The City Council of the City of Seabrook met in special teleconference session on Tuesday, July 28, 2020 at 6:00 p.m. to discuss, consider and if appropriate, take action on the items listed below.

THOSE PRESENT WERE:

THOM KOLUPSKI	MAYOR
ED KLEIN	COUNCIL PLACE NO. 1
LAURA DAVIS	COUNCIL PLACE NO. 2
JEFF LARSON – absent	COUNCIL PLACE NO. 3
NATALIE PICHA	MAYOR PRO TEM
	COUNCIL PLACE NO. 4
BUDDY HAMMANN	COUNCIL PLACE NO. 5
JOE MACHOL – arrived at 6:10pm	COUNCIL PLACE NO. 6
GAYLE COOK	CITY MANAGER
SEAN LANDIS	DEPUTY CITY MANAGER
STEVE WEATHERED	CITY ATTORNEY
ROBIN LENIO	CITY SECRETARY

Mayor Kolupksi called the meeting to order at 6:00 p.m. and conducted roll call to establish a quorum of City Council members.

1. PRESENTATIONS

1.1 Presentation of the FY 2020-2021 Proposed Budget. *Gayle Cook, City Manager and Michael Gibbs, Director of Finance*

Gayle Cook, City Manager, presented the FY2020-2021 Proposed Budget as seen in Attachment A.

2. PUBLIC COMMENTS AND ANNOUNCEMENTS - none

3. CONSENT AGENDA

3.1 Approve the updated minutes for the July 7, 2020 regular City Council meeting. Robin Lenio, City Secretary

Motion was made by Mayor Pro Tem Picha and seconded by Councilmember Klein

To approve the Consent Agenda as presented.

MOTION CARRIED BY UNANIMOUS CONSENT

4. BUDGET WORKSHOP

4.1 Conduct a budget work session to review the proposed City of Seabrook Budget for Fiscal Year 2020-2021 and schedule future work sessions, if applicable. *Gayle Cook, City Manager*

After hearing Ms. Cook's presentation on the FY2020-2021 Proposed Budget, Councilmembers had a brief discussion on calculation of the FY2020-2021 tax rate, including questions regarding allowance under Senate Bill 2 (SB2) that would not trigger an automatic election.

By consensus, the City Council had no changes to the Proposed Budget.

Upon motion duly made and seconded, Mayor Kolupski adjourned the meeting at 7:59 p.m.

Approved this 18th day of August, 2020.

_____
Thomas G. Kolupski
Mayor

_____
Robin Lenio, TRMC
City Secretary

ATTACHMENT A

SEABROOK

PROPOSED 2020-21 BUDGET

City Council Workshop

Presented by Gayle Cook, City Manager
and Michael Gibbs, Director of Finance

Agenda

1. Council and Community Priorities
2. Review of Assessed Values and Historical Tax Rates
3. SB 2
4. General Fund
5. Enterprise Fund
6. Special Funds
7. CIP
8. Decision Packages and Reductions
9. Next Steps

Council and Community Priorites

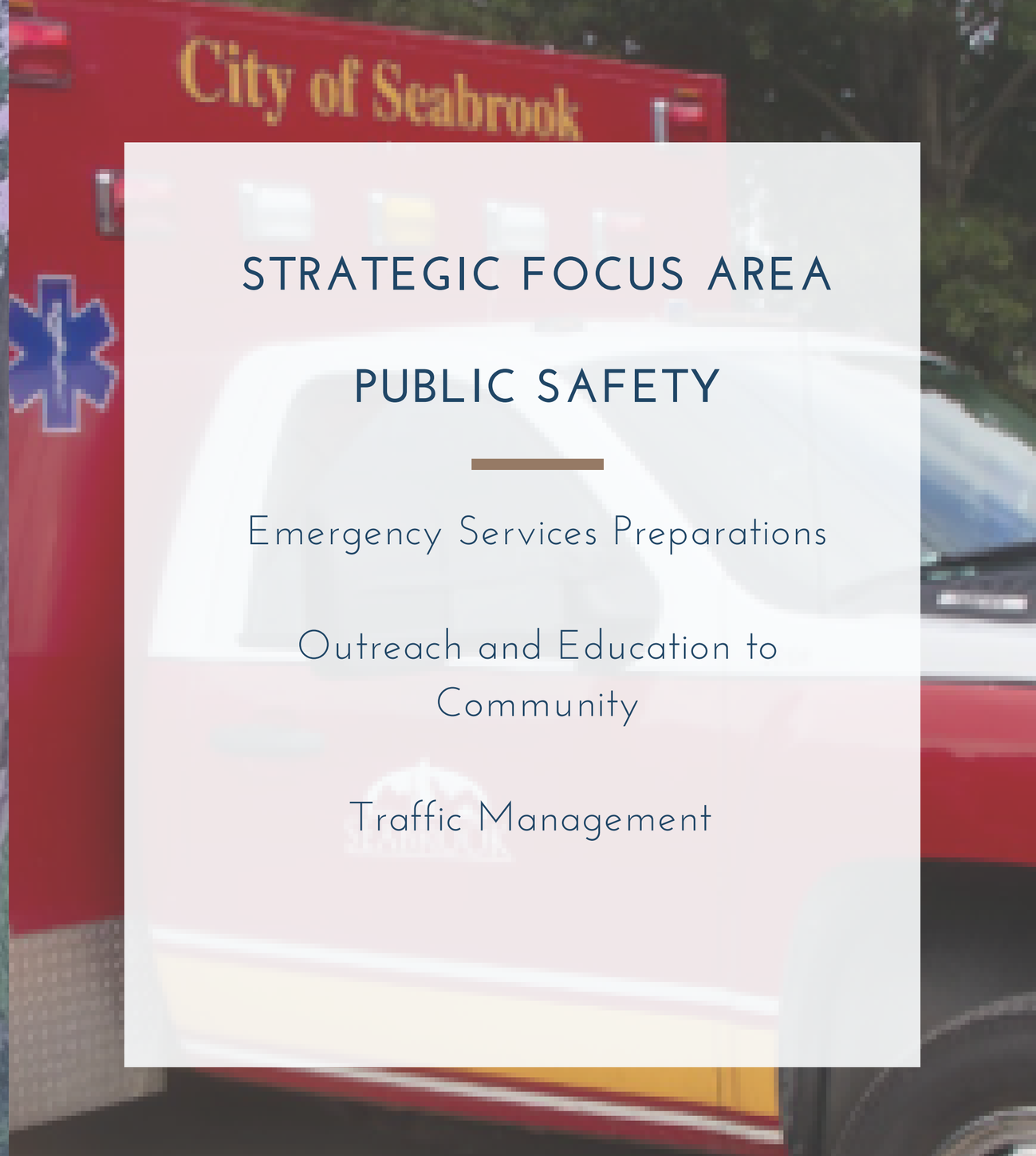
Economic Growth

Public Safety

Infrastructure and Beautification

City Services

Engage and Inform Public



STRATEGIC FOCUS AREA

PUBLIC SAFETY

Emergency Services Preparations

Outreach and Education to Community

Traffic Management

STRATEGIC FOCUS AREA

ECONOMIC GROWTH

Business Recruitment and Retention

Marketing Key Properties

Redevelopment of SH 146, North District, and Waterfront District

Community Development Code Updates

Small Business Education Programs

STRATEGIC FOCUS AREA

INFRASTRUCTURE AND BEAUTIFICATION

Parks Master Plan and Implementation

Pedestrian and Trail Connections

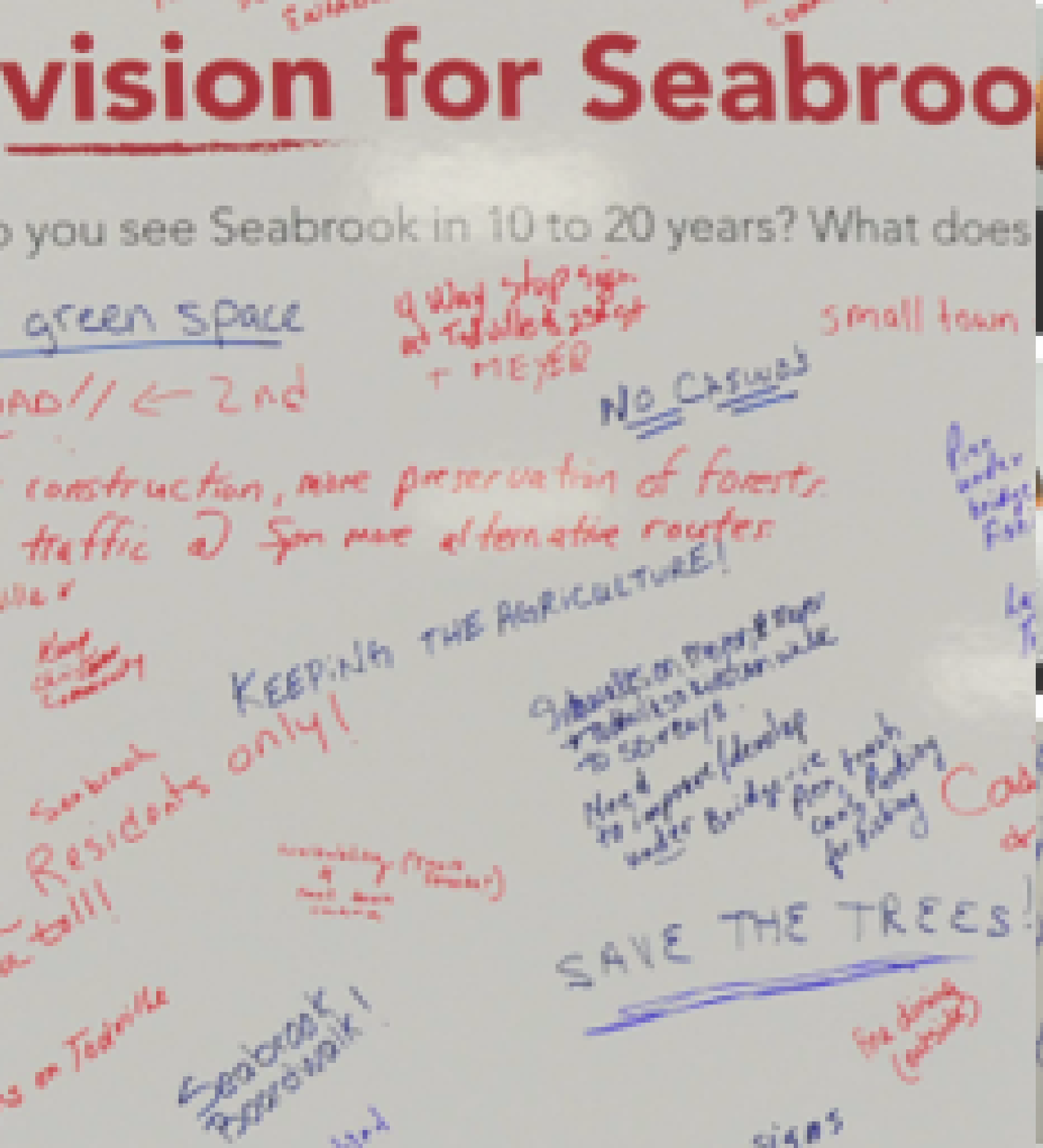
Transportation and Connectivity

Drainage Improvements

Wastewater Plant Retrofit

Water Supply Agreement

Waterfont Accessibility



STRATEGIC FOCUS AREA

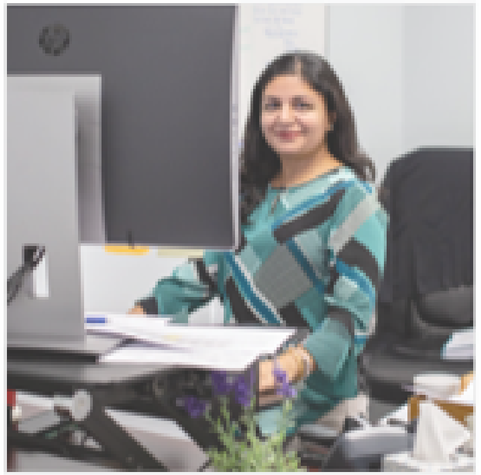
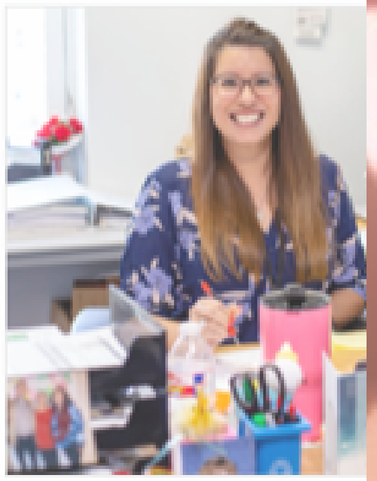
ENGAGE AND INFORM PUBLIC

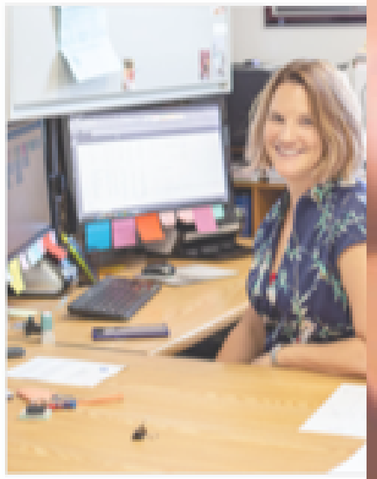
Encourage Community Participation

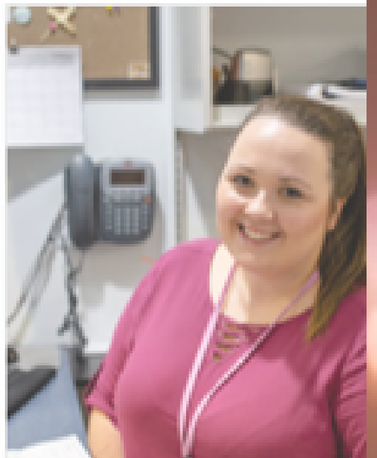
Engage With and Educate Stakeholders

Develop Joint Informational Meeting Opportunities with Council, Boards and Commissions

Promote Input From Community





STRATEGIC FOCUS AREA

CITY SERVICES

Expand on Sustainable Solutions with Limited Resources

Foster an Empowering Employee Culture

Workforce Policy and Practices to Retain and Recruit

Develop and Maintain Marketable Benefits that are Fiscally Sound

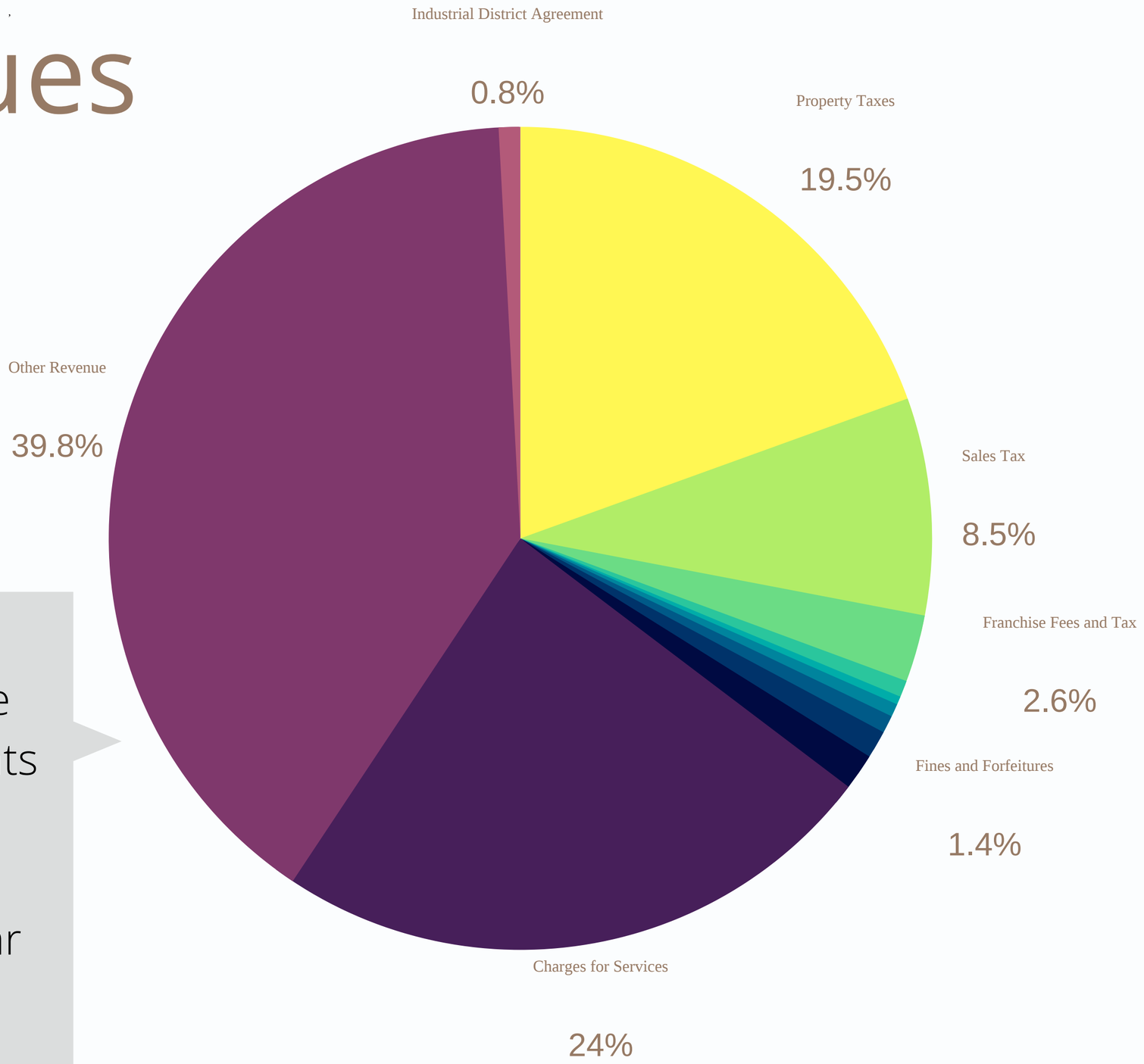
Total City Budget

FY 2021 WITH TRANSFERS

GENERAL FUND	$13,391,978
ENTERPRISE FUND	$10,446,749
DEBT SERVICE	$ 2,175,238
SPECIAL FUNDS	$ 15,358,013
TOTAL	$41,371,977

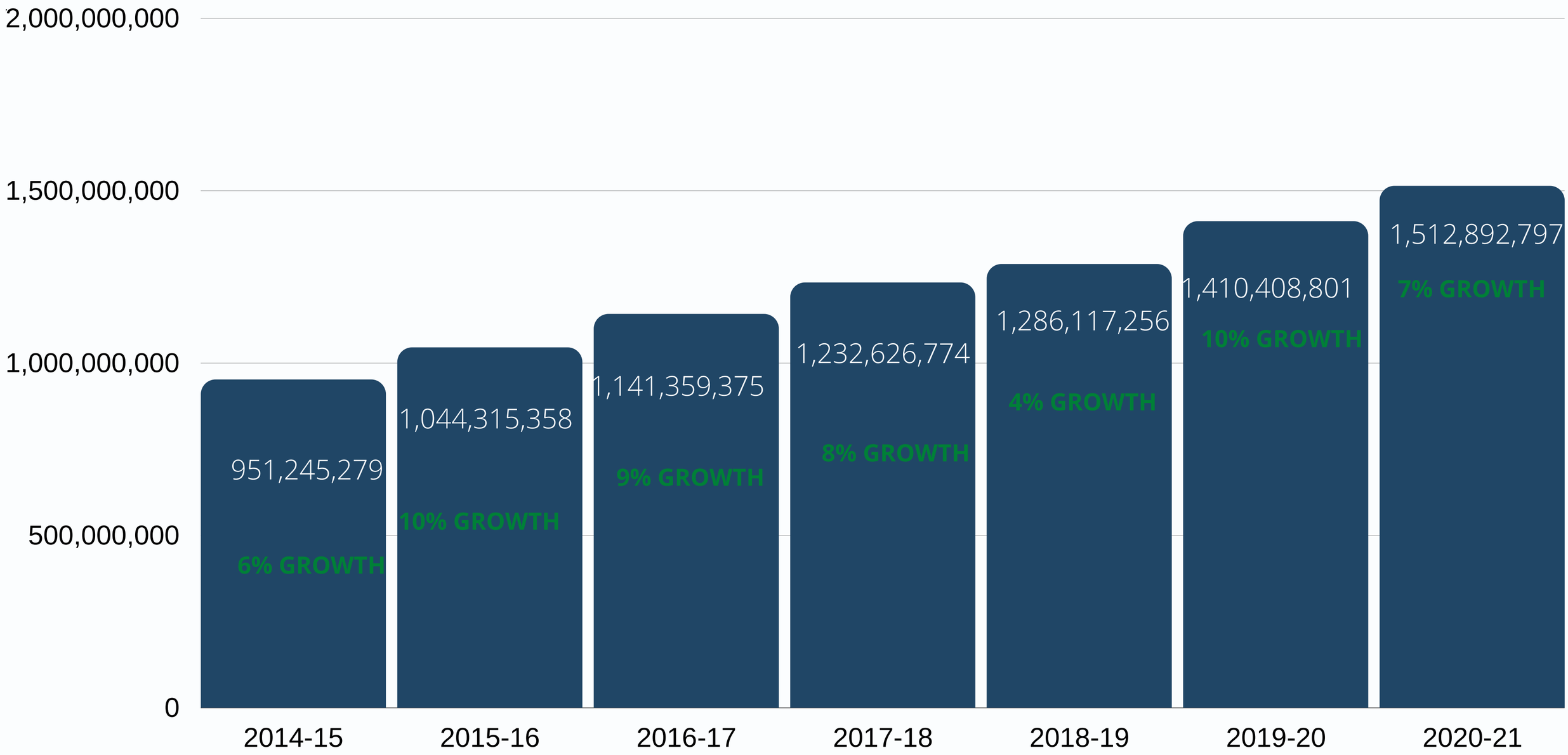
Where Does The Money Come From?

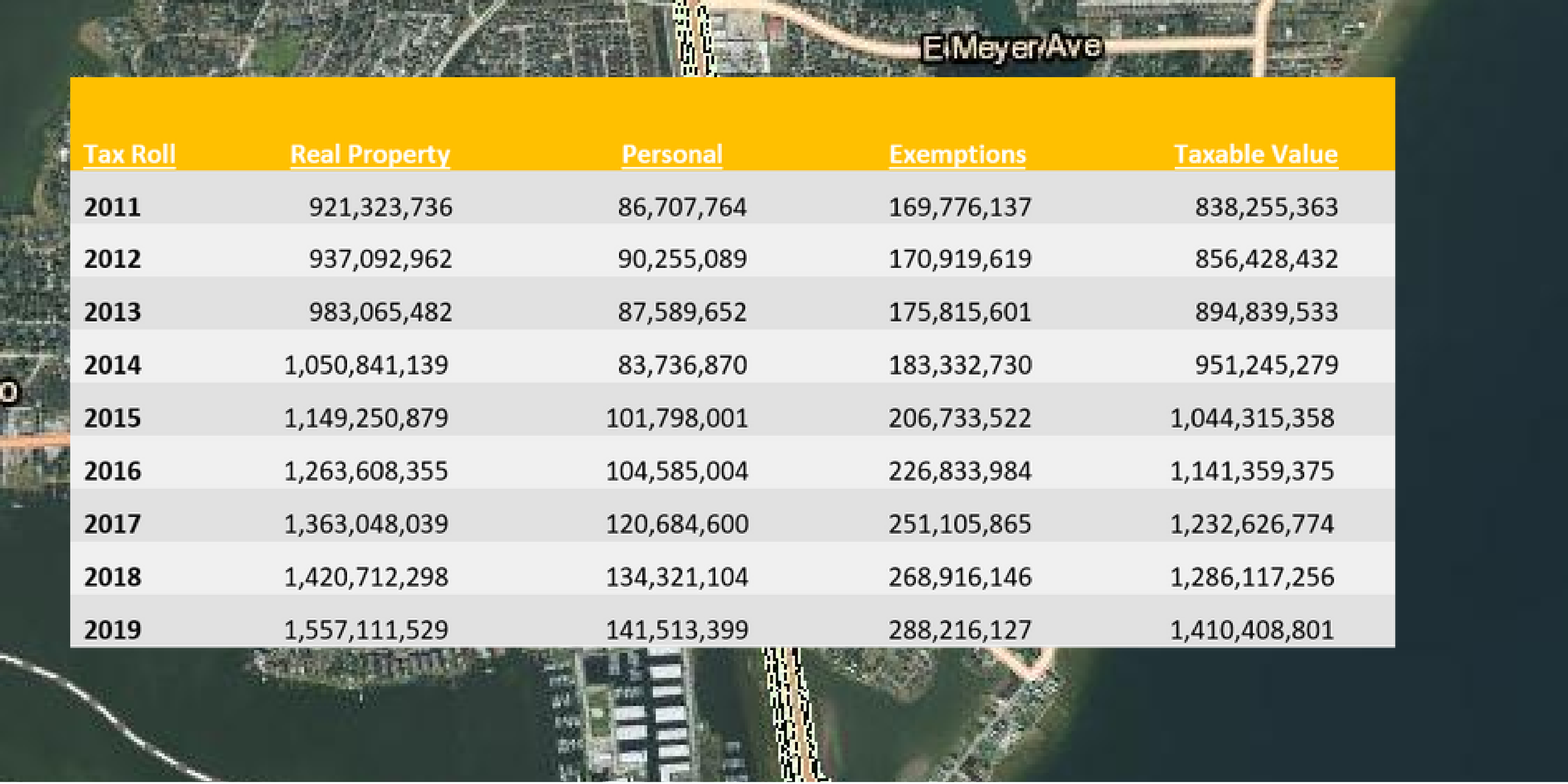
Revenues



1. Interest Income
2. Loan/Bond/Grants
3. Transfers from Funds
4. Use of Prior Year Balance

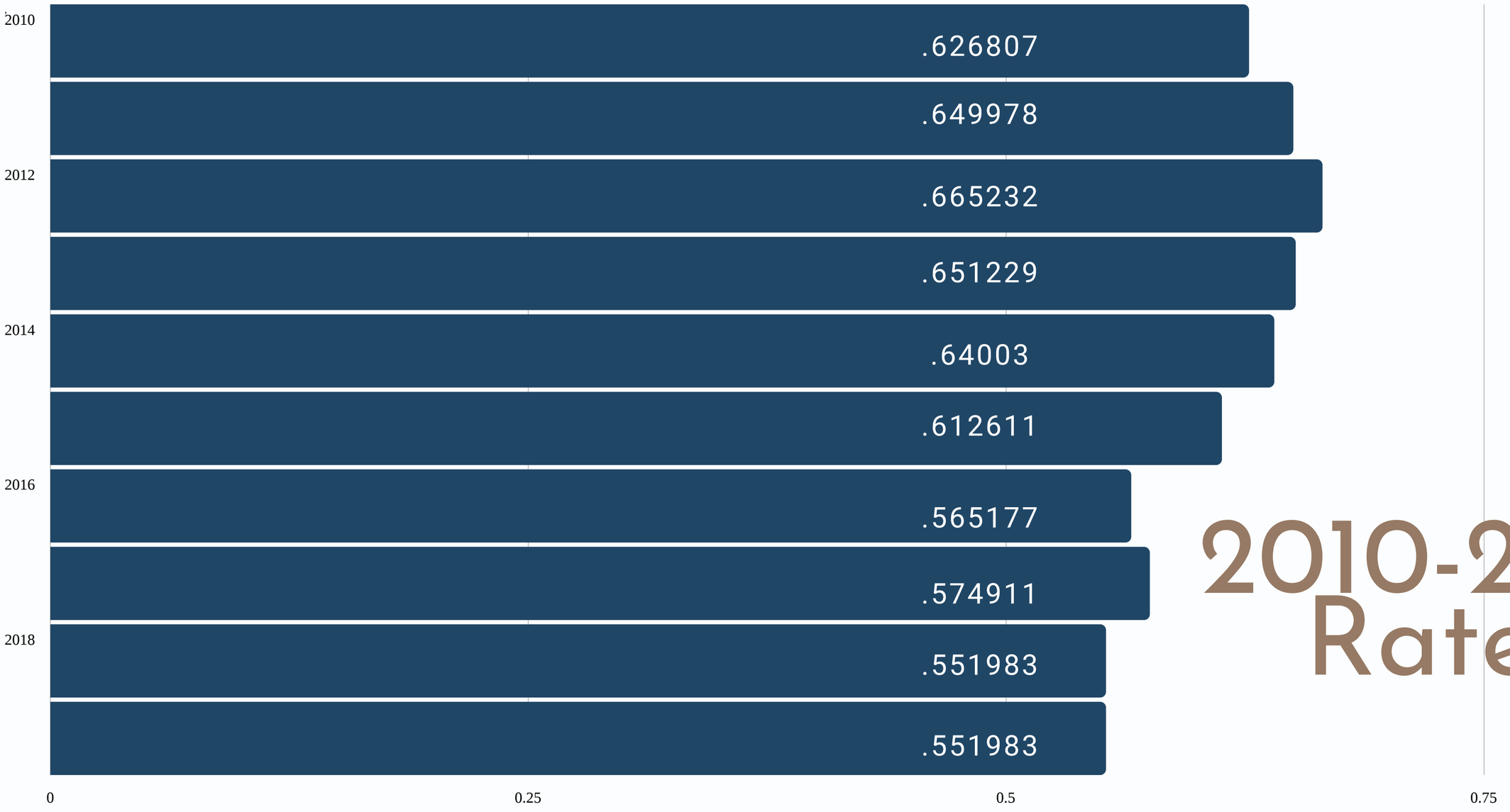
NET TAXABLE ASSESSED VALUE



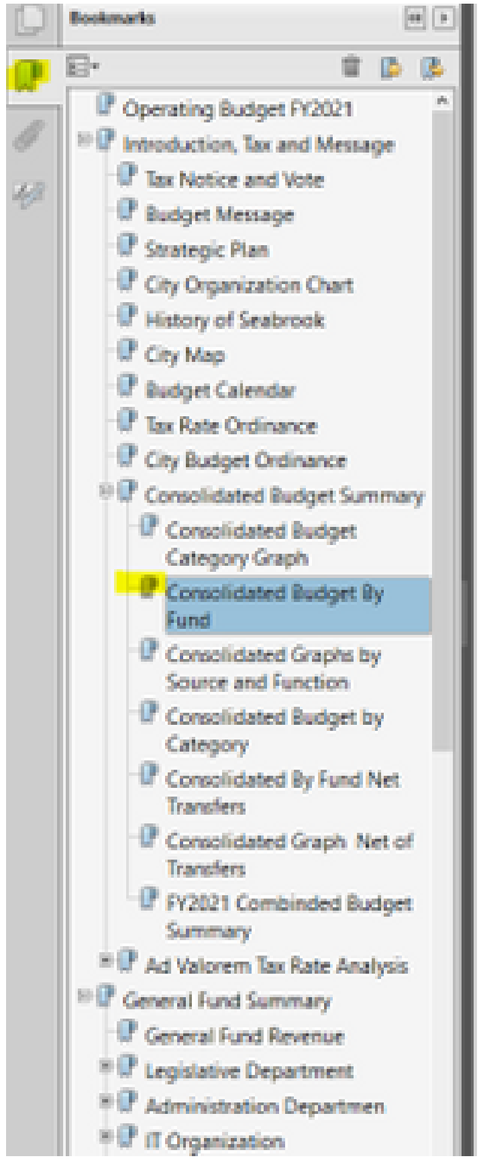


Tax Roll	Real Property	Personal	Exemptions	Taxable Value
2011	921,323,736	86,707,764	169,776,137	838,255,363
2012	937,092,962	90,255,089	170,919,619	856,428,432
2013	983,065,482	87,589,652	175,815,601	894,839,533
2014	1,050,841,139	83,736,870	183,332,730	951,245,279
2015	1,149,250,879	101,798,001	206,733,522	1,044,315,358
2016	1,263,608,355	104,585,004	226,833,984	1,141,359,375
2017	1,363,048,039	120,684,600	251,105,865	1,232,626,774
2018	1,420,712,298	134,321,104	268,916,146	1,286,117,256
2019	1,557,111,529	141,513,399	288,216,127	1,410,408,801

Ad Valorem Tax Rates



2010-2019 Rates



Consolidated Budget Summary

by Fund Group

Revenues:	General Fund	Enterprise Fund	Debt Service	Other Funds	Grand Total
Property Taxes	$ 5,921,224	$ -	$ 2,139,238	$ -	$ 8,060,462
Sales Tax	1,891,298	-	-	1,634,216	3,525,514
Franchise Fees and Tax	708,750	337,742	-	42,639	1,089,131
Hotel Occupancy Tax	-	-	-	268,250	268,250
Mixed Beverage	133,500	-	-	-	133,500
Impact Fees	-	-	-	210,506.75	210,507
License and Permits	275,000	11,000	-	-	286,000
Intergovernmental	450,033	-	-	-	450,033
Fines and Forfeitures	534,006	-	-	54,535	588,541
Charges for Services	497,166	9,110,747	-	325,204	9,933,116
Other Revenue	367,833	195,600	-	132,995.18	696,428
Industrial District Agreement	350,000	-	-	-	350,000
Interest Income	129,000	53,576	36,000	241,944	460,519
Loan/Bond/Grant Proceeds		-	-	11,759,981	11,759,981
Transfer from other Funds	2,134,168	738,084	-	687,742	3,559,994
Use of Prior Year Balance	-	-	-	-	-
Total Revenues	$ 13,391,978	$ 10,446,749	$ 2,175,238	$ 15,358,013	$ 41,371,977

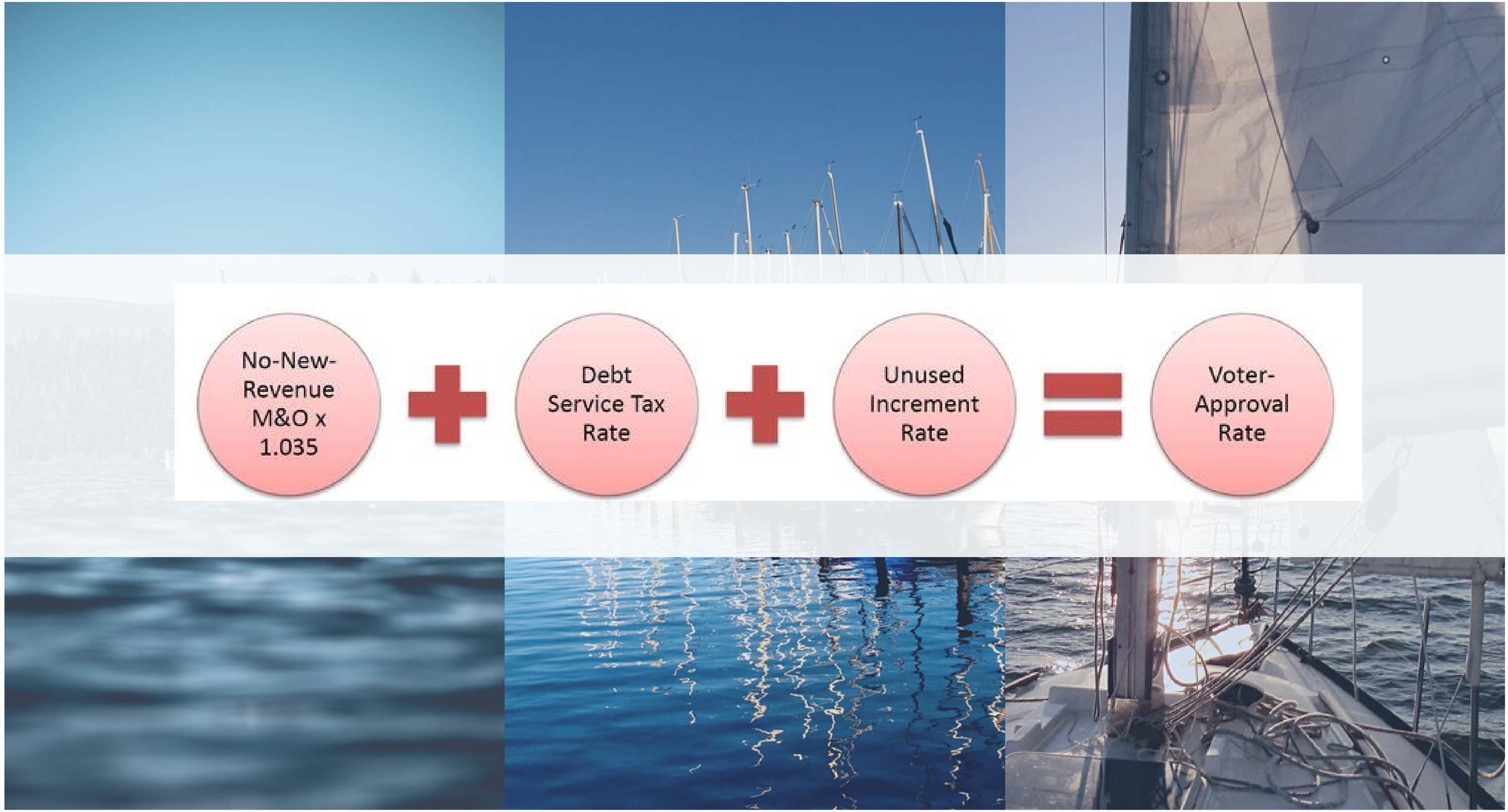
S.B. 2

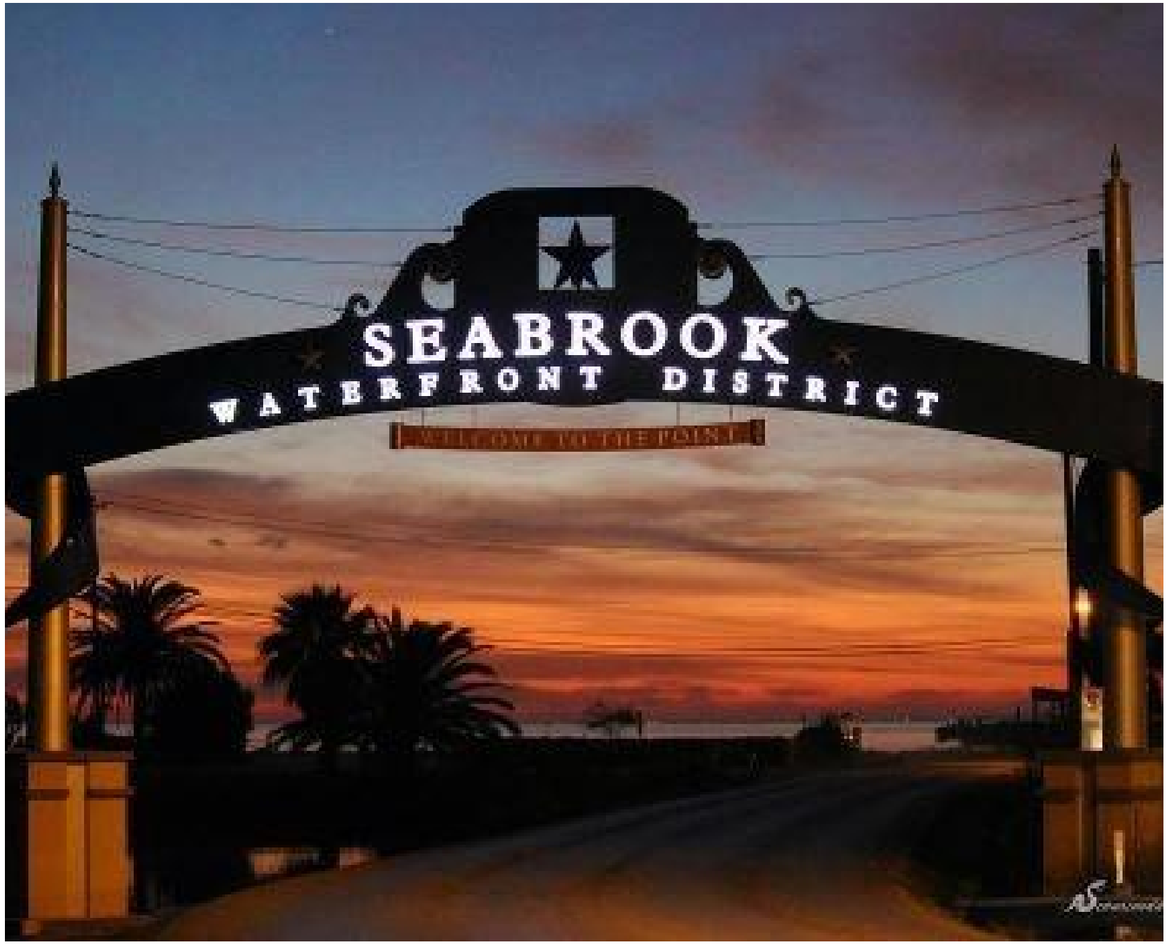
New Terminology

Effective Tax Rate → No-New-Revenue Tax Rate

Rollback Tax Rate → Voter-Approval Tax Rate

8% to 3.5%


No-New-Revenue M&O x 1.035
+
Debt Service Tax Rate
+
Unused Increment Rate
=
Voter-Approval Rate



Preliminary Tax Rolls 2020

$1,512,892,797

(Includes New Values)

$ 33,946,652 New Values

Current .551983

Tax Rate 1

O&M ("No New Revenue Rate" 3.5%)	.400052
Debt Service Rate	.142558
Total Tax Rate	.542610

Additional O&M $ 33,306

Additional Debt Service $ 29,447

Tax Rate 2

O&M	.397771
Debt Service Rate	.142558
Total Tax Rate	.540329

Bank Unused Portion = .002281

Additional O&M $ 0

Additional Debt Service $ 29,447

Tax Rate 3

(Shift from Debt Service)

O&M	.398188
Debt Service Rate	.134958
Total Tax Rate	.533146

Bank Unused Portion = .002281

OVERVIEW

General Fund

Proposed Budget Summary

BALANCED BUDGET

Prior Year Funds designated for projects not completed but budgeted in prior year

TAX RATE

Proposed Budget assumes No New Tax Rate + New Values

Stay under Voter Approval Rate 3.5%

Final Tax Roll Delivered August

MODERATE REVENUE PROJECTIONS

Property Tax	+ 5.3%	$300,000
Sales Tax	+5.7%	$102,260

CONSERVATIVE EXPENDITURES AND HEALTHY RESERVES

Majority of expenditures flat or reduced

Proposed Budget Summary

MAINTAIN OVERALL SERVICE LEVELS AND STAFFING PLAN

No new personnel proposed;

Reclassified few positions

Reduced Travel & Training

COVID IMPACTS

Sales Tax has not been negatively impacted over the last quarter;

Special Fund -Hotel Occupancy Tax significant decreases in projections

CARRY FORWARD KEY CAPITAL IMPROVEMENT PROJECTS

PERSONNEL

2.5% Automatic Step Increase

Maxed Out Employees 2.5% Lump Sum

Reclassifications & Promotions

Reserves

25% Emergency Reserve
$ 3,107,847

5.6%

Committed Fund
$ 1,600,000

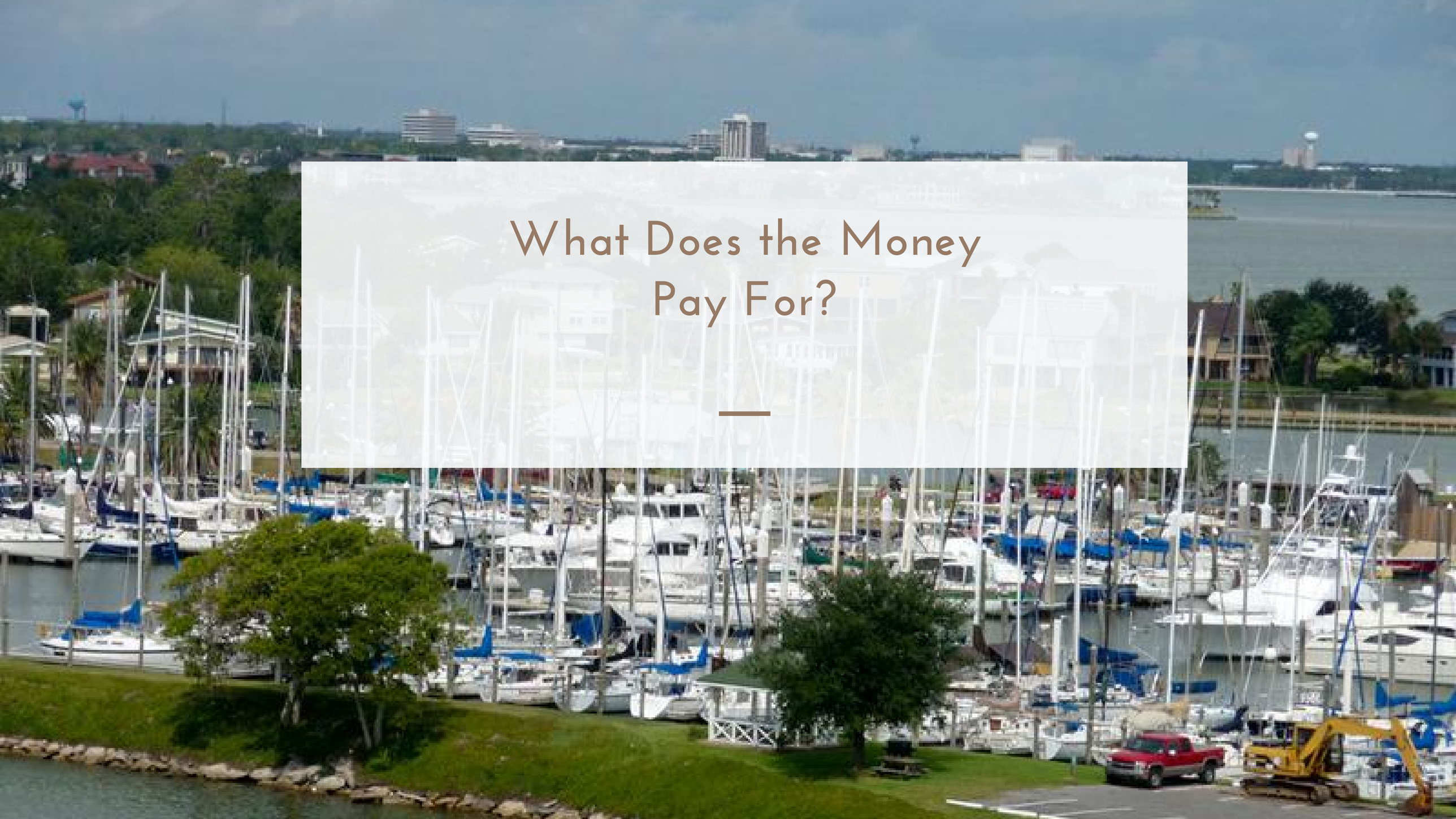
Unreserved Fund
$ 3,614,252

-10.3%

REDUCTION OF - 3.5%

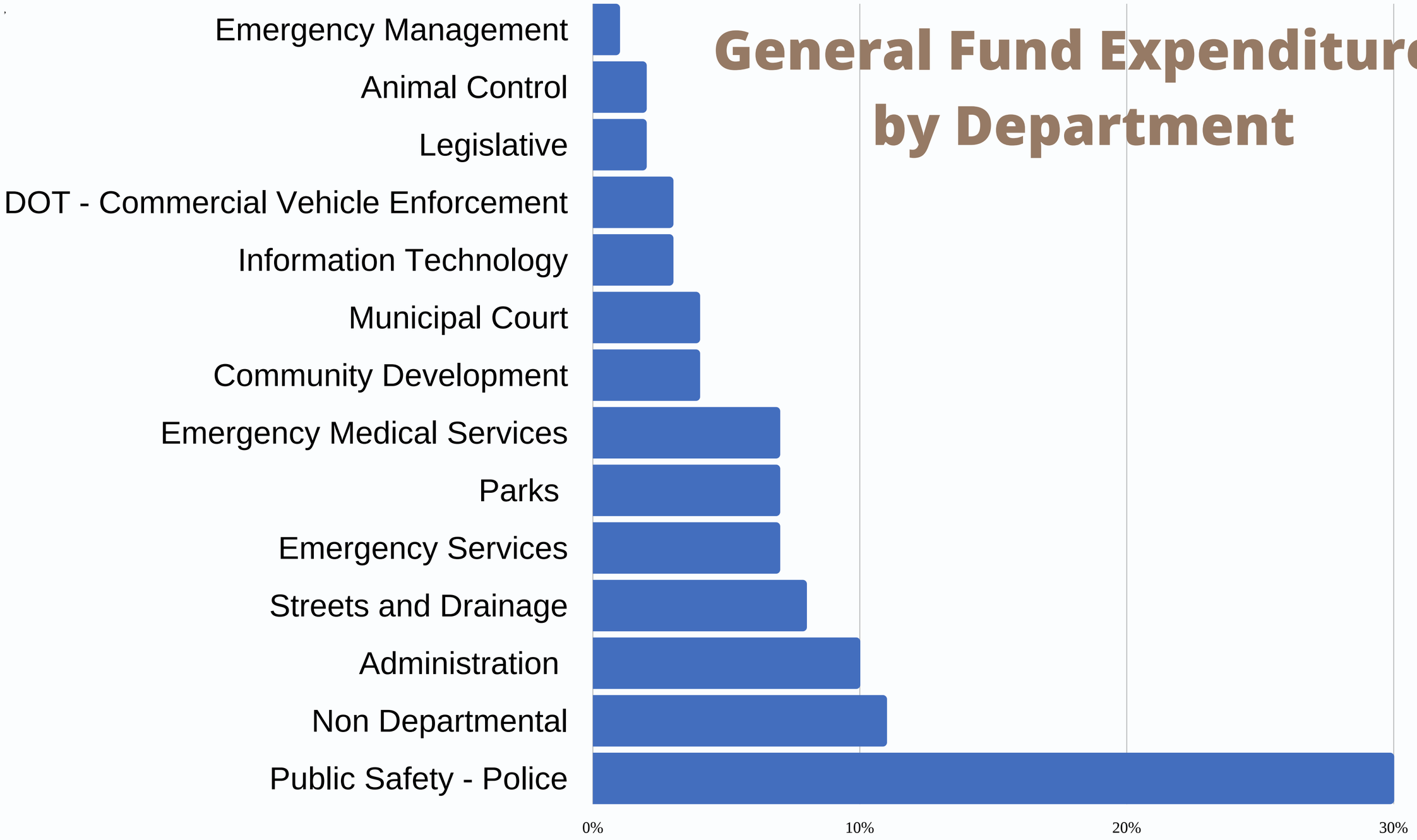
FY 2020 Budget $13,874,227

FY 2021 Budget $13,391,979

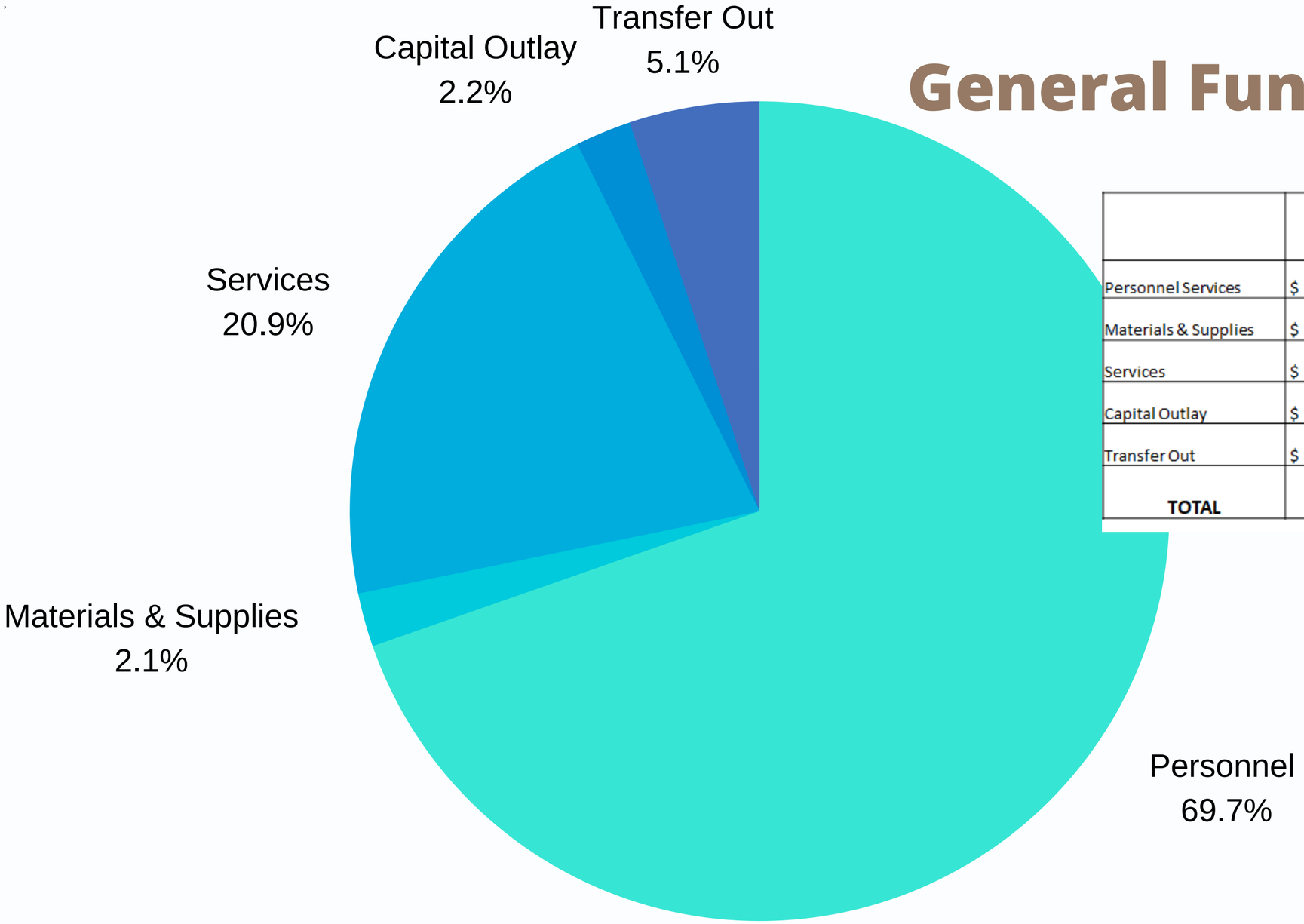


What Does the Money Pay For?

General Fund Expenditures by Department



General Fund Expenditures



	2019-20 BUDGET	2020-21 PROPOSED	2020-21 PROP vs. 2019-20 BUDGET	% CHANGE
Personnel Services	$ 9,025,940	$ 9,328,600	$ 302,660	3.4%
Materials & Supplies	$ 293,540	$ 283,679	$ (9,861)	-3.4%
Services	$ 2,912,434	$ 2,797,571	$ (114,863)	-3.9%
Capital Outlay	$ 773,813	$ 294,387	$ (479,426)	-62.0%
Transfer Out	$ 868,500	$ 687,742	$ (180,758)	-20.8%
TOTAL	**$ 13,874,227.00**	**$ 13,391,979.00**	**(482,248.00)**	**-3.5%**

Personnel Changes

STEP SYSTEM $79,596

City's Compensation Program 2.5% Increase

OTHER CHANGES TO PERSONNEL $223,064

Dental Increase

Full Annualization of Prior Mid-Year Changes to Benefits

Reclassifications & Promotions

Full Annualization of Previous Year Changes

General Fund-Departmental Overview

LEGISLATIVE (100) 4.98%

- **Education** - Anticipated completion of certifications
- **Overtime** - Additional Meetings
- **Services** - Advertising due to increase in RFQ/RFP/General Notices

ADMINISTRATIVE (102) 2.59%

- **Salaries** - Full year of Market Adjustments from 2019-20; GIS Coord
- **Education** - Shift to base pay in Directors
- **Overtime** - Additional Meeting Time
- **Hospitalization** - Mid Year Changes

IT (103) -7.12%

- **IT Software** - Departmentalized Costs
- **IT Hardware** - % Replaced Prev Year
- **Training** - Reduced
- **Equipment** - IT 10 Year CIP Plan

EMERGENCY MANAGEMENT (106) -18.18%

- Salaries - Transition to 1 Director and 1 Deputy Emergency Mgmt Coord.
- Training - Priority of Training for new Personnel

General Fund-Departmental Overview

ADMINISTRATIVE (102)

CITY MANAGER 1 FTE

GIS 1 FTE

- Salaries & Benefits
- Equipment and Software Agreements
- Technician Assistant (Water Dept)

FINANCE & PURCHASING 4 FTE

- Salaries & Benefits
- P.O. Software
- Audit
- Dues and Subscriptions
- Training

COMMUNITY VISITOR RELATIONS

1.80 FTE

- Salaries & Benefits

HUMAN RESOURCES 2 FTE

- Salaries & Benefits
- Dues and Subscriptions
- Software Agreements
- Training

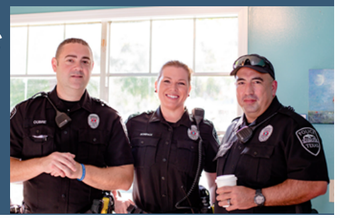
General Fund -Departmental Overview

NON-DEPARTMENTAL (107) -14.60%

- **Personnel** - Expanding Employee Recognition Program
- **Engineering** - Project Based
-

PUBLIC SAFETY (200) -.71%

- **Education** - Projected Certifications
- **Overtime** - Slight Increase
- **Workers Comp** - Modifier Rate



ANIMAL CONTROL (210) 6.68%

- Salaries - Part Time Position
- Workers Comp - Rate Increase

COMMERCIAL VEHICLE (220) 13.31%

- **Salaries** - Personnel Department Change
- **Education, Uniforms** - Department Change

General Fund -Departmental Overview

EMERGENCY SERVICES - FIRE (230)

5.69%

- **Personnel** - Reclassification to Deputy EMC
- **Insurance -Auto -** Correction from FY 20
- **SVFD Contract** - (-.34%) Decrease

EMS (240) -23.09%

- **Salaries -** Part Time Positions Budgeted
- **Workers Comp** - Full Year Modifier Rate
- **Supplies** - Annualized Usage

ANIMAL CONTROL (210) 6.68%

- Salaries - Part Time Position
- Workers Comp - Rate Increase

COMMERCIAL VEHICLE (220) 13.31%

- **Salaries** - Personnel Department Change
- **Education, Uniforms** - Department Change

General Fund -Departmental Overview

PARKS(400) 12.74%

- **Personnel, Education -** Reduce Gatekeeper Hours; Reclassifications & New Building Maintenance Tech Position Created
- **Prof Fee** - Completed invoicing on Parks Master Plan

STREETS (500) -10.02%

- **Salaries -** Tenured employee termed
- **Education** - Certification to Base Pay
- **Workers Comp** - Termed employee
- **Capital** - Street Maintenance to CIP Fund

COMMUNITY DEVELOPMENT (600) 4.73%

- **Education** - Certification to Base Pay; Completed Certifications Scheduled
- **Training** - Reduced

MUNICIPAL COURT (700) 9.55%

- **Salaries** - New position Director of Municipal Court
- **Rentals/Serv Agrmts** - Ticket Writer Software Moved into Dept 700 from Special Fund

Reductions -$61,077

LEGISLATIVE
ADMINISTRATION
IT
PUBLIC SAFETY
ANIMAL CONTROL
CVE
PARKS
STREETS
COMMUNITY DEVELOPMENT

Decision Packages

PARKS

$60,000 Track Loader

Fire- Replacement Fund $256,956

$56,982	Total Annual Amortization Needed
(27,951)	Currently in Department 230
$29,031	Additional Funds Needed for Annual Amortization

$256,956

Funds Needed for Start Up + 1st Year

OVERVIEW

Enterprise Fund

Proposed Budget Summary

BALANCED BUDGET & RESERVES

WATER AND WASTEWATER RATES

New Rates for Water and Wastewater Included from 2019 Rate Study

CAPITAL PROJECTS - WATER

W7 - SH 146 Water Lines

W11 - Friendship Water Tank

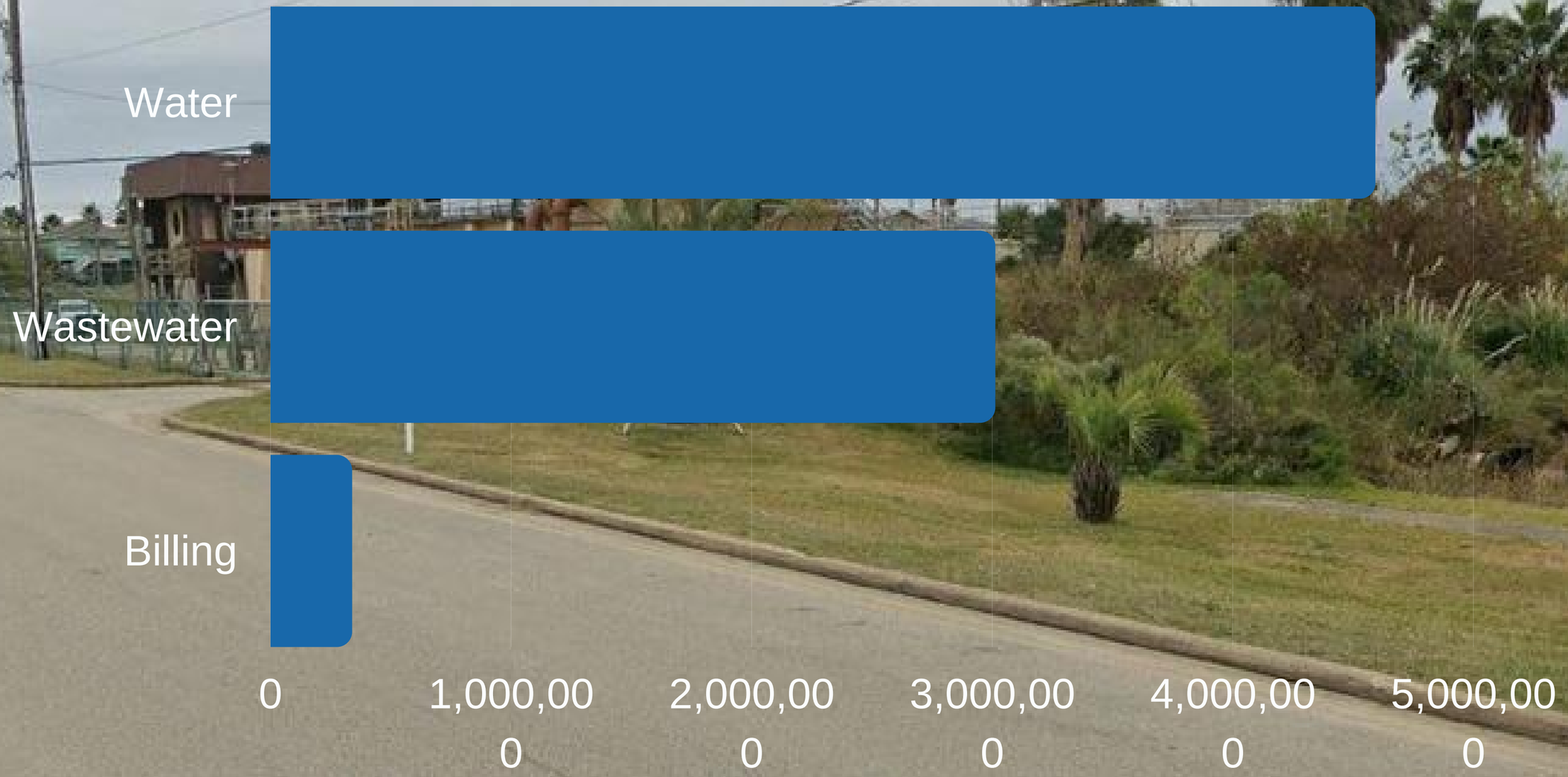
W13 - Chloramine Conversion

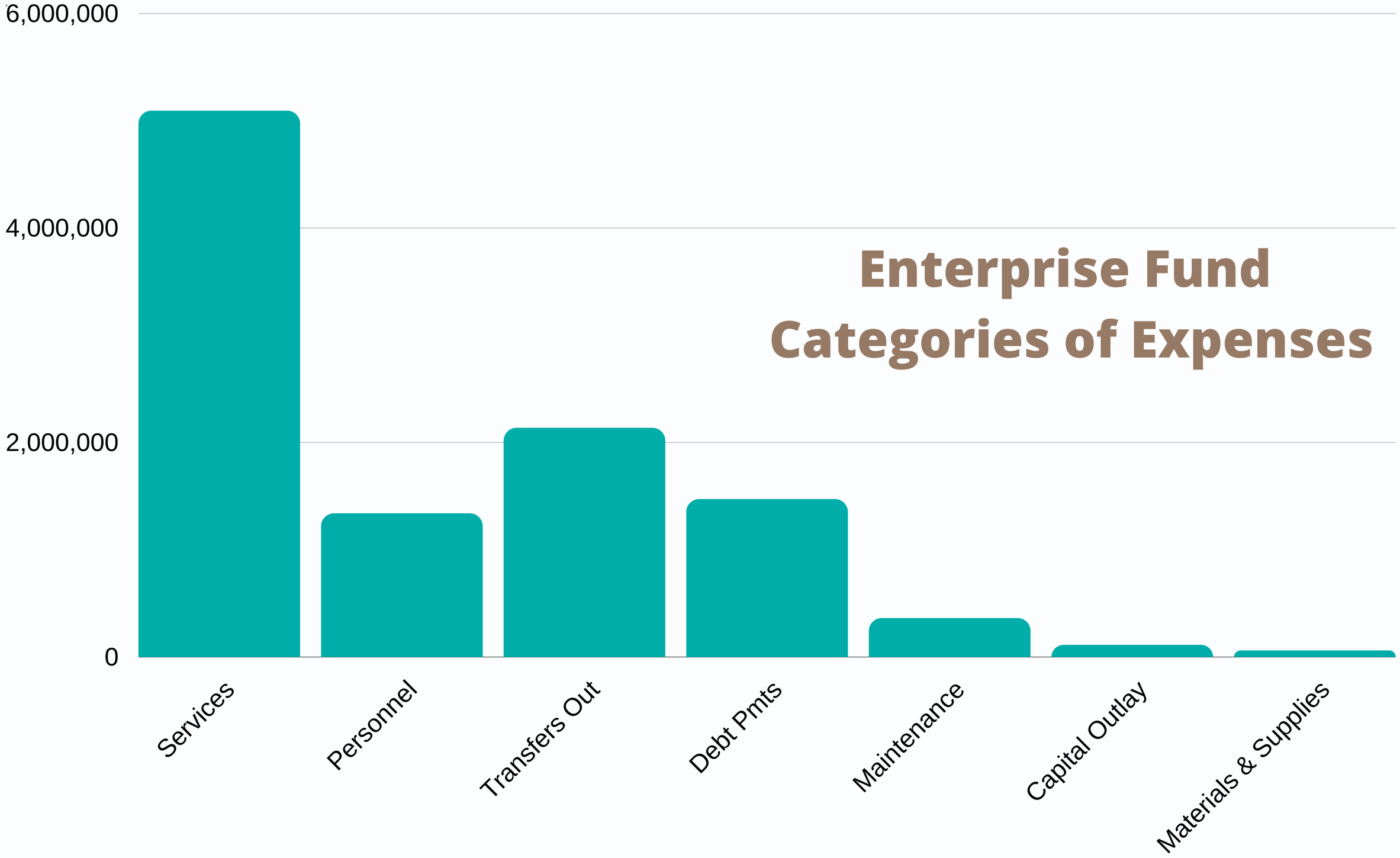
CAPITAL PROJECTS WASTEWATER

WW8 - SH146 Sanitary Lines

WW9 - Pine Gully Plant Retrofit

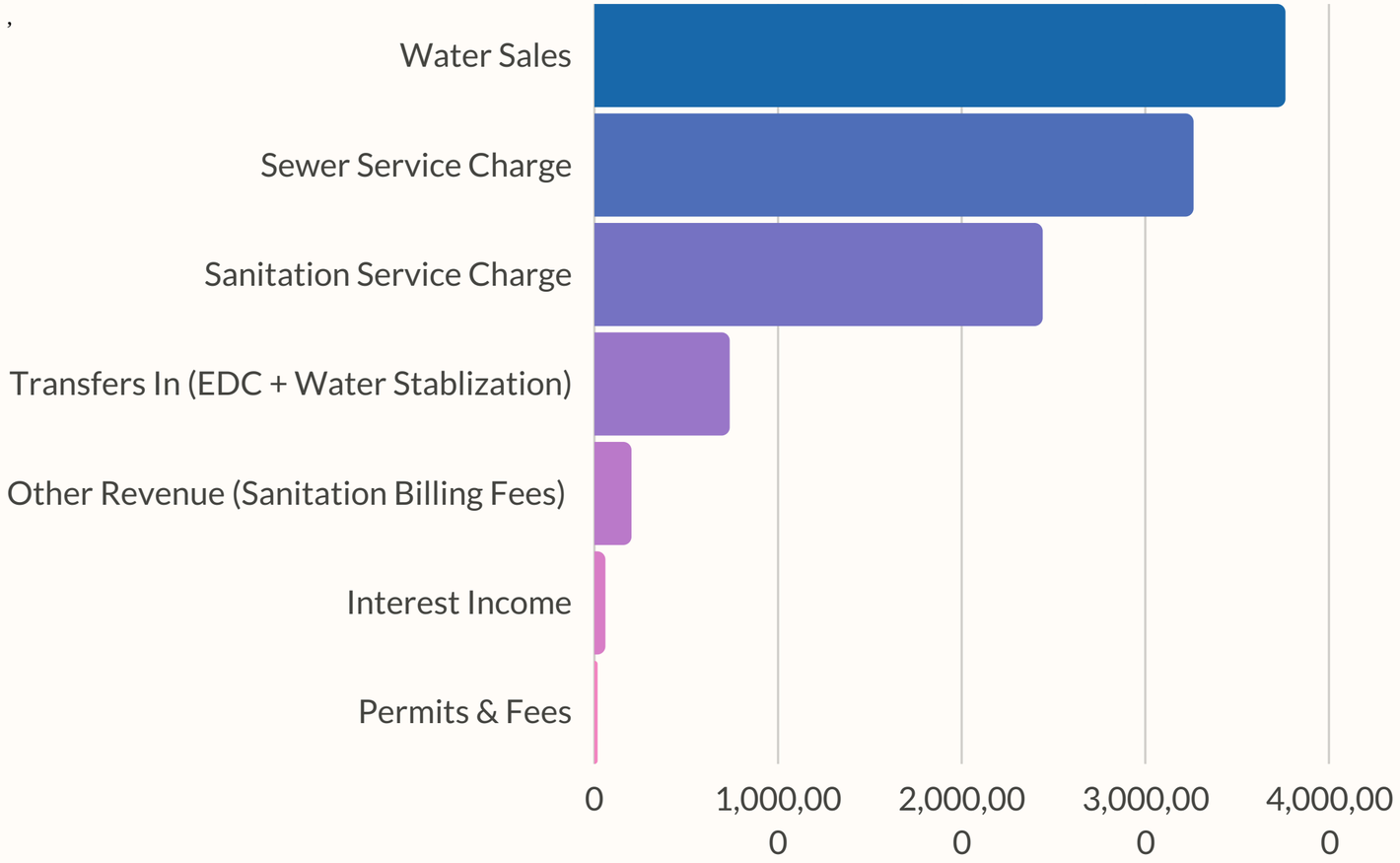
Enterprise Fund Expenditures by Department




Enterprise Fund
Categories of Expenses
6,000,000
4,000,000
2,000,000
0
Services
Personnel
Transfers Out
Debt Pmts
Maintenance
Capital Outlay
Materials & Supplies

REVENUES

ENTERPRISE FUND



Enterprise Reserves

2020-21

15% $1,263,790

UNRESERVED

$1,369,820

16%

Water and Wastewater Rates

WATER

BASE 0-2,000

Base +22.35%

Volumetric + 17.00%

WASTEWATER

Base +6.25%

Volumetric +17.00%

- Debt Service Fund
- Special Revenue Funds
  - Hotel Occupancy Tax Fund
  - State Seizure Fund Summary
  - Law Enforcement Education Fund
  - Child Safety Fund
  - Federal Seizure Fund
  - Step Fund
  - Public Safety Fund
  - Carothers Garden Fund
  - Park Improvement Fund
  - Animal Shelter Donation Fund
  - Municipal Court Truancy Fund
  - Local Jury Fund
  - Court Security Fund
  - Court Time Payment Fund
  - Court Technology Fund
  - Public Safety Vehicle Replacement Fund
  - Peg Fund
  - General Enterprise Vehicle Replacement Fund
  - Budget Stabilization Fund
  - Water Stabilization Fund
- Capital Improvement Project Funds
- Economic Development Corporation
- Crime Control District
- Investment Policy
- Policy and Procedures

SEABROOK

Special Revenue Funds

Important Dates

Budget Workshop
July 28, 2020

Additional
Workshop?

Tax Increase
Requiring Hearing or
Calling Election?

Council Meeting
August 11, 2020
Finalize Tax Rate

Approve Budget