

1 The City Council of the City of Seabrook met in special session on Tuesday, March 29, 2016 at
2 7:00 p.m. in Seabrook City Hall, 1700 First Street, Seabrook, Texas to discuss, consider and if
3 appropriate, take action on the items listed below.

4
5 **THOSE PRESENT WERE:**

- | | | |
|----|-----------------|---------------------|
| 6 | GLENN R. ROYAL | MAYOR |
| 7 | ROBERT LLORENTE | COUNCIL PLACE NO. 1 |
| 8 | MIKE GIANGROSSO | COUNCIL PLACE NO. 2 |
| 9 | GARY JOHNSON | MAYOR PRO TEM & |
| 10 | | COUNCIL PLACE NO. 3 |
| 11 | MELISSA BOTKIN | COUNCIL PLACE NO. 4 |
| 12 | GLENNA ADOVASIO | COUNCIL PLACE NO. 5 |
| 13 | O.J. MILLER | COUNCIL PLACE NO. 6 |
| 14 | GAYLE COOK | CITY MANAGER |
| 15 | ROBIN HICKS | CITY SECRETARY |

16
17 Mayor Royal called the meeting to order at 7:00 p.m.

18
19 **1.0 PRESENTATIONS**

20
21 **1.1 Present the audit for FY 2014/15 to the City Council. (Lab/Auditors)**

22
23 Stephanie Harris, with the Auditors office, stated that all financials are correct. The City
24 has \$77.7 million in total assets and \$32.5 million in liabilities for an end result of \$46.1
25 million to the positive. The estimated cost of pension benefits as of 9/30/15 for all
26 employees is \$2.4 million. Unlike other long term liabilities, where there is a reduction
27 each year, pension benefits will continue to exist. A general rule of thumb is, "How well
28 are you funded?" 80% funded is preferred. Seabrook is 91% funded. Most other cities
29 are 80% funded. Private corporations are in the 70% range. The City will continue to
30 make the same payments, as projected by TMRS, to meet plan on a long term basis.
31 There are no surprises for future Councils.

32
33 The City collected \$12.2 million in revenue and spent \$13.5 million, including capital
34 outlay. There was a net increase in fund balance of \$9.1 million for the year, with a CIP
35 debt issuance of \$7.2 million, and a General Fund balance of \$1.1 million. There was an
36 increase of transfers from the utility fund. The average ration of property tax to sales tax
37 is all over the map, with sales tax being more volatile. Because city to city comparison
38 results are so different, audits primarily look at fund balance.

39
40 Sales tax dollars were up over Fiscal Year 2014: \$2.7 million in 2015, \$2.5 million in
41 2014. Gayle Cook, City Manager, stated that the drop in sales tax revenue from the
42 Highway 146 project will be about \$600,000. The Mayor pointed out that the Towers,
43 Gulf Winds, Chesapeake Bay, and two hotels will be on the tax rolls in 2016, and the
44 inventory tax will be online for the first time.

45 There is an \$18.6 million fund balance. \$6.1 million of that total in the General Fund and
46 an unassigned fund balance of \$5.1 million. \$21,000 has been assigned for civil service
47 sick leave. \$108,000 is in the Stabilization Fund. The unassigned balance represents
48 56% of 2015 annual operating expenses. Seabrook prefers reserves of 35%. Seabrook is
49 putting away money for the results of the Highway 146 expansion. The city is in
50 extraordinary shape.

51
52 Council concurred that the Director and Assistant Director of Finance, Pam Lab and
53 Michael Gibbs are doing an outstanding job.

54
55 **2.0 PUBLIC COMMENTS AND ANNOUNCEMENTS**

56
57 **2.1 Mayor, City Council and/or members of the city staff may make announcements**
58 **about city/community events. (Council)**

59 Councilor Giangrosso announced several upcoming events, including the Trash Bash; the
60 Musical Benches concert; the Library Community Clean Up; Keels and Wheels; and the
61 EDC yacht party April 22.

62 **3.0 CONSENT AGENDA**

63
64 **3.1 Accept Audit and Comprehensive Annual Financial Report (CAFR) for FY 14-15.**
65 **(Lab)**

66
67 Motion was made by Councilmember Botkin and seconded by Councilmember
68 Giangrosso

69
70 To accept the Audit and Comprehensive Annual Financial Report (CAFR) for FY 14-15.

71
72 MOTION CARRIED BY UNANIMOUS CONSENT

73
74
75 Upon motion duly made and seconded, Mayor Royal adjourned the meeting at 7:20p.m.

76
77 Approved this 19th day of April, 2016.

78
79
80
81
82
83
84
85

Robin Hicks, TRMC
City Secretary


Glenn Royal
Mayor

