SEABROOK CITY COUNCIL
NOTICE OF REGULAR CITY COUNCIL MEETING
TUESDAY, NOVEMBER 4, 2014 - 7:00 PM

NOTICE IS HEREBY GIVEN THAT THE SEABROOK CITY COUNCIL WILL MEET ON **TUESDAY NOVEMBER 4, 2014 AT 7:00 PM** IN THE SEABROOK CITY HALL COUNCIL CHAMBERS, 1700 FIRST STREET, SEABROOK, TX 77586, **TO DISCUSS, CONSIDER, AND IF APPROPRIATE, TAKE ACTION** WITH RESPECT TO THE ITEMS LISTED BELOW.

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) 291-5600 OR FAX (281) 291-5710 FOR FURTHER INFORMATION.

PLEDGE OF ALLEGIANCE

1.0 PRESENTATIONS

1.1 Present a proclamation declaring November 3-7, 2014 as "Municipal Courts Week." (Court)

1.2 Presentation by the Galveston Bay Foundation concerning a Galveston Bay Report Card. (GBF)

2.0 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. In accordance with the 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.

2.1 Mayor, City Council and/or members of the city staff may make announcements about city/community events. (Council)

3.0 CONSENT AGENDA - Council will discuss, consider and if appropriate, take action on the items listed below.

All consent agenda items are considered by the City Council to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a council member, city manager, city attorney or city secretary so requests, in which event the item will be removed from the Consent Agenda and considered immediately following the Consent Agenda.

ATTACHMENT 1

3.1 Approve the minutes of the October 21, 2014 regular City Council meeting. (Glaser)

ATTACHMENT 2

3.2 Approve proposed Resolution No. 2014-10, "Adoption of the City's Investment Policy."

A RESOLUTION ADOPTING THE INVESTMENT POLICY FOR THE CITY OF SEABROOK IN ACCORDANCE WITH STATE LAW AND THE PUBLIC FUNDS INVESTMENT ACT (PFIA). (Lab)

END OF CONSENT AGENDA

4.0 NEW BUSINESS - Council will discuss, consider and if appropriate, take action on the items listed below.

ATTACHMENT 3

4.1 Consider approval of first reading of Ordinance No. 2014-27, "Appropriation for Lakeside Drive Lift Station Repair." (Chairez)

AN ORDINANCE AUTHORIZING AN APPROPRIATION IN AN AMOUNT NOT TO EXCEED $400,000 FOR THE REPAIR AND EMERGENCY BYPASS SYSTEM TO THE NETWORK OF MANHOLE CONNECTIONS AT THE LIFT STATION AT 1904 LAKESIDE DRIVE; AND REPLACING EMERGENCY ORDINANCE NO. 2014-26 APPROVED ON OCTOBER 21, 2014

5.0 ROUTINE BUSINESS - Council will discuss, consider and if appropriate, take action on the items listed below.

ATTACHMENT 4

5.1 Approve the Action Items Checklist which is attached and made a part of this agenda. (Council)

ATTACHMENT 5

5.2 Establish future meeting dates and agenda items, including finalizing dates for November and December Council meetings. (Council)

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.

CERTIFICATE

I certify that this notice was posted on the bulletin board on or before Friday, October 31, 2014 and that this notice will remain posted until the meeting has ended.

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Michele L. Glaser, TRMC
City Secretary

The City Council of the City of Seabrook met in regular session on Tuesday, October 21, 2014 at 7:00 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	COUNCIL PLACE NO. 1
MIKE GIANGROSSO	COUNCIL PLACE NO. 2
GARY JOHNSON	MAYOR PRO TEM & COUNCIL PLACE 3
MELISSA BOTKIN	COUNCIL PLACE NO. 4
THOM KOLUPSKI	COUNCIL PLACE NO. 5
O.J. MILLER	COUNCIL PLACE NO. 6
GAYLE COOK	CITY MANAGER
SEAN LANDIS	ASSISTANT CITY MANAGER
STEVEN L. WEATHERED	CITY ATTORNEY
MEREDITH BRANT	ASSISTANT CITY SECRETARY

Mayor Royal called the meeting to order at 7:00 p.m. and led the audience in the United States and Texas Pledges of Allegiance.

With the permission of Council, Mayor Royal took agenda items out of order as follows.

1.0 PRESENTATIONS

1.2 Quarterly Report of Open Space & Trails Committee activities. (Helen Burton)

Helen Burton, Chair of the Open Space & Trails Committee, gave her presentation which included committee activities and accomplishments for the past quarter.

2.0 PUBLIC COMMENTS AND ANNOUNCEMENTS

Eric Moorehead of Lake Cove spoke of his concern regarding the increasing rate of homeowners insurance. He stated that he felt that Seabrook was being singled out and asked that Council look into the matter.

1.0 PRESENTATIONS

1.1 Presentation from Commissioner John Kennedy and Managing Director, Charlie Jenkins on the Port of Houston projects and updates.

John Kennedy introduced Charlie Jenkins who spoke on activities of the Port. Mr. Jenkins stated the 100 year celebration of the digging of the ship channel will be celebrated on November 10 at Brady's Landing. Currently the Port is deepening and widening the channel at Barbours Cut and is on target for scheduled goals. He thanked the city staff for the great job they have done in helping control traffic during the arrival and departure of cruise ships. He spoke of the settlement agreement between the city of Seabrook and the Port and the various commitments. Mr. Jenkins added that the rail has not happened yet, but will in time. He added that new property development requires additional infrastructure and the road which will service the new warehouse is currently in development. This road will have no impact on Seabrook as it will service the warehouse traffic on Port Road. Also nearing completion is the berm which should be complete in April.

Mayor Royal expressed concern regarding the container traffic hours and how will they be determined. Mr. Jenkins stated that typically the container trucks run late evening to early morning Monday through Friday, although he stated that the Port has no authority in that regard.

Mayor Royal stated that he would like to discuss a legal question with the City Attorney in executive session.

EXECUTIVE SESSION
At 7:29 p.m., Mayor Royal announced that the City Council would hold a closed executive meeting regarding Agenda Item 1.1 pursuant to the provisions of the Open Meetings Act, Chapter 551, Texas Government Code, and Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.071, Consultation with Attorney.

OPEN MEETING
At 7:51 p.m. Mayor Royal reconvened the meeting in open session and stated that no action had been taken.

Mayor Royal thanked Mr. Kennedy and Mr. Jenkins for the update and expressed appreciation for the partnership between the Port and the City of Seabrook.

2.1 Mayor, City Council and/or members of the city staff may make announcements about city/community events. (Council)

Councilor Giangrosso stated that the Art Festival begins with an exhibit Friday night at Springhill and Saturday and Sunday the Festival will be on the grounds of the Community House and City Hall

Mayor Royal announced that the Seabrook Association will host an 80’s Dance Party celebration on November 1.

3.0 CONSENT AGENDA

3.1 Approve the September 2014 Building Reports. (Landis)

3.2 Approve the September 2014 Public Safety Report. (Wright)

3.3 Approve the minutes of the October 7, 2014 regular City Council meeting. (Glaser)

3.4 Approve the second of two required readings of proposed Resolution No. 2014-08, "SEDC Project for Master Plan Update" (EDC)

A RESOLUTION APPROVING A PROJECT FOR THE HIRING OF AN INDEPENDENT CONSULTANT FOR UPDATE OF THE COMPREHENSIVE MASTER PLAN, USING FUNDS PROVIDED BY THE SEABROOK ECONOMIC DEVELOPMENT CORPORATION IN AN AMOUNT NOT TO EXCEED $100,000.

3.5 Reappoint David Wilkerson as a member of the Ethics Review Commission for a term ending October 31, 2016 and revise appointment terms of Barbara Clemmons and Ashley Cook, regular members of the Ethics Review Commission, to terms ending October 31, 2015. (Glaser)

Motion was made by Gary Johnson and seconded by Mike Giangrosso

To approve the Consent Agenda.

MOTION CARRIED BY UNANIMOUS CONSENT.

END OF CONSENT AGENDA

4.0 NEW BUSINESS

4.1 Consider approval of tax rate for 2014. Required public hearings on the tax rate were held on September 30 and October 7, 2014.

Four separate motions are required: 1) To approve a tax rate of 45.9507 cents per $100.00 valuation of assessed property for operations and maintenance; 2) To approve a tax rate of 18.0523 cents per $100.00 valuation of assessed property for the interest and sinking fund; 3) To approve that the property tax rate be increased by the adoption of 64.0030 cents per $100.00 valuation which is effectively a 5.43 percent increase in the tax rate; and 4) To approve proposed Ordinance No. 2014-25, "Tax Ordinance" on first and final reading with the reading of the caption serving as the reading of the ordinance and requiring a record vote. (Cook)

AN ORDINANCE FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR THE CITY OF SEABROOK, TEXAS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015 AND DIRECTING THE ASSESSMENT AND COLLECTION THEREOF.

Mayor Royal took roll call votes on all four motions.

1) Motion was made by Councilor Botkin and seconded by Councilor Miller

To approve a tax rate of 45.9507 cents per $100.00 valuation of assessed property for operations and maintenance.

AYES: Royal, Llorente, Giangrosso, Johnson, Botkin, Kolupski and Miller.
NAYS: None.

MOTION CARRIED BY UNANIMOUS CONSENT.

2) Motion was made by Councilor Johnson and seconded by Councilor Botkin

To approve a tax rate of 18.0523 cents per $100.00 valuation of assessed property for the interest and sinking fund.

AYES: Royal, Llorente, Giangrosso, Johnson, Botkin, Kolupski and Miller.
NAYS: None.

MOTION CARRIED BY UNANIMOUS CONSENT.

3) Motion was made by Councilor Johnson and seconded by Councilor Botkin

To approve that the property tax rate be increased by the adoption of 64.0030 cents per $100.00 valuation which is effectively a 5.43 percent increase in the tax rate.

AYES: Royal, Llorente, Giangrosso, Johnson, Botkin, Kolupski and Miller.
NAYS: None.

MOTION CARRIED BY UNANIMOUS CONSENT.

4) Motion was made by Councilor Llorente and seconded by Councilor Giangrosso

To approve proposed Ordinance No. 2014-25, "Tax Ordinance" on first and final reading with the reading of the caption serving as the reading of the ordinance and requiring a record vote.

AYES: Royal, Llorente, Giangrosso, Johnson, Botkin, Kolupski and Miller.
NAYS: None.

MOTION CARRIED BY UNANIMOUS CONSENT.

4.2 Consider approval of first and final reading of proposed Ordinance No. 2014-26, "Emergency Appropriation for Lakeside Drive Lift Station Repair." A favorable vote of five or more council members is required for passage. (Chairez)

AN ORDINANCE AUTHORIZING AN EMERGENCY APPROPRIATION IN AN AMOUNT NOT TO EXCEED $400,000 FOR THE REPAIR AND EMERGENCY

BYPASS SYSTEM TO THE NETWORK OF MANHOLE CONNECTIONS AT THE LIFT STATION AT 1904 LAKESIDE DRIVE AND DECLARING AN EMERGENCY.

Director of Public Works Arthur Chairez gave an overview of the collection system and the problem that has developed requiring immediate attention. He stated that two or three manholes have been affected due to a sink hole in the area of the Lakeside lift station. Although efforts were made to make the repairs, too much damage was already done. Now the area is compromised. The repair will require a two-part process which will take approximately 30 – 45 days to repair. The requested funds are for the repairs.

Motion was made by Councilor Llorente and seconded by Councilor Botkin

To approve Ordinance No. 2014-26, "Emergency Appropriation for Lakeside Drive Lift Station Repair" on first and final reading with the reading of the caption serving as the reading of the ordinance

MOTION CARRIED BY UNANIMOUS CONSENT.

5.0 ROUTINE BUSINESS

5.1 Approve the Action Items Checklist which is attached and made a part of this agenda. (Council)

Item #23 - Ms. Cook read a portion of a letter from TXDoT regarding Union Pacific's response to right-of-way acquisitions.

Councilor Kolupski asked that item #23 be removed from the list.

Motion was made by Councilor Miller and seconded by Councilor Kolupski

To approve the Action Items Checklist with the removal of Item #23.

MOTION CARRIED BY UNANIMOUS CONSENT.

5.2 Establish future meeting dates and agenda items. (Council)

Upcoming regular meeting dates are November 4 and November 18.

6.0 EXECUTIVE SESSION

At 8:21 p.m., Mayor Royal announced that the City Council will hold a closed executive meeting pursuant to the provisions of the open meetings Act, Chapter 551, Texas Government Code, and Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.071, Consultation with Attorney.

Section 551.071

6.1 Consult with attorney to receive legal advice only in relation to legal issues associated with proposed Charter amendments and submission to the electorate for determination, pursuant to Section 551.071 Texas Government Code. (Weathered)

7.0 OPEN MEETING

At 8:49 p.m., Mayor Royal reconvened in open session and stated that no action had been taken on Item 6.1.

Upon a motion duly made and seconded, Mayor Royal adjourned the meeting at 8:50 p.m.

Approved this 4th day of November 2014.

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Glenn R. Royal, Mayor

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Meredith Brant, TRMC
Assistant City Secretary

CITY OF SEABROOK
RESOLUTION NO. 2014-10
ADOPTION OF THE CITY'S INVESTMENT POLICY

A RESOLUTION ADOPTING THE INVESTMENT POLICY FOR THE CITY OF SEABROOK IN ACCORDANCE WITH STATE LAW AND THE PUBLIC FUNDS INVESTMENT ACT (PFIA).

WHEREAS, the City of Seabrook's Investment Policy has been approved each year as part of its Budget; and

WHEREAS, the PFIA requires each City to adopt its Investment Policy as a separate document; and

WHEREAS, the PFIA requires an annual review, now, therefore

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SEABROOK, STATE OF TEXAS:

That the City of Seabrook hereby formally adopts an Investment Policy as shown on Exhibit A which is hereby attached and made part of this resolution.

AND IT IS SO ORDERED

PASSED, APPROVED AND ADOPTED THIS 4th DAY OF NOVEMBER, 2014.

____
Glenn R. Royal, Mayor

ATTEST:

____
Michele L. Glaser, TRMC
City Secretary

City of Seabrook
Investment Policy

1. ***POLICY***

It is the policy of the City of Seabrook (the "City") to invest public funds in a manner which will preserve the principal and maintain liquidity through limitations and diversification seeking the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds.

2. ***PURPOSE***

The purpose of this investment policy is to comply with all the statutes governing the investment of the City's funds and Chapter 2256 of the Government Code ("Public Funds Investment Act") which requires the City to adopt a written investment policy regarding the investment of its funds and funds under its control. The policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds.

3. ***SCOPE***

This investment policy applies to all financial assets of the City of Seabrook. These funds are accounted for in the City of Seabrook's Comprehensive Annual Financial Report and include:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Debt Service Fund
- Any new fund created by the City, unless specifically exempted from this Policy by the City Council or by law.

The City may consolidate cash balances from various funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

4. ***INVESTMENT STRATEGY BY FUND TYPE***

- **Operating Funds:** Operating funds will have as their primary objective to assure that anticipated daily cash requirements are matched with adequate investment liquidity. The secondary objective is to create a portfolio that will minimize volatility during changing economic cycles. There should also be a marketability of the investment if the need arises to liquidate the investment before maturity.
- **Debt Service Funds:** Investment strategies for debt service funds shall have as their primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity which exceeds the debt service payment date or funds shall be maintained in an investment pool to be available for debt service payments.
- **Capital Project and Special Purpose Funds:** These funds will have as their primary objective to assure that anticipated cash outflows are matched with adequate investment liquidity. These portfolios should have liquid securities to allow for unanticipated project expenditures or accelerated project outlays due to a better than expected or changed

construction schedule. The stated final maturity dates of securities held should not exceed the estimated project completion date.

5. ***PRUDENCE***

Investments shall be made with judgment and care-under circumstances then prevailing-which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable income to be derived.

- The standard of prudence to be used by investment officials shall be the “Prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

- The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment’s credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

6. ***OBJECTIVE***

The primary objectives, in priority order of the City of Seabrook’s investment activities shall be:

- **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City of Seabrook shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

- **Liquidity:** The City of Seabrook’s investment portfolio will remain sufficiently liquid to enable the City of Seabrook to meet all operating requirements which might be reasonably anticipated.

- **Public Trust**: All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment Officials shall avoid any transaction that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in a diversified portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

- **Return of Investment:** The City of Seabrook’s investment portfolio shall be designed with the objective of attaining a rate of return throughout the budgetary and economic cycles, commensurate with the City of Seabrook’s investment risk constraints and the cash flow characteristics of the portfolio.

7. ***DELEGATION OF AUTHORITY***

Authority to manage the City of Seabrook’s investment program is derived from the following: Ordinances, Resolutions and other acts of Council. Management responsibility for the investment program is hereby delegated to the Investment Officer, who shall establish written procedures for the operation of the investment program consistent with this policy.

8. ***TRAINING***
Investment Officers shall attend at least one investment training session within 12 months after taking office or assuming duties, and shall attend an investment training session not less than once in a two-year period and receive not less than 10 hours of instruction relating to investment responsibilities from an independent source to insure the quality and capability of investment management in compliance with Public Funds Investment Act. For the purposes of this policy, an "independent source" is defined as a professional organization, an institute of higher learning or any other sponsor other than a Business Organization with whom the City may engage in investment transactions. Independent sources that may provide investment training include the Government Treasurer's Organization of Texas, the University of North Texas, the Government Finance Officers Association of Texas, or the Texas Municipal League. Training shall be in accordance with the Public Funds Investment Act and shall include education in investment controls, security risks, market risks, and compliance with statutes governing the investment of public funds. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The Finance Director is the designated Investment Officer.

9. ***ETHICS AND CONFLICTS OF INTEREST***
Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Council any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial or investment positions that could be related to the performance of the City of Seabrook, particularly with regard to the time of purchases and sales.

10. ***AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS***
The Finance Officer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized by the State of Texas. They may include “primary” dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Finance Officer with the following: audited financial statements, proof of National Association of Security Dealers certification, trading resolution, proof of state registration and certification of having read the City of Seabrook’s investment policy and depository contracts.
An annual review of financial condition and registrations of qualified bidders will be conducted by the Finance Officer.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City of Seabrook invests.

11. ***AUTHORIZED AND SUITABLE INVESTMENTS***

The City of Seabrook is empowered by statute to invest in the following types of securities:

- U.S. Treasury Bills, Notes or Bonds, and other securities which are guaranteed as to principal and interest by the full faith and credit of the State of Texas or the United States of America or their respective agencies and instrumentalities.
- Collateralized or fully insured certificates of deposit and/or approved savings instruments at FDIC insured banks in the State of Texas, consistent with the City's current bank depository agreement.
- Repurchase agreements, if secured by U.S. Treasury Bills, Notes or Bonds
- Public Funds Investment Pool as set forth under the Interlocal Corporation Act, Article 4413 (34C).

12. ***PROCUREMENT***

Authorized investments may be made only after competitive bids are solicited from at least three sources, with the exception of a)transactions with local government investment pools, and b) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution.

13. ***MONITORING***

Monitoring shall be conducted quarterly when investment reports are compiled to ensure investments are in compliance with credit rating requirements according to PFIA and the liquidation of such investments if the minimum rating during this period is not satisfied.

Affected obligations under "Authorized and Suitable Investments" in this policy and their minimum rating requirements are:

- **Investment Pools:** Rated not less than AAA or an equivalent rating by at least one nationally recognized rating service.

11. ***COLLATERALIZATION***

Collateralization will be required on three types of investments: certificates of deposit, other approved savings instruments at an FDIC insured bank and repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest.

The City of Seabrook chooses to limit collateral to the following:

- Obligations of the United States or its agencies and instrumentalities:
- Direct obligations of the State of Texas or its agencies;
- Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas of the United States;
- Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as investment quality by nationally recognized investment rating firms and having received a rating of not less than "A" or its equivalent.
- Certificates of deposit issued by state and national banks domiciled in this state that are:
  - Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; or
  - Secured by obligations that are described by subdivisions A-D of this subsection, which are intended to include all direct agency or instrumentality issued mortgage-backed securities rated "AAA" by a nationally recognized rating agency and that have a market value of not less than the principal amount of the certificate;

- Fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described in subdivision 1 of this subsection, pledged with a third party selected or approved by the City of Seabrook and placed through a primary government securities dealer, as defined by the Federal Reserve, or a bank domiciled in this state;
- Certificates of deposit issued by savings and loan associations domiciled in this state that are:
    - o Guaranteed or insured by the Federal Savings and Loan Insurance Corporation or its successor; or
    - o Secured by obligations that are described by subdivisions A-D of this subsection which are intended to include all direct federal agencies or instrumentality issued mortgage-backed securities that have a market value of not less than the principal amount of the certificates; and
- Such other investments as may be authorized by Texas Revised Civil Statutes, article 842a -2, as amended.

12. ***SAFEKEEPING AND CUSTODY***

All security transactions including collateral for repurchase agreements, entered into by the City of Seabrook shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Finance Director and evidenced by safekeeping receipts.

13. ***DIVERSIFICATION***

The City of Seabrook will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City’s total investment portfolio will be invested in a single security type or with a single financial institution. The City may invest up to 100% of its investment portfolio in U.S. Treasury securities, CD’s and authorized investment pools.

14. ***MAXIMUM MATURITIES***

To the extent possible, the City of Seabrook will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two (2) years from the date of purchase. However, the City may collateralize its repurchase agreements using longer dated investments not to exceed five (5) years to maturity.

Reserve funds may be invested in securities exceeding two (2) years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

15. ***INTERNAL CONTROL***

The Finance Officer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or Investment Officers of the City. Controls and managerial emphasis deemed most important that shall be employed where practical are:

- Control of collusion.
- Separation of duties.
- Separation of transaction authority from accounting and record keeping.
- Custodian safekeeping receipts records management.

- Avoidance of physical delivery securities.
- Clear delegation of authority.
- Documentation on investment bidding events.
- Written confirmation of telephone transactions.
- Reconcilement and comparisons of security receipts with the investment subsidiary records.
- Compliance with investment policies.
- Accurate and timely reports.
- Validation of investment maturity decisions with supporting cash flow data.
- Adequate training and development of Investment Officers.
- Verification of all interest income and security purchase as sell computations.
- Review of financial condition of all brokers, dealers and depository institutions.
- Staying informed about market conditions, changes, and trends that require adjustments in investment strategies.

16. ***PERFORMANCE STANDARD***

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

17. ***PERFORMANCE BENCHMARK***

The City of Seabrook's investment strategy is passive. Given this strategy, the basis used by the Finance Officer to determine whether market yields are being achieved, shall be by the (e.g. six-month U.S. Treasury Bill and the average Fed Funds rate.)

18. ***REPORTING***

The Director of Finance is charged with the responsibility of submitting to City Council a report no less than quarterly detailing the investment activity and returns for all funds and investments.

Reports will:

- Describe in detail the investment position of the entity on the date of the report;
- Be prepared and signed by all investment officers of the entity;
- Contain a summary statement of each pooled fund group that states the beginning and ending market value for the reporting period and fully accrued interest.
- State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- State the maturity date of each separately invested asset that has a maturity date;
- State the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and
- State the compliance of the investment portfolio as it relates to the investment strategy stated in the City's investment policy and relevant provisions of the Public Funds Investment Act.

ORDINANCE NO. 2014-27
APPROPRIATION FOR LAKESIDE DRIVE LIFT STATION REPAIR

AN ORDINANCE AUTHORIZING AN APPROPRIATION IN AN AMOUNT NOT TO EXCEED $400,000 FOR THE REPAIR AND EMERGENCY BYPASS SYSTEM TO THE NETWORK OF MANHOLE CONNECTIONS AT THE LIFT STATION AT 1904 LAKESIDE DRIVE; AND REPLACING EMERGENCY ORDINANCE NO. 2014-26 APPROVED ON OCTOBER 21, 2014

WHEREAS, Section 2.14 of the City Charter provides for the adoption of emergency ordinances to meet public emergencies affecting life, health, property or public peace; and

WHEREAS, Section 5.05 of the City Charter provides for emergency appropriations to be adopted by ordinance with a favorable vote of five or more council members; and

WHEREAS, a repair and emergency bypass system was needed to the network of manhole connections at the lift station located at 1904 Lakeside Drive; and

WHEREAS, City Council determined that the need for such immediate repair was an emergency affecting the life, health, property and/ or public peace and so approved the passage of Emergency Ordinance No. 2014-26 on October 21, 2014 by five or more council members; and

WHEREAS, the Seabrook Charter, Article II, Section 2.14 provides that emergency ordinances shall be automatically repealed as of the 61st day following the day on which the emergency ordinance became effective, but this shall not prevent the reenactment of a regular ordinance; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SEABROOK, STATE OF TEXAS:

Section 1. Findings of fact.

The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. Appropriation.

An appropriation in an amount not to exceed $400,000 for the repair and emergency bypass system to the network of manhole connections at the lift station located at 1904 Lakeside Drive is hereby approved.

Section 3. Effective Date.

This ordinance shall be effective immediately upon passage.

Section 4. Severability.

In the event any clause, phrase, provision, sentence, or any part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Seabrook, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

AND IT IS SO ORDERED.

APPROVED on first reading on the 4th day of November 2014.

APPROVED and ADOPTED on second and final reading of the 18th day of November 2014.

By: ______________________________
Glenn R. Royal, Mayor

ATTEST:

By: ______________________________
Michele L. Glaser, TRMC
City Secretary

APPROVED AS TO FORM:

By: ______________________________
Steven L. Weathered
City Attorney

ACTION ITEM CHECK LIST STATUS

#		STATUS	DATE ASSIGNED	NEXT REVIEW DATE	PROPOSED CLOSURE DATE	RESPONSIBLE ORGANIZATION	City Council RESPONSIBILITY	PLANNING OBJECTIVE #	AGENDA ITEM NUMBER	DESCRIPTION OF ACTION ITEM	STATUS AND DATE
19		OPEN/IN WORK	8/20/2013			City Manager			4.5	Coordinate and lead project to attempt to have Surf Oaks Drive dedicated to allow Precinct 2 to repave.	Resurfacing should start by 11/14
29		OPEN/IN WORK	9/16/2014			Staff			6.1	Provide updates on resurfacing of Todville	

November 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	**3** **Master Plan Review** **6 p.m.**	**4** **ELECTION DAY** **7 a.m.—7 p.m.** **Council 7 p.m.**	**5**	**6** **Open Space 5 p.m.** **EDC 7 p.m.** **P&Z 7 p.m.**	**7**	**8**
9	**10** **Charter Review** **7 p.m.**	**11**	**12** **Hamburger Summit** **11:30 a.m. at** **Carothers**	**13** **Economic Alliance** **Banquet 6 p.m.**	**14**	**15** **Happy Hikers**
16	**17** **Charter Review** **7 p.m.**	**18** **Council 7 p.m.**	**19**	**20**	**21**	**22**
23	**24**	**25**	**26**	**27** **Thanksgiving** **Holiday**	**28** **Thanksgiving** **Holiday**	**29**
30						

December 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2 Joint meeting 6 pm. Council 7 p.m.	3	4 Open Space 5pm Xmas Tree Lighting 7 p.m.	5	6 Breakfast with Santa
7	8 Charter Review	9	10	11 EDC	12	13
14	15 Charter Review	16 Council?	17	18 HCMCA	19	20
21	22	23	24 Christmas Holiday	25 Christmas Holiday	26	27
28	29	30	31	1/1 New Year’s Holiday		