsimile or email will be deemed to be an original signature for all purposes. As used in this Section, "signature" includes an electronic signature.

M. Exhibits. The following exhibits are attached to and incorporated into this Agreement and made a part of this Agreement for all purposes as if they were set forth herein in their entirety:

- Exhibit A - Property Exhibit;
- Exhibit B - Program Application;
- Exhibit C - Capital Investment and Jobs Certification;
- Exhibit D - Waiver of Sales Tax Confidentiality; (Not Applicable)
- Exhibit E - 1295 Form (if Necessary); and
- Exhibit F - Resolution Authorizing the EDC Incentive Program.

N. Entire Agreement. This Agreement embodies the complete agreement of the Parties, superseding all oral or written, previous and contemporary, agreements between the Parties relating to matters in this Agreement; and, except as otherwise provided herein, this Agreement cannot be modified or amended without a written agreement of the Parties.

O. Confidentiality. This Agreement is subject to the Texas Public Information Act and will be considered "public information" after consideration by the SEDC at a posted meeting by either body. However, the SEDC will use all appropriate measures to keep the information contained in and related to this Agreement confidential until such time as the Texas Public Information Act requires the SEDC to disclose the applicable contents of this Agreement. To the maximum extent permitted by law, the SEDC and its respective elected officials, officers, directors, employees, agents, and contractors retained to perform economic development services for the SEDC (the "SEDC Related Parties"): (i) shall use all appropriate measures to maintain the confidentiality of all sales tax information filed by the Company and/or its respective tenants, subtenants and/or licensees, as applicable, with the State of Texas and all other information regarding the Sales Tax Revenue generated by the Property; (ii) shall treat as confidential any other proprietary or financial information of the Company and/or its respective tenants, subtenants, and/or licensees and shall not release any of the foregoing information to the public, unless required by law or court order. The SEDC shall notify the Company as a third-party under the Texas Public Information Act of requests, Attorney General Opinions, and court orders to release such information pursuant to the Texas Public Information Act. The SEDC shall be permitted to disclose the foregoing information to the SEDC Related Parties as the SEDC, in its discretion deems appropriate in furtherance of the purposes of this Agreement, so long as such disclosure is made subject to compliance by such SEDC Related Parties with the terms of this Section. This Section is not meant to prevent the SEDC from complying with the Texas Public Information Act, as it may be amended.

P. Time is of the essence in this Agreement.

SIGNATURES

IN WITNESS WHEREOF, the Parties, through their duly authorized representatives, enter into and execute this Agreement effective as of the dates set forth below.

FOR: THE SEDC

Name [Signature]

Paul Dunphy

Name [Printed]

President

Title

Date

FOR: THE COMPANY

Name [Signature]

Amy Albro

Name [Printed]

owner

Title

05/29/25

Date

ACKNOWLEDGEMENTS

FOR THE SEDC

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____ 2025,
by Paul Dunphey, President EDC of SEDC,
Name Position/Title Entity Name
for and on behalf of said Entity.

(SEAL)

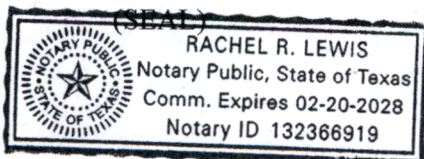
Notary Public in and for the State of Texas

My Commission Expires: _____

FOR THE COMPANY

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 29th day of May 2025,
by Amy Albo, Owner of Soulfreak Seabrook Cafe,
Name Position/Title Entity Name
for and on behalf of said Entity.



[Signature]

Notary Public in and for the State of Texas

My Commission Expires: 2/20/2028

EXHIBIT A – PROPERTY EXHIBIT

EXHIBIT A - EDC AGREEMENT - SOULFREAK HOLDINGS LLC



5/21/2025, 5:39:24 PM

 HCAD Parcels

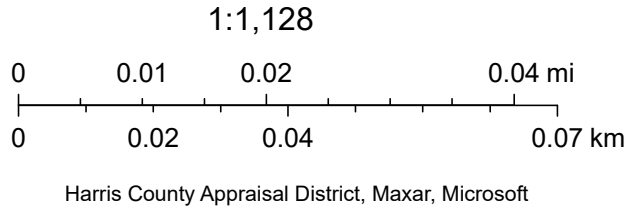


EXHIBIT B - GRANT APPLICATION & PROGRAM DESCRIPTION



INCENTIVE APPLICATION

NEW BUSINESS DEVELOPMENT

Applying for Seabrook business incentives starts with completing this application. Staff will complete an economic impact analysis based on information provided by the applicant. Then, if the analysis is favorable, the project moves toward a board presentation and review. The application is the official record of the project that is submitted to the Economic Development Corporation (EDC) for review. The entire process can be completed within 45-60 days, depending on when the application is filed and public hearing requirements/posting.

All applicants are encouraged to review the current [Seabrook Economic Development Corporation Incentive Policy](#) before completing this application.

IMPORTANT: DO NOT START CONSTRUCTION BEFORE COMPLETING THE INCENTIVE APPLICATION PROCESS.

APPLICANT INFORMATION

Applicant Name: Amy Albro

Primary Contact: Amy Albro

Business Name: Soulfreak Holdings LLC

Phone: [REDACTED]

Website: www.soulfreak.com

Email: [REDACTED]

BUSINESS DETAILS

Business Owner: Amy Albro

Business Structure: ☐ Proprietorship
☒ Limited Liability Company (LLC)
☐ Partnership
☐ Corporation

Business Partner(s) Name and Contact Information:

[REDACTED]

Taxpayer ID: [REDACTED]

Texas Secretary of State File Number: [REDACTED]

Name and Contact Information of Financial Institution:

[REDACTED]

LOCATION DETAILS

Projected Business Address in Seabrook: 1305 Second St. Seabrook, Tx. 77586

This site will be: ☒ Leased
☐ Owned

Property Owner Name and Contact (if leased):
Nazarifar Farahnaz
4617 Todville Rd

Approximate Opening Date: July 1st

Type of Business (Industry and nature of operations):
Coffee Art Cafe

NACIS Code(s): 722513



INCENTIVE APPLICATION

NEW BUSINESS DEVELOPMENT

IMPORTANT: DO NOT START CONSTRUCTION BEFORE COMPLETING THE INCENTIVE APPLICATION PROCESS.

PROJECT AND DEVELOPMENT INFORMATION

Total Value of Project: ~~\$ 133,000.00~~ Revised \$ 102,000.00

Requested Incentive Amount: ~~\$ 60,000.00~~ Revised \$ 41,400

Project Description (How will the requested funds be used?):

Add central air and heat, upgrade plumbing, upgrade electrical, add drive thru and upgrade parking.

Project Impact: Total Number of Full-Time Employees at Opening: 2

Total Number of Part-Time Employees at Opening: 4

Has the Business Received Incentives from Other Entities? ☐ Yes ☒ No

If Yes, Please Note Most Recent Awards:

REQUIRED DOCUMENTS

Please submit the below documents with the incentive application. Applications will not be considered unless a completed application and the documents noted below are submitted.

- ☒ Sales and Use Tax Report (if applicable)
- ☐ Proof of Harris County Tax Payment
- ☐ Franchise Tax Certification of Account Status (if applicable)
- ☒ Articles of Incorporation from the Secretary of State
- ☐ Current Harris County appraisal district report on project site (if applicable)
- ☒ Budget for the project- including copies of estimates for work and other cost documentation associated with your project.
- ☒ Drawings, renderings, and photos of your project (not required to be drawn to scale for incentive consideration)

Applicants may be required to submit additional documentation related to the project for incentive consideration.

Final determination of incentive award shall be made by the Seabrook Economic Development Board and the City Council of the City of Seabrook. Any incentive award shall be subject to a binding agreement with terms and conditions approved by the Seabrook Economic Development Board and the City Council of the City of Seabrook.





INCENTIVE APPLICATION

NEW BUSINESS DEVELOPMENT

AUTHORIZATION FOR SUBMITTAL

I certify, to the best of my knowledge, that all information provided in this Incentive Application (including attachments) is true and accurate, as indicated by my signature below. I further confirm that the business entity is in good standing under applicable laws and owes no delinquent taxes to any taxing authority.

If awarded incentives, the applicant agrees to comply with a performance agreement, including the submission of documentation on employee counts, average wages by category, taxable sales, personal property inventory, and any other relevant information required by the EDC for the period specified in the performance agreement.

By signing this document, the applicant affirms that they are authorized to file this application on behalf of the business owner/applicant and can provide evidence of such authorization if requested. Proof of appropriate insurance will also be required as a condition of any approved incentive grant.

NOTE: If the landlord is seeking an incentive, they will also be a party to the abatement agreement and must meet all terms, including submitting documents for an annual performance report. If the property is leased and either the landlord seeks an incentive or the applicant requests modifications to the landlord's property, the landlord will need to complete their contact information below.

Legal Property Owner / Landlord:

Signature:

Printed Name: Nazarifar Farahnaz

Date: 4-2-2025

Legal Address: 1305 Main Street, Seabrook, Texas 77586

Phone: 281-682-3435

Email: ffnazarifar@yahoo.com

Applicant (if different from legal property owner):

Signature: _____

Printed Name: _____

Date: _____

Phone: _____

Email: _____



INCENTIVE APPLICATION

NEW BUSINESS DEVELOPMENT

MEDIA RELEASE

I, Nazarifar Farahnaz, on behalf of Soulfreak Holdings LLC (business name), hereby authorize the Seabrook Economic Development Corporation (EDC) and its representatives to use, reproduce, and publish photographs, videos, audio recordings, and other media that may include my image, voice, business name, and likeness.

This authorization extends to:

- **Promotional Materials:** Publications, brochures, advertisements, websites, social media, and other promotional or educational materials produced by the EDC.
- **Media Outlets:** Any press releases or media features in newspapers, magazines, television, radio, or online news platforms.
- **Public Events:** Any presentations, conferences, or public events hosted or sponsored by the EDC where media content is used.

I waive any right to inspect or approve the finished media or promotional content and release the EDC from any liability related to the use of these materials.

Acknowledgment: I understand that this media release form does not guarantee the use of any media and does not entitle me to any compensation. This release is binding and will remain in effect unless otherwise revoked in writing.

Signature: 

Date: 4-2-2025

Printed Name: Nazarifar Farahnaz

Title: Owner

Business Name: _____

PLEASE SUBMIT THIS APPLICATION TO

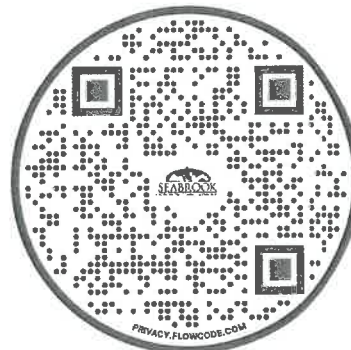
EMAIL:

edc@seabrooktx.gov

MAIL:

Seabrook Economic Development Corporation
1700 First Street
Seabrook, TX 77586

COMPLETE THE ONLINE APPLICATION



Soulfireak Seabrook

PREPARED BY AMY ALBRO



ABOUT

Soulfreak was established in 2015 as a surf shop that supported several non-profits and was located in Kemah, Texas, but has now evolved into a coffee shop, art studio and retail space located in the heart of League City, Texas.

OWNER

Owner and artist Amy Lyn created the concept to promote unity within her community by collaborating art and coffee. A degree in art & design helped her achieve this goal to create a space for other fellow artists to work, grow and sell their art.

WHATS A SOULFREAK

Our logo represents a skeleton who we refer to as "Skelly". We all have one and for the most part they are the same regardless of race, religion, political view or identity. At Soulfreak we love everyone, and all are welcome!

Lastly "Skelly" also serves as a reminder that we are still alive and have opportunities to find our purpose in this life! Go find yours!

Project Vision

NAME

**Soulfreak Seabrook Cafe
1305 Second St.**

OBJECTIVE

Establish an exceptional cafe setting where patrons can enjoy a latte, participate in art classes, buy local artwork, and learn about Seabrook. Our aim is to foster a sense of community and promote other local enterprises in the vicinity.

PROJECT DESCRIPTION

Turn existing house into a cozy coffee/art cafe.

Scope of work includes:

- Adding a commercial kitchen (without greasetrap)
- Includes: Adding 3 compartment sink, reverse osmosis water system, backsplash, countertops, shelves, plumbing and electrical.
- Requesting from EDC: Adding a drive-thru, adding central Air and heat, hot water heater, adding signage and upgrade parking.

PROJECT TIMELINE

**June
1**

Add power, plumbing, and
concrete

**June
25**

Begin the interior
renovation. including
kitchen, hvac and porch.

July 25

Final Inspections

**August
1**

Soft Opening

Project Cost

Total Project:
\$102,000
Requesting from EDC :
\$41,400*

UPDATES

HVAC Addition \$12-14k*
Plumbing, Electrical, , add serving window to porch, patch old window unit holes, Countertop, flooring, backsplash and shelving: \$17200*
Demo Cost \$3000

EQUIPMENT & START-UP FEES

Equipment Cost: \$50k
Food and Merch start-up: \$3k
TABC: 5K

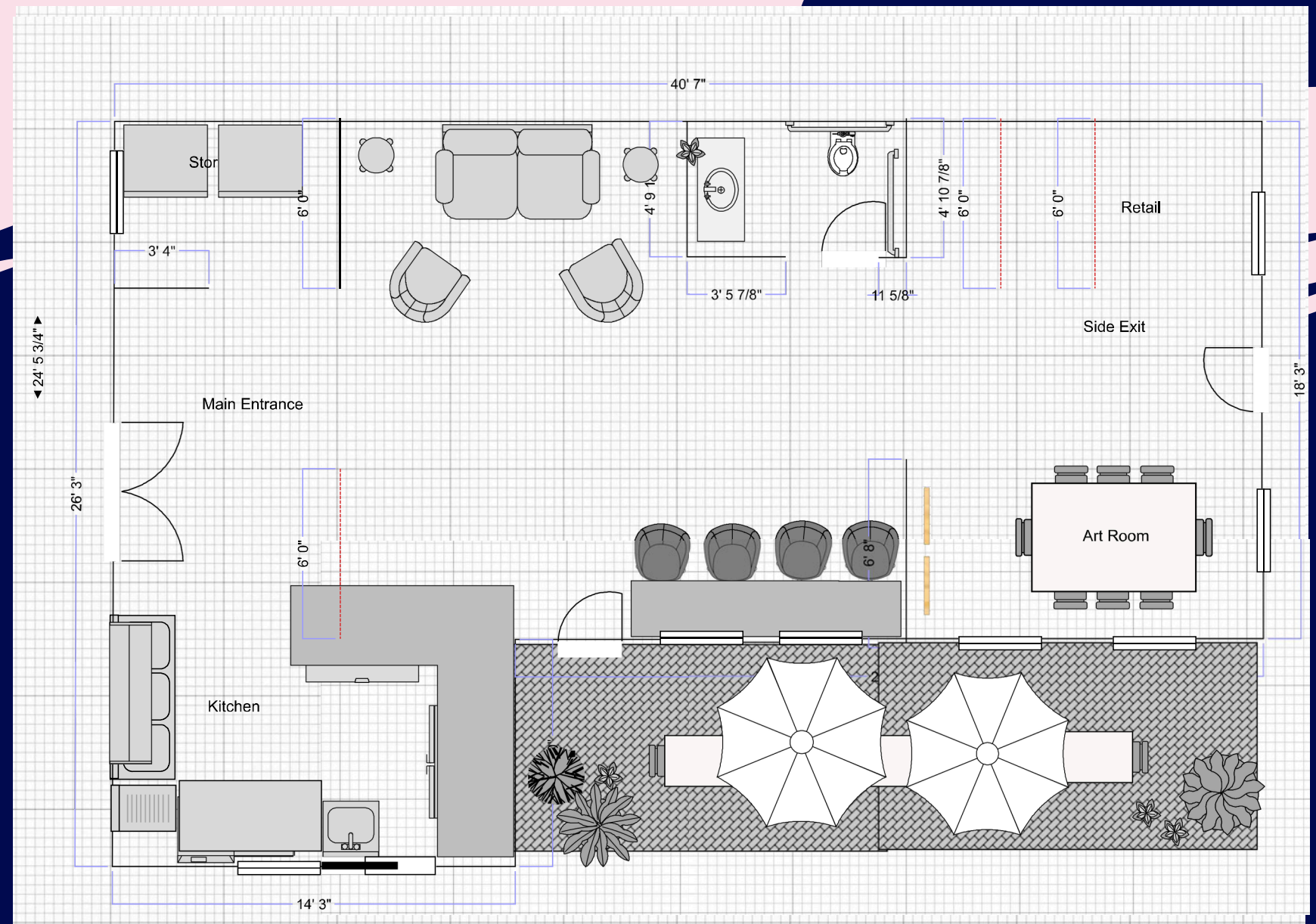
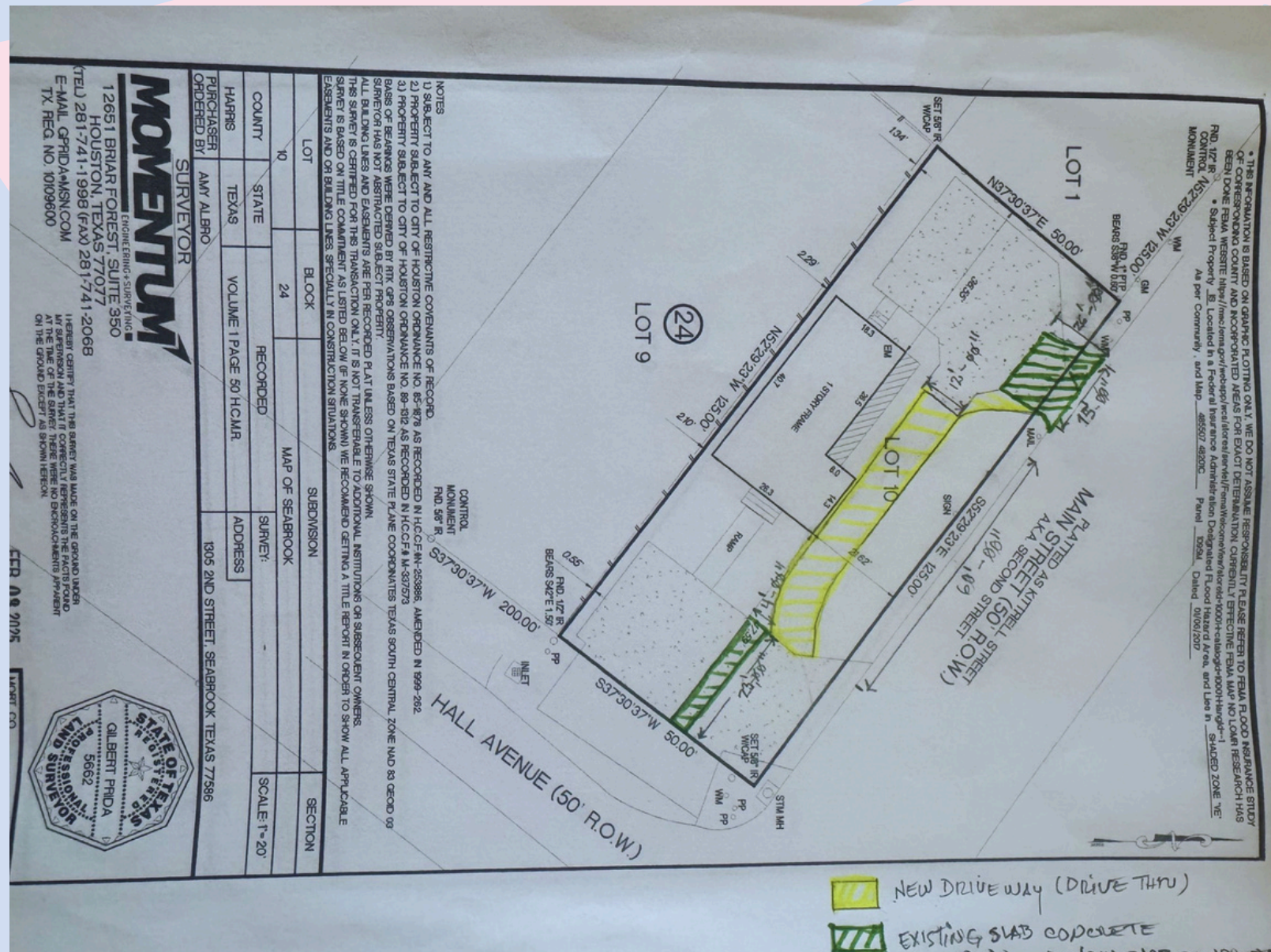
DRIVE-THRU AND SIGNAGE

Drive Thru and parking \$8,200*
Signage \$2k*

Project Inspiration Board . .



Floorplan & Survey



Current Sales

Gross Sales for complete accurate year over year comps			
Year	2020	2021	2022
Total Gross	\$240,000.00	\$570,000.00	\$622,000.00

2023 SSC- \$311,325.00 SRRC \$75,135.00

2024 LC \$ 346,100.000

2023-2024 Monthly

Soufreak Studio Cafe

Month Year	Total Sales
Jan 1, 2023	\$38,044.00
Feb 1, 2023	\$42,964.00
Mar 1, 2023	\$52,584.00
Apr 1, 2023	\$53,016.00
May 1, 2023	\$47,151.00
Jun 1, 2023	\$42,077.00
Jul 1, 2023	\$35,489.00
	\$311,325.00

Soufreak R. R. Cafe

Month Year	Total Sales
Nov 23, 2025	\$35,086.00
Dec 23, 2025	\$40,049.00
	\$75,135.00

Soufreak R. R. Cafe

Month Year	Total Sales
Jan 1, 2024	\$23,550.00
Feb 1, 2024	\$31,989.00
Mar 1, 2024	\$36,920.00
Apr 1, 2024	\$34,148.00
May 1, 2024	\$27,742.00
Jun 1, 2024	\$32,421.00
Jul 1, 2024	\$24,737.00
Aug 1, 2024	\$26,321.00
Sep 1, 2024	\$30,888.00
Oct 1, 2024	\$35,188.00
Nov 1, 2024	\$32,730.00
Dec 1, 2024	\$33,016.00
	346,100.00



contact

Thank you for your time and
consideration!

PHONE

832-764-9427

ADDRESS

512 2nd Street

EMAIL

amylyn@soulfreak.com

WEB

www.soulfreak.com

EXHIBIT C - CAPITAL INVESTMENT AND JOBS CERTIFICATION

Re: ECONOMIC DEVELOPMENT AGREEMENT MADE BY AND AMONG THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION AND SOULFREAK HOLDINGS, LLC.

This Capital Investment and Jobs Certification is being delivered by Soulfreak Holdings, LLC (the "Company") in connection with that certain Economic Development Agreement made by and among the Seabrook Economic Development Corporation (the "SEDC"), and the Company effective as of , **2025** (the "Agreement"). All terms used herein have the meanings ascribed to them in the Agreement unless otherwise defined herein.

The undersigned hereby certifies to the SEDC that:

1. I am a duly authorized representative of the Company to execute this Capital Investment and Jobs Certification document.
2. The Company will make a capital investment of not less **Twenty Thousand and 00/100 dollars (\$20,000.00)** and successfully will show proof of the Certificate of Occupancy (C.O) on the property I leased located at 1305 Main Street, Seabrook, Texas 77586 including, without limitation, hard and soft construction costs.
3. The Company will create or cause to be created at least **2 Full Time and 4 Part Time Jobs** (as defined in the Agreement) related to the Program on the Property as described in the Agreement, and as evidenced by 3rd party certification(s) form attached to the Agreement.

FOR THE COMPANY:

BY:


NAME - SIGNATURE


NAME - PRINTED


TITLE

DATE 29, 2025

EXHIBIT C – DISCLOSURE OF CONFIDENTIAL TAX INFORMATION
AGREEMENT FOR DISCLOSURE OF CONFIDENTIAL TAX INFORMATION

EXHIBIT D – FORM 1295 (IF NECESSARY)

EXHIBIT E – RESOLUTION

**SEABROOK ECONOMIC DEVELOPMENT CORPORATION
RESOLUTION 2023-01/EDC**

SEDC INCENTIVES POLICY

* * * * *

WHEREAS, on January 18, 1992, the voters of the City of Seabrook authorized the City of Seabrook to adopt a one-half cent sales and use tax to pay for the costs of projects authorized by Chapters 501, 502, and 505 of the Texas Local Government Code, and to pay for the principal and interest of bonds or other obligations issued to pay the costs of such projects; and

WHEREAS, the Seabrook Economic Development Corporation (“EDC”), a type B corporation, was established to oversee the expenditures of these tax monies and bylaws were established for the operation of the EDC; and

WHEREAS, EDC has analyzed potential incentive programs available under state law to assist it in attracting businesses, creating jobs, and assisting in other statutorily authorized economic development programs; and

WHEREAS, EDC has evaluated incentive program funding for its current Fiscal Year budget; and

WHEREAS, EDC has allocated funding and memorialized incentive program funding options by resolution since Fiscal Year 2008-09, the first year it adopted such measures;

NOW THEREFORE, BE IT RESOLVED BY THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS:

Section 1. That EDC will undertake to establish one or more economic development incentive programs and expenditures in accordance with the City of Seabrook’s and the EDC’s economic development goals and adoption of relevant policies for each program, state law, including but not limited to Chapters 501, 502, and 505 Texas Local Government Code (the Development Corporation Act) and to the extent EDC is authorized to expend funds in such a program, as established by the Texas Local Government Code Chapter 380 and Seabrook City Council, as appropriate.

Section 2. That the following incentives are approved by the Board of Directors, and are designed to provide guidance to the EDC Director in his negotiations with potential economic development clients. All requests for incentives shall come back to the Board for consideration, and shall be in an amount or amounts which will not

exceed the total approved appropriation for Economic Development Incentive Programs, Budget Line Item 707-5620, in the amount as shown in the final budget following adoption by the Board of Directors and City Council for the then-current fiscal year, including amendments.

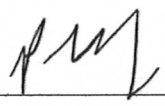
The incentives identified and approved by the Board of Directors are outlined in Appendix A, attached to this Resolution.

Section 3. That this Resolution be reviewed annually and attached as written or as it may be revised to subsequent EDC Budget, forwarded to the Seabrook City Council. The Board finds that the above list has been published as required for public comment by Section 505.160(a) Texas Local Government Code and constitutes a continuing project to the extent it is funded in any particular fiscal year.

Section 4. That following approval of the budget by the Board of Directors, the Seabrook City Council, and publication of the statutory notice identifying projects, that expenditures for those projects identified in Section 1 be thereafter approved and allocated subject to the budget line item cap by the Board of Directors, without further budget amendment or approval by the Board of Directors and City Council.

PASSED, APPROVED AND ADOPTED THIS 13th DAY OF ~~MARCH~~ ^{APRIL}, 2023.

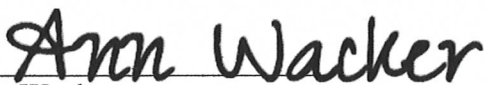
SEABROOK ECONOMIC DEVELOPMENT
CORPORATION

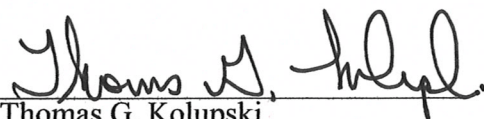


Paul Dunphey,
Chairman

ATTEST:

SEABROOK CITY COUNCIL


Ann Wacker,
Secretary


Thomas G. Kolupski
Mayor



APPENDIX A

Article I - General Provisions

Seabrook, Texas is a community southeast of the City of Houston. The community was incorporated in 1961 and is currently 13 square miles in size. The Seabrook Economic Development Corporation was established in 1992 as a Texas 4B corporation (501c6) to serve as the economic development agent for the City.

The provisions of this resolution shall apply in the city limits of the City of Seabrook, Texas.

Purpose

The Seabrook Economic Development Corporation (SEDC) is committed to promoting economic growth, redevelopment and community improvement through the use of local planning tools, such as economic incentives. In order to create a guiding framework for decisions regarding the use of public resources to stimulate economic activity, the SEDC has established this policy to orient the consideration and use of economic incentives in a manner that is consistent with the City's strategic priorities and objectives, providing a return on investment to the community.

Obligation

While this policy will be proactively used in the process of granting incentives, nothing in this document implies that the City of Seabrook and the SEDC are under any obligation to provide an incentive. Further, while these guiding criteria provide a framework for evaluation, every prospect will be considered on a case by case basis by the SEDC and ultimately, the City Council. All incentives are subject to availability of funding.

Authority

This policy is adopted under the authority of the Constitution and Laws of the State of Texas, and the City Charter of the City of Seabrook, Texas.

Applicability

Any Project requesting incentives in Seabrook will be given consideration under the provisions of this policy. As a rule, Projects are evaluated with regard to their economic efficiency; and return on investment to the citizens of the City of Seabrook. This may mean addition of quality jobs, ad valorem tax value, sales tax or any other significant public benefit.

Public Accountability & Performance Measures

Every incentive agreement that the SEDC enters into is considered an investment for the public benefit. Each incentive application is considered with regard to its merit to the community at large, and its potential to create a multiplying economic effect for the citizens of Seabrook. Performance measures will be established based on the economic impact and overall assessment by the SEDC. Should an applicant be unsure of projected

EDC Incentive Programs Resolution

Page 3 of 11

performance indicators, utilizing conservative estimates with contingency options are encouraged to prevent default.

Compliance

Each year of the active incentive agreement, compliance reporting must be completed by incentive recipients. Projects that are not in compliance with performance measures are subject to recapture of a portion or all of the incentive value.

Recapture

Should an incentive recipient fail to meet compliance measures and to perform under the prescribed cures, incentives are subject to repayment to the SEDC.

Development Quality

Generally, any Project receiving an incentive under the provisions of this policy shall exceed the minimum requirements of development quality prescribed in the Seabrook Code of Ordinances as determined by a staff evaluation of proposed facility designs. Such designs will be included as compliance measures in an incentive agreement.

Article II - Definitions

As used herein for the business incentive application, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as ascribed by common and ordinary usage.

Agreement. A contract between an Incentive recipient and the SEDC clarifying the terms, performance measures and obligations of the parties.

Assessed Value. The appraised value of a property after any exemptions have been applied

Base Year Value. The Assessed Value of all property subject to a Tax Rebate in the year preceding execution of an Agreement

Business Personal Property. Any property associated with a Project other than Real Property and excluding inventory

City. The City of Seabrook, Texas, and all its governing and operating bodies

Construction / Build-Out Costs. Costs which may be associated and extended to mean the improved value of buildings, structures, fixed-in-place machinery and equipment, site improvements, and related personal equipment necessary to the primary operation of the facility.

Compliance Measures. Economic performance indicators for a Project established by Agreement and reported to the City annually or as otherwise prescribed by Agreement

EDC Incentive Programs Resolution

Page 4 of 11

Council. The City Council of the City of Seabrook, Texas

Default. An event in which a party to an Agreement has failed to meet Compliance Measures and to perform under prescribed cures

Expansion. An investment in fixed assets that will result in an increase in occupied building area, increased employment or higher Assessed Value of Real Property by a firm already located in the City

Facility. Combined Real and Business Personal Property Improvements that house an economically purposeful activity

Green Space Improvements. Improvements to the Project site that increases beyond required green space and detention requirements by the City that will utilize natural vegetation and landscaping to improve the site aesthetics.

Improvement. A building, structure or fixture erected on or affixed to land with a life expectancy of 15 years or more.

Incentive. Any inducement for economic activity given by a governmental entity (in this case the SEDC) such as a rebate, participation in infrastructure costs, waiver of fees or development requirements only as allowed by law, or any other incentives not prohibited by state or federal law.

Ineligible Property. The following types of property shall be fully taxable and ineligible for Incentives: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; or any other property for which Incentives is not allowed by state law.

Infrastructure may include water, wastewater, roads, drainage, and the extension of franchise utilities. Infrastructure items must show a benefit to a region or area of the city and not solely benefit one business.

Job. A permanent, full-time employment position that has provided or will result in employment of at least 1,820 hours per position in a year; Part-time positions may be aggregated to create a full-time position for consideration in this policy.

Modernization. The replacement and upgrading of existing facilities which increases the productive input or output, updates the technology, or substantially lowers the unit cost of operation, and extends the economic life of the facility. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery, or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.

Project. The combination of proposed investment, improvements and economic activity that is submitted in an application for an economic incentive as provided by law, see Texas Local Government Code Sections 501 and 505.

Personal Property. Assets on a site that can be moved. Personal property is movable and not fixed permanently to one location, such as land or buildings.

Real Property. Land or an improvement affixed thereto. Examples of real property are buildings, canals, crops, fences, land, landscaping, machinery, minerals, ponds, railroad tracks, and roads.

SEDC. Seabrook Economic Development Corporation and its staff.

Article III - The Application Process

Application Required

In order to ensure accountability, fairness and compliance with all applicable regulations, every incentive request must proceed through a uniform application process.

Incentive applications are evaluated on a case-by-case basis. As such, an application does not guarantee an incentive grant.

Information & Confidentiality

In order to perform an adequate cost-benefit analysis of each incentive request, the SEDC requests thorough information regarding the economic attributes of each Project. This information is used in the strictest sense to evaluate the potential incentive investment being considered by the SEDC and will be treated as confidential.

Please note that while government documents are subject to the provisions of the Texas Open Records Act and other regulations pertaining to transparency in government, certain exceptions apply to information used in Economic Development negotiations. Information that is provided to the City and the SEDC in connection with an application or request for economic incentives in accordance with the above criteria and guidelines and which describes the specific process or business activities to be conducted or equipment or other property to be located on the property for which the economic incentives are sought is subject to confidentiality and subject to exception for public disclosure until the economic incentives agreement is executed, or as otherwise determined by the Texas Attorney General as provided by the Act. The information in the custody of the City of Seabrook after the agreement is executed is not confidential and would be required to be released under the Texas Open Records Act.

Article IV – PROGRAM DEFINITIONS

IMPORTANT: Do not start construction before applying for incentives. If construction has started prior to an incentive application, it is assumed that the Applicant does not need assistance and the application may be denied.

The Seabrook EDC has approved the use of the following programs to incentivize development within the City of Seabrook:

- A. Small Business Development
- B. Commercial Façade Incentive
- C. New Construction & Development Incentive
- D. Retail Redevelopment Incentive
- E. Sales Tax Rebate

While some projects may not fit into the categories listed above, the Seabrook EDC retains the right to review any application and enter into an incentive agreement under Texas local government code 505.158.

All incentives are paid via reimbursement. Qualifications for reimbursement include a signed certification of occupancy by the City of Seabrook and signed permits by related county and State agencies for the operation of the business. Documentation of costs related to reimbursement must accompany reimbursement requests. If documentation is not provided, reimbursement will not be paid. It is important to note that **all incentive programs have a maximum duration limitation of 10 years.**

A. Small Business Development

Defined as having less than five (5) full time (or FTE) employees and/or under \$2,000,000 in annual sales. Businesses that pursue an incentive in this category will be required to attend at least one meeting with an SBA / SCORE representative regarding the business' projected growth plan.

The Small Business Development Incentive is designed to provide funding for **growth** of the business. Incentive funds are not awarded for normal operating expenses such as payroll, building maintenance, utilities, et al.

If awarded, the project will be required to show proof of use of funds for the expansion of employment, expansion of services, or new construction. Small Business Development Incentives have a maximum value of \$50,000 per application.

B. Commercial Façade Incentive

The Façade Improvement Program involves real property improvements to the exterior of commercial, retail buildings in the City of Seabrook.

Eligibility

Projects include those making alterations to building exteriors which enhance its appearance and character in a manner that is harmonious with the design principles of the zoning ordinance of the district.

Examples of eligible improvements are as follows:

- Brick repair
- Awning replacement
- Sign removal or replacement
- Window replacement or restoration
- Replacement or restoration of cornices
- Removal architecturally inappropriate alterations
- Other aesthetic/architectural improvements as approved

Commercial Façade Incentives have a maximum value of \$40,000 total per location along active, connected streets. Thus - not facing alleys, back of building, side facing another building, etc.

Incentives are paid **after** a final inspection has been received from the Seabrook Building Official.

C. New Construction & Development Incentive

Eligibility

Projects involving warehouse, light industrial facilities, as well as commercial and office developments. Infrastructure, site development, and greenspace enhancements are eligible project costs for this program.

Projects seeking incentives for new construction and site improvements will be subject to the following qualifications:

- The EDC intends to be selective regarding the kinds of businesses that are recruited and incentivized. To that end, non-retail businesses will take precedence over retail businesses, unless the retail establishment has regional draw and serves residents from Seabrook and beyond. In general, the primary objective of the City's economic development efforts is to target new and expanding businesses that offer living wage jobs with benefits that equal or exceed the median wages for similar positions in the State of Texas or that make significant capital investment in the City. The creation and retention of competitive wage jobs shall be a key determinant in granting any incentive.
- The EDC encourages the development of regional retail opportunities within its jurisdiction in order to provide services to its constituency and the visiting public from Seabrook and beyond. The EDC will consider incentives for retail businesses and developers that precipitate the expansion of the sales tax base and other revenues, further the effort to develop Seabrook as a regional hub for retail goods and services, and expand the property tax base. The EDC wants such developers who add quality, or up-scale features, to the architectural designs and landscaping. This is particularly the case with non-industrial developments where unique architecture, landscaping or other features would enhance the quality of development to attract customers and other businesses.
- The EDC desires to retain existing businesses/industries that are contemplating relocating to another city, or state. The EDC may consider offering financial incentives that would offset the cost differentials that make other locations viable. To be eligible under this premise, the applicant or business must provide a declaration that states it is actively pursuing relocation and, absent EDC incentives, would carry out its intent. Furthermore, the applicant or business must make a minimum incremental capital investment, which can be for site modernization, new equipment, technology, or other long-lived depreciable assets that increase the assessed valuation.
- Generally, incentives will not be considered if an applicant, whether a new or existing business, has begun on construction on the site. Before granting any incentive, the City shall determine that without the incentive, the applicant would not locate or expand within the City's jurisdictional boundaries.

Projects requesting an incentive in this Program will be subject to the following minimum qualification:

PROJECT INDICATOR	MINIMUM QUALIFICATIONS
New Jobs Created (full time)	10
Real Property	\$3,000,000
Personal Property	\$1,000,000

These minimum value metrics are required for the duration of the incentive contract.

Construction and Development Incentives do not have a maximum limit.

D. Retail Redevelopment Incentive

The Retail Redevelopment Incentive program is a performance-based incentive intended to stimulate conversion and redevelopment of outmoded commercial properties in the City. Retail Redevelopment Incentives do not have a maximum limit.

Eligibility

Retail centers in the City of Seabrook seeking to renovate existing sites whether through acquisition or as part of the site's capital improvement. Site must be at least 15 years of age at the time of the application and property must be in compliance for zoning.

Eligible Improvements

A proposed Retail Redevelopment Incentive Project must:

- Exceed all applicable development standards
- Incorporate at minimum one of the following improvement:
 - Façade Renovations (*see Commercial Façade Incentive definition*)
 - Landscape Improvements
 - Parking lot improvements
 - Signage Renovations

In addition to any one or more of the following:

- Incorporation of common areas / pedestrian plazas
- Public art installation
- Connectivity to existing walkways / trails

NOTE: Improvements made prior to approval of an incentive agreement are not eligible for reimbursement under this program.

E. Seabrook Economic Development Corporation (SEDC) Sales Tax Rebate

An applicant may choose to request a portion of their SEDC sales tax paid (minus alcoholic beverages sales tax) to be reimbursed. If utilized, Sales Tax Rebates are subject to either a maximum term of 10 years or to terms agreed upon by the SEDC and the Applicant. Applicant is required to create at minimum three (3) full time equivalent (FTE) jobs during the term of the incentive agreement.

Sales Tax Reimbursements are based on a portion paid to the Economic Development Corporation and not the City's total sales tax payment received.

Below is an example worksheet of sales tax reimbursement on a project that has gross annual sales of \$1,000,000.

Annual Sales (<u>excluding</u> alcoholic beverages)		\$1,000,000
City of Seabrook General Fund Sales Tax Revenue (sales x 0.015)	1.5%	\$15,000
SEDC Sales Tax Revenue (sales x 0.0025)	0.25%	\$2,500
Seabrook Crime District (sales x 0.0025)	0.25%	\$2,500
City Sales	2.00%	\$20,000
Texas Sales Tax	6.25%	
Total Sales Tax	8.25%	

As per the example shown, the maximum amount the business could receive per year of the incentive agreement based on \$1,000,000 of annual sales is \$2,500.

Applications for this reimbursement will be required to provide a copy of the past 24 months sales tax payments to the Texas Comptroller. If project is a new business, a detailed 10-year projected sales tax forecast will be required as part of the application documentation.

#

June 2025

June 2025							July 2025						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7			1	2	3	4	5
8	9	10	11	12	13	14	6	7	8	9	10	11	12
15	16	17	18	19	20	21	13	14	15	16	17	18	19
22	23	24	25	26	27	28	20	21	22	23	24	25	26
29	30						27	28	29	30	31		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 1	2	3 6:00pm Regular City Council Meeting (City Hall)	4	5 5:00pm Open Space and Trails Committee Meeting (Public Works Facility)	6 8:00am SEABROOK STRATEGIC PLANNING RETREAT (TBD)	7
8	9	10	11	12 6:00pm Seabrook Economic Development Board of Directors Meeting (Council Chamber)	13	14 6:00pm Movie Night at Meador Park
15	16	17 6:00pm Regular City Council Meeting (City Council Chamber)	18 8:00am	19 6:00pm Seabrook Planning & Zoning Commission Meeting (Council Chamber)	20	21
22 Texas Outlaw Challenge	23	24 8:00am HGAC- Leaders Workshop (3555 Timmons Lane, 6:00pm SPECIAL COUNCIL MEETING - CIP WORKSHOP	25	26	27	28
29	30	Jul 1	2	3	4	5

July 2025

July 2025							August 2025						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
6	7	1	2	3	4	5	3	4	5	6	7	1	2
13	14	8	9	10	11	12	10	11	12	13	14	8	9
20	21	15	16	17	18	19	17	18	19	20	21	22	23
27	28	22	23	24	25	26	24	25	26	27	28	29	30
		29	30	31			31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 29	30	Jul 1 6:00pm Regular City Council Meeting (City Hall)	2	3 5:00pm Open Space and Trails Committee Meeting (Public Works Facility)	4 8:00am 4th of July Parade	5
6	7	8	9	10 6:00pm Seabrook Economic Development Board of Directors Meeting (Council Chamber)	11	12
13	14	15 6:00pm Regular City Council Meeting (City Council Chamber)	16	17 8:00am TML New Officials Seminar (Hilton Palmar) 6:00pm Seabrook Planning & Zoning Commission Meeting (Council Chamber)	18 2:00pm	19 6:00pm Movie Night at Meador Park
20	21	22 6:00pm SPECIAL COUNCIL MEETING - Budget Workshop #2 (Council Chambers)	23	24	25	26
27	28	29 6:00pm SPECIAL COUNCIL MEETING - Budget Workshop #3 (Council Chambers)	30	31	Aug 1	2