The City Council of the City of Seabrook met in regular session on Tuesday, September 01, 2015 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:

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| GLENN R. ROYAL | MAYOR |
| ROBERT LLORENTE – Ex. Abs. | COUNCIL PLACE NO. 1 |
| MIKE GIANGROSSO – arrived at 7:31pm | COUNCIL PLACE NO. 2 |
| GARY JOHNSON | MAYOR PRO TEM & COUNCIL PLACE NO. 3 |
| MELISSA BOTKIN | COUNCIL PLACE NO. 4 |
| GLENNA ADOVASIO | COUNCIL PLACE NO. 5 |
| O.J. MILLER | COUNCIL PLACE NO. 6 |
| GAYLE COOK | CITY MANAGER |
| SEAN LANDIS | ASSISTANT CITY MANAGER |
| STEVE WEATHERED | CITY ATTORNEY |
| ROBIN HICKS | CITY SECRETARY |

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

**1.0 PUBLIC COMMENTS AND ANNOUNCEMENTS** - None

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

Councilor Botkin announced the Salt Water Derby and Kids' Fish events in September, and Mayor Royal announced Celebration Seabrook in November.

**2.0 SPECIFIC PUBLIC HEARING(S)**

**2.1 Approve Resolution 2015-23, "Nominating Ed Heathcott for a Position on the Board of Directors of the Harris County Appraisal District." (Council)**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEABROOK, TEXAS, NOMINATING ED HEATHCOTT FOR A POSITION ON THE BOARD OF DIRECTORS OF THE HARRIS COUNTY APPRAISAL DISTRICT."**

**2.2 Approve an event permit for Bike Around the Bay's Annual cycling event on Sunday, October 18 from 10:00 a.m. until 1:00 p.m. The event begins at the Seabrook-Kemah Bridge and continues along Todville Road to Baybrook Park. (Hicks)**

**2.3 Approve an event permit for Houston Happy Hikers Annual 5-K and 10-K Walks on Saturday, November 14 from 8:30 a.m. until 3:00 p.m. The event begins at Miramar Park and continues along Todville Road to Pine Gully Park and back. (Hicks)**

**2.4 Approve a special permit for Celebration Seabrook Food and Wine Festival on Saturday, November 14 from 11:00 a.m. until 9:00 p.m. along Main Street. (Cook)**

Motion was made by Councilor Johnson and seconded by Councilor Botkin.
To approve the Consent Agenda as presented.
MOTION CARRIED BY UNANIMOUS CONSENT.

**END OF CONSENT AGENDA**

**3.0 NEW BUSINESS**

**3.1 Consider approval of Ordinance 2015-16, "Natural Gas Franchise with CenterPoint Energy Texas Gas Operations." (Cook)**

**AN ORDINANCE GRANTING TO CENTERPOINT ENERGY RESOURCES CORP., DBA CENTERPOINT ENERGY TEXAS GAS OPERATIONS, THE RIGHT, PRIVILEGE, AND FRANCHISE TO CONSTRUCT, INSTALL, EXTEND, REMOVE, REPLACE, ABANDON, OPERATE AND MAINTAIN ITS FACILIITIES WITHIN THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF SEABROOK, TEXAS FOR THE TRANSPORTATION, DELIVERY, SALE, AND DISTRIBUTION OF NATURAL GAS; CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.**

Gayle Cook, City Manager, explained that the CenterPoint Energy franchise was one of the first franchise ordinances of the City, and expired a couple of years ago. Staff worked with special counsel to negotiation the 2015 ordinance. The franchise fee rebate changed from 2% in the original ordinance to 4%., and by law MCF must be at 7%, and is standard to the market. The biggest negotiation point was the utility relocation section, resulting in some of the relocation costs being picked up by CenterPoint, including potential costs associated with the expansion of Highway 146. This ordinance will be in effect for 15 years.

Motion was made by Councilor Adovasio and seconded by Councilor Botkin.

To approve on second reading Ordinance 2015-16, "Natural Gas Franchise with CenterPoint Energy Texas Gas Operations".

MOTION CARRIED BY UNANIMOUS CONSENT.

**3.2 Discuss and consider approval of Supplemental Appropriations for FY 2014-15 budget in an amount not to exceed $155,600 for capital items in IT, Public Safety, Parks, and Public Works Departments. (Cook)**

Gayle Cook, City Manager, stated that forecasting of anticipated revenues versus expenditures for the current fiscal year 2014/15 indicates there will be a substantial surplus of funds at the end of the year. The bulk of the surplus is due to multiple vacancies in public safety positions (over 50% of surplus). The supplemental appropriations would be for purchasing a Backup System, an Incode Module, Email Servers, 4 Ticket Writers and Printers, a 72" Zero Turn Mower, a Walk Behind Saw, and a Backhoe this fiscal year instead of next fiscal year, and would be in addition to the amendments Council has approved throughout the year for laptops, master plan review, and Christmas decorations.

Ms. Cook stated that if Council approves this supplemental appropriation, there will still be a surplus of $220,000. The remaining surplus will go to reserves, and staff will bring a fleet replacement program back to Council for approval.

Motion was made by Councilor Johnson and seconded by Councilor Miller.

To approve Supplemental Appropriations for FY 2014-15 budget in an amount not to exceed $159,600 (an increase of $4000 for the increased price of the backhoe from the time the agenda was posted) for capital items in IT, Public Safety, Parks, and Public Works Departments.

MOTION CARRIED BY UNANIMOUS CONSENT.

**3.3 Review proposed FY 2015/2016 Budget and take action, as needed. (Lab)**

Gayle Cook, City Manager, stated staff and Council have already gone over the budget during the workshops in July; therefore, tonight is a review in summary. Changes to next year's budget include:

Seabrook Volunteer Fire Department Budget will be in a new department account for facility maintenance and baseline operating budget. Station 1 debt payments will be paid out of the debt fund.

General fund will be reduced by $120,263 for anticipated added expense as a result of the compensation study, assuming the upcoming proposed tax rate and balancing the budget.

Medical insurance premiums will decrease, and staff is proposing a change to dependent premium coverage by the City from 50% to 60%. In addition, each employee will be asked to complete a biometric screening as a preventative measure to assist in maintaining a good, long term claim status. If employees do not complete the screening, $100 will be deducted per paycheck to cover costs of claims.

Education incentives changes in public safety were implemented mid-year, and the FY 15/16 budget has the full impact of that change.

Longevity pay for employees has been at $4.00 per month for close to 30 years. Staff is proposing an increase of $1.00 per month for a total of $5.00 per month. Surrounding communities are offering $5.00 to $8.00 per month in longevity pay.

Personnel changes include a step salary increase of 2.5%, until completion of the compensation study; slightly increased Worker's Compensation rates; the addition of a part-time Marketing Communications Assistant; the addition of an Emergency Management Director, moving Jeff Galyean from Police Department and giving an unfunded position back to PD, with grant funding available that is currently paying the Emergency Management Coordinator position; the addition of a full-time Administrative Assistant in the new Public Works complex, funded for 9 months, and forecasted to be hired in January; an Animal Control Officer moved from part-time to full-time in January, funded for 9 months; and two Water and Sewer operators moved from part-time to full-time in January.

The FY 15/16 Budget also includes expenditures for new items such as the splash pads, Christmas lights, Celebration Seabrook.

Overall General Fund Revenues have been adjusted due to recently having one of the highest periods of sales tax revenue. Licenses and permits revenues are decreased by $95,000 based on staff's best forecast on new and potential builds. Intergovernmental and other revenues show a large decrease due to the move of the SVFD out of intergovernmental and into a new account. As always, and like a majority of cities, the largest revenues continue to be generated by ad valorem taxes.

Overall General Fund Expenditures have a net change of 1.47%, with assumption of $120,000 increase for compensation study; decrease in medical premiums; savings on agreements and services; and increase in capital for streets.

No action was taken by Council on this item.

**3.4 Consider and discuss the effective tax rate calculation for FY 2015/2016 and take action on proposed tax rate. If tax rate exceeds effective tax rate, take record vote and schedule 2 public hearings. (Lab)**

Gayle Cook, City Manager, explained that each year staff compiles the best budget possible, using forecasting, then waits for the tax roll from the Chief Appraiser. Traditionally, if property values go up, the effective tax rate will go down. The tax rolls for 2015 have come in, showing an overall increase in values of $92 million (80% of which was an increase in value to existing properties), so that the effective tax rate decreased. The effective tax rate is calculated using the formula set by the State, and it is not necessarily the best operating rate. The effective tax rate is $0.58 net.

If the proposed operating rate is anything over the effective tax rate, two public hearings are required by Statute, and that same statute sets out a timeline that the City is required to follow.

Mr. Michael Gibbs, Assistant Director of Finance, explained that the City's property values have steadily increased since 2012 over 2%. This year marks the first year the property values have risen to over $1billion to $1.048 billion, with existing properties increasing 79.84% and new properties increasing 20.16%. When property values go up, the effective tax rate goes down.

The current tax rate covers operations and maintenance and debt service for a total rate of $0.64003. This rate is right in line with other area/neighbor cities.

If Council votes to keep the existing rate of $0.64003, or to adopt the effective tax rate, there will not be enough funds to cover the City's debt service obligations, which have increased by $400,000, and will remain just under $2 million for the next 12 years. A rate of $0.612611 is the recommended tax rate to cover the City's debt obligations and the proposed operations and maintenance budget. The proposed tax rate is slightly higher than the effective tax rate; therefore, two public hearings on the higher rate are required.

Tax payers will see a savings on their bills, if Council adopts the proposed tax rate.

Motion was made by Councilor Johnson and seconded by Councilor Adovasio

To propose a 2015 tax rate of $0.612611 which will increase total tax revenues from the prior year by 5.43%.

MOTION CARRIED BY UNANIMOUS CONSENT by the following record vote:

Councilor Mike Giangrosso - aye
Councilor Gary Johnson - aye
Councilor Melissa Botkin - aye
Councilor Glenna Adovasio - aye
Councilor O.J. Miller - aye
Mayor Glenn Royal - aye
Councilor Robert Llorente was absent and did not vote

The first public hearing on the proposed tax rate will be at a Special meeting on September 22. The second public hearing on the proposed tax rate will be at a Regular meeting on October 6. The proposed tax rate will be adopted at a regular meeting on October 20.

## 4.0 ROUTINE BUSINESS

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

Hwy 146 – Gayle Cook, City Manager, stated there are no updates on the construction. There has been some progress on funding, with $5.5 million estimated for expenditures, and no additional resources found. Other cities are also dealing with lack of funding issues. Staff, the City Manager, and the Mayor have a meeting on 9/21 with TXDOT. TXDOT has stated they will discuss 20-30 years amortization and deferment of the cost until the project is complete.

Strategic plan – Ms. Cook stated there is nothing new to report at this time.

Project updates – Ms. Cook reported that the splash pads, fiber optics and Public Works facility are all progressing as expected. Staff is anticipating an October construction bid date on the Public Works facility. Staff should have more information on the landscaping on the clock at the traffic circle by the first of next week.

Motion was made by Councilor Botkin and seconded by Councilor Giangrosso.

To approve the Action Items Checklist.

MOTION CARRIED BY UNANIMOUS CONSENT.

### 4.2 Establish future meeting dates and agenda items. (Council)

Council meeting dates are on the regular schedule of first and third Tuesdays, and there will be a Special Meeting on September 22 for the first public hearing on the tax rate.

## 5.0 EXECUTIVE SESSION

Motion was made by Councilor Johnson and seconded by Councilor Giangrosso

To table the Executive Session, Section 551.071 to Consult with attorney to receive legal advice on legal issues associated with a Memorandum of Understanding with the Port of Houston Authority.

MOTION CARRIED BY UNANIMOUS CONSENT.

At 7:49 p.m. Mayor Royal announced that the City Council will now hold a closed executive meeting pursuant to the provisions of the open meetings Act, Charter 551, Government Code, and Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.087, Economic Development Negotiations and Section 551.074, Personnel Matters.

**Section 551.087**

**5.1 Discuss commercial information the city has received from a business prospect that it seeks to have locate, stay or expand in the City and which the city is conducting economic development negotiations, including deliberation of a financial offer or incentive as provided by Section 551.087 of the Texas Government Code. (Cook)**

**Section 551.074**

**5.2 Conduct an Executive Session to deliberate the evaluation, duties, and employment of the City Attorney. (Royal)**

**Section 551.071**

**5.3 Consult with attorney to receive legal advice on legal issues associated with a Memorandum of Understanding with the Port of Houston Authority. (Cook)**

**6.0 OPEN MEETING**

At 8:18 p.m. Mayor Royal reconvened the meeting in open session and stated that items 6.1 and 6.2 had been discussed, but that no action had been taken in executive session.

**6.1 Consider and authorize approval or take action on commercial information the city has received from a business prospect that it seeks to have locate, stay or expand in the City and which the city is conducting economic development negotiations, including deliberation of a financial offer or incentive. (Cook)**

No action was taken by Council in open session on commercial information the City has received from a business prospect.

**6.2 Consider and authorize approval or take action on evaluation, duties, and employment of the City Attorney, including authorizing approval/execution of proposed new contract with Ross, Banks, May, Cron and Cavin, P.C. for appointment as City Attorney. (Council)**

Motion was made by Councilor Johnson and seconded by Councilor Giangrosso

To approve the execution of a proposed new contract with Ross, Banks, May, Cron and Cavin, P.C. for appointment as City Attorney.

MOTION CARRIED BY UNANIMOUS CONSENT.

**6.3 Consider and authorize approval or action on amendments to the Memorandum of Understanding (MOU) with the Port of Houston Authority (POHA). (Cook)**

No action was taken in open session on the amendments to the MOU, as the executive session was tabled.

Upon motion duly made and seconded, Mayor Royal adjourned the meeting at 8:29 p.m.

Approved this 22nd day of September 2015.

Glenn R. Royal
Mayor

Robin Hicks
City Secretary