

The City Council of the City of Seabrook met in special session on Tuesday, August 27, 2013 at 6:00 p.m. in Seabrook City Hall, 1700 First Street, Seabrook, Texas to discuss, consider and if appropriate, take action on the items listed below.

THOSE PRESENT WERE:

GLENN R. ROYAL	MAYOR
ROBERT LLORENTE – Ex. Abs.	COUNCIL PLACE NO. 1
MIKE GIANROSSO	COUNCIL PLACE NO. 2
GARY JOHNSON – Arrived at 6:28 p.m.	COUNCIL PLACE NO. 3
DON HOLBROOK.	COUNCIL PLACE NO. 4
THOM KOLUPSKI	COUNCIL PLACE NO. 5
LAURA DAVIS	COUNCIL PLACE NO. 6
KELLY TEMPLIN	CITY MANAGER
MICHELE L. GLASER	CITY SECRETARY
JESSICA ANCIRA	MUNICIPAL COURT ADMINISTRATOR
MYRA BERGERON	UTILITY BILLING SUPERVISOR
GAYLE COOK	ASSISTANT CITY MANAGER & PERSONNEL ADMINISTRATOR
LEAANN DEARMAN	DIRECTOR OF COMMUNICATIONS
JEFF GALYEAN	EMERGENCY MGMT. COORDINATOR
MICHAEL GIBBS	ACCOUNTANT
NONA HOLOMON	DIRECTOR OF PUBLIC SAFETY
PAM LAB	FINANCE OFFICER
SEAN LANDIS	COMMUNITY DEVELOPMENT DIRECTOR
KEVIN PADGETT	ASST. DIRECTOR OF PUBLIC WORKS
GEORGE SZAKACS	IT DIRECTOR
SEAN WRIGHT	POLICE CAPTAIN

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

1.0 ROUTINE COMMENTS AND ANNOUNCEMENTS – None.

2.0 BUDGET WORKSESSION

The review of the SVFD budget and EDC budget were taken out of order.

2.2 Conduct a budget work session to review the proposed City of Seabrook budget for FY 2013/14. (Templin)

EDC Board President, Paul Dunphey presented the proposed 2013/14 EDC budget. Seabrook Volunteer Fire Department Chief, Ray Cook presented the FY 2013/14 proposed fire department budget. Chief Cook stated that the budget presented does not give a breakdown of Seabrook's portion of the budget which is 83 percent of the total budget. The possibility of El Lago not paying their portion of the SVFD budget was discussed. Mayor Royal stated that he

would expect that if El Lago reduces its required payment, Seabrook should also reduce its payment by the same amount as El Lago.

2.1 Review report of certified appraised values from the Harris County Appraisal District to assist in determining a 2013 tax rate and procedures to be followed in upcoming meetings concerning the adoption of the tax rate. (Templin/Lab)

Finance Officer Pam Lab gave a presentation on the calculation of the effective tax rate. Ms. Lab reported that this year is the first time appraised values have increased in Seabrook since Hurricane Ike in 2008. Due to the increase in appraised valuations, the new 2013 effective tax rate of \$0.624101 is lower than the 2012 actual tax rate which is \$0.665232. She stated that the debt service rate will decrease as the city recently refinanced its debt. She presented three options for adoption of the 2013 tax rate, as shown on Attachment A, with a staff recommendation to adopt Option 3. This option which will result in a tax rate of \$0.651229 per hundred. This proposal retains the same O&M rate but decreases the debt service rate. If Council chooses this option, two public hearings on the proposed tax rate will be required. This option will result in a surplus in the General Fund operating Budget.

Motion was made by Councilor Davis and seconded by Councilor Kolupski

To adopt Option 3 as presented by staff for a 2013 tax rate of \$0.651229 per hundred valuation.

Ayes: Royal, Davis, Giangrosso, Johnson, Kolupski.

Abstain: Holbrook.

MOTION CARRIED BY MAJORITY VOTE.

2.2 Conduct a budget work session to review the proposed City of Seabrook budget for FY 2013/14. (Continued)

At this time, Council finished review of the General Fund, Enterprise Fund and Special Funds budgets and decision package requests in both the General and Enterprise Funds. Mr. Templin stated that the 2013/14 budget has a decrease of \$351,000 in the General Fund compared to the FY 2012/13 budget. Due to the selection of Option 3 concerning the tax rate, a reduction in CLEMC fees and a reduction in municipal court judges' salaries, Council will have approximately \$157,000 in discretionary funds in the FY 2013/2014 General Fund Budget. Mr. Templin asked Council to consider using approximately \$143,000 of the anticipated excess in the General Fund to make a market adjustment to those employee positions that had been determined to be below market rate as compared to other municipalities in the area and also to pay a two percent cost of living adjustment. Mr. Templin stated that pay adjustments and cost of living increases had already been budgeted for Enterprise Fund employees. As the cost of new election equipment had increased, staff recommended purchase of the equipment from Reserves.

Council again discussed the proposed SVFD budget and the possibility of a shortfall in the budget if El Lago refused to pay its portion of the budget. Mr. Templin stated that the SVFD's proposed budget had increased, whereas the city's total budget has decreased. Council did not take any action to increase the amount of \$830,672 budgeted for the SVFD in FY 2013/14.

Motion was made by Councilor Holbrook and seconded by Councilor Johnson

To pay approximately \$41,000 for the purchase of election equipment out of Reserves and use approximately \$143,000 in the General Fund to pay for the recommended salary adjustments and a two percent cost of living increase.

MOTION CARRIED BY UNANIMOUS CONSENT.

Motion was made by Councilor Holbrook and seconded by Councilor Davis

To approve the Enterprise Fund decision package requests:

902 Water Department

Water Rate Study	\$35,000
Utility Crew F-350 Truck	\$35,000

912- Sewer Department

F-450 Utility Mini Dump Truck	\$37,000
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MOTION CARRIED BY UNANIMOUS CONSENT.

2.3 Review/Establish future meeting dates and agenda items needed to adopt the budget and tax rate. (Council)

Council reviewed the schedule of upcoming meetings and determined that there will be a quorum at each meeting:

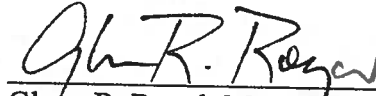
September 17, 2013	6:45 p.m.	Crime Control & Prevention District public hearing and meeting concerning the budget.
September 17, 2013	7:00 p.m.	Regular City Council meeting, including a public hearing and adoption of the budget.
September 24, 2013	6:00 p.m.	Special City Council meeting to conduct the first required public hearing on the proposed tax rate.
October 1, 2013	7:00 p.m.	Regular City Council meeting, including conducting the second required public hearing on the proposed tax rate.

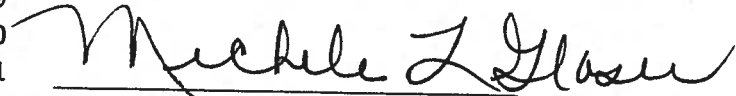
October 15, 2013 7:00 p.m.

Regular City Council meeting, including
adoption of the 2013 Ad Valorem Tax rate.

Upon motion, Mayor Royal adjourned the meeting at 9:57 p.m.

Approved this 17th day of September 2013.


Glenn R. Royal, Mayor


Michele L. Glaser, TRMC
City Secretary



OPTION 3 - PROPOSED	
ADOPT CURRENT O&M RATE + DS RATE EQUAL TO BUDGET	
O&M RATE	0.483154
DS RATE	<u>0.168075</u>
	0.651229
O&M REV @ 98%	\$4,241,867
DS REV @ 100%	1,505,734
RESULT	
O&M OVER BUDGET	\$131,087
DS EQUAL TO BUDGET	0
RATE IS OVER LIMIT PUBLIC HEARING REQUIRED	
TAX INCREASE/(DECREASE) OVER CURRENT	
O&M RATE	0.000000
DS RATE	<u>(0.014003)</u>
	(0.014003)