

1 The City Council of the City of Seabrook met in regular session on Tuesday, March 19, 2019 at
2 6:00 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 THOM KOLUPSKI | MAYOR |
| 7 ED KLEIN | COUNCIL PLACE NO. 1 |
| 8 LAURA DAVIS | COUNCIL PLACE NO. 2 |
| 9 JEFF LARSON | COUNCIL PLACE NO. 3 |
| 10 NATALIE PICHA | MAYOR PRO TEM |
| 11 | COUNCIL PLACE NO. 4 |
| 12 BUDDY HAMMANN | COUNCIL PLACE NO. 5 |
| 13 JOE MACHOL | COUNCIL PLACE NO. 6 |
| 14 GAYLE COOK | CITY MANAGER |
| 15 SEAN LANDIS | DEPUTY CITY MANAGER |
| 16 STEVE WEATHERED | CITY ATTORNEY |
| 17 ROBIN HICKS | CITY SECRETARY |

18
19 Mayor Kolupski called the meeting to order at 7:00 p.m. and led the audience in the United States
20 and Texas Pledge of Allegiance.

21
22 **1. PRESENTATIONS**

23
24 **1.1** Presentation honoring and recognizing long time City employee, Joe Vega, Wastewater
25 Operator, for his hard work, loyalty, and dedication. (Kolupski)

26
27 Mayor Kolupski read the proclamation honoring Mr. Vega for his distinguished career.
28 Mr. Vega was instrumental in returning wastewater operations immediately after Hurricane Ike.

29
30 Kevin Padgett, Director of Public Works, stated that 40 years is a long time, and all of Mr.
31 Vega’s accomplishment can’t be written into a proclamation. Mr. Padgett explained that Mr. Vega
32 is as loyal as they come. He’s a hard worker and is one of the biggest parts of the Public Works
33 family. Public Works does not want to see him go, but couldn’t be happier to let him go and enjoy
34 his family. We are going to miss him.

35
36 **1.2** Presentation and recognition of Dodie Miller for his service to the City of Seabrook through
37 his dedication and loyalty to the Planning & Zoning Commission. (Kolupski)

38
39 Mayor Kolupski read the proclamation recognizing Dodie Miller for serving the
40 community as a volunteer; his artwork throughout the City; and his time on the Board of
41 Adjustment and the Planning & Zoning Commission.

42
43
44

45 **1.3** Presentation and recognition of Mike DeHart for his service to the City of Seabrook through
46 his dedication and loyalty to the Planning & Zoning Commission. (Kolupski)
47

48 Mayor Kolupski read the proclamation honoring Mr. DeHart for his service from 1986-
49 2019 on the Long Range Planning Committee, on City council as Position 1 for three terms, as
50 Mayor Pro Tem, and on the Planning & Zoning Commission.
51

52 **1.4** Presentation of the post event report for Bay Access Lakewood Yacht Club Race Series
53 2018. (Todaro)
54

55 Ms. Todaro presented Mayor Kolupski with a poster of the 2018 Harvest Moon Regatta,
56 and stated that the Bay Access Lakewood Yacht Club Race Series appreciates the support of the
57 City.
58

59 Ms. Todaro continued to say that the Bay Access Lakewood Yacht Club Race Series is a
60 charitable organization that puts on lots of races to promote sailing in the Seabrook area. The
61 organization also trains volunteers to properly hold a sailboat race, so that people are entices to
62 come to the Seabrook area to sail.
63

64 Ms. Todaro listed the races held in 2018 as:
65

66 **ADULT EVENTS**

67 J/105 North American Championships

68 Bay Cup I

69 U.S. sailing safety at sea seminar

70 KO Sailing MUSTO shoe regatta

71 Bay Cup II

72 Heald Bank Regatta

73 HMR Safety Roundtable
74

75 **YOUTH RACES AND EVENTS**

76 TSA kick off

77 ISSA Mallory Cup

78 SEISA Championships
79

80 Ms. Todaro explained that 1026 crew participating in the adult races and 292 lived outside the
81 77xxx zip code. This number does not include the safety seminars. The Texas youth race kickoff
82 involved 79 boats with 23 of those from outside of area. The Youth Championships had 25 racers
83 and 13 outside of area. Boat skippers weren't counted in adult race totals and family members
84 were not included in the youth numbers.
85
86
87
88
89

90 **1.5** Presentation of the post event report for J/Fest Southwest 2018. (Lewis)

91
92 Mr. Lewis, with J/Fest Southwest, stated that marketing for the 2018 event consisted of a
93 web site; press releases; press articles; and social media with links to Seabrook hotels, sightseeing,
94 shopping, and entertainment; direct contacts with prospect participants by Regatta Management;
95 and live stream to the participants. In all electronic advertising, links to the City's website and
96 hotel listings were included. Overall participation included 66 boats with 445 crew and support.
97 27 of the boats were from out of town with 181 out of town crew and support.
98

99 Mr. Lewis continued to explain that the overall budget for the event was \$30,043.00 and
100 \$15,000 came from Seabrook Hotel Occupancy Tax funds for advertising and live broadcasting,
101 the Competitors' Dinner and Party, the trophies, and the merchandise.
102

103 Mr. Lewis closed by telling Council that J/Fest Southwest will apply for HOT funds in
104 2019 for the 10th anniversary of the J/Fest Southwest event.
105

106 **2. AUDIT**

107
108 **2.1** Consider and take all appropriate action on first and final reading of proposed Ordinance
109 2019-11, "Amending the budget for the fiscal year beginning October 1, 2017 and ending
110 September 30, 2018." (Gibbs)

111
112 Michael Gibbs, Director of Finance, explained that this ordinance is a cleanup to provide
113 for items not budgeted for Harvey; to re-align financials from the prior year per the auditors; and
114 for \$13,000 in hotel tax expense that was booked in 2018, but was expended in 2019.
115

116 Motion was made by Councilmember Davis and seconded by Councilmember Klein

117
118 To approve on first and final reading proposed Ordinance 2019-11, "Amending the budget for the
119 fiscal year beginning October 1, 2017 and ending September 30, 2018."
120

121 MOTION CARRIED BY UNANIMOUS CONSENT

122
123 **2.2** Presentation of the Audit for FY 2017/18. (Auditors)

124
125 Audit Presentation in Attachment A.
126

127 **2.3** Accept the Audit and Comprehensive Annual Financial Report (CAFR) for FY 2017-
128 2018. (Gibbs)

129
130 Motion was made by Mayor Pro Tem Picha and seconded by Councilmember Hammann

131
132 To accept the Audit and Comprehensive Annual Financial Report (CAFR) for FY 2017-2018.
133

134 MOTION CARRIED BY UNANIMOUS CONSENT

135
136 **3. PUBLIC COMMENTS AND ANNOUNCEMENTS-** none
137
138 **3.1** Mayor, City Council, and/or members of City staff may make announcements about
139 City/Community events. (Council)

140
141 Councilmember Davis announced the following upcoming events: Bay Side Area Little
142 League Opening Day Parade; a Special City Council Workshop on March 26 at Carothers; the
143 Economic Summit at Lakewood Yacht Club; the Ribbon Cutting at Good Sense Provisions; Trash
144 Bash; the Volunteer Appreciation Dinner; and the Easter Egg Hunt. City Offices will be closed
145 on Good Friday.

146
147 **3. BID AWARDS**

148
149 **4.1** Consider and take all appropriate action on a Bid Award and execution of a contract between
150 the City of Seabrook and the only bidder, Honeywell Building Solutions, for Project 2019-03,
151 HVAC Maintenance at City Hall, Public Works Complex, Fire Station #1, and the Community
152 House, in an amount not to exceed \$55,018.00, effective April 1, 2019 for a three year term. This
153 is a budgeted item. (Padgett)

154
155 Kevin Padgett, Director of Public Works, state that the City currently has a contract in
156 place for HVAC Maintenance only at Public Works and City Hall, which is set to expire April 1.
157 The new 3 year contract with Honeywell will add the Fire Station and the Community House for
158 HVAC maintenance. Honeywell is the current contractor for City Hall and Public Works. Staff
159 recommends approval of the bid award and execution of the contract.

160
161 Motion was made by Councilmember Hammann and seconded by Councilmember Machol

162
163 To approve a Bid Award and execution of a contract between the City of Seabrook and the only
164 bidder, Honeywell Building Solutions, for Project 2019-03, HVAC Maintenance at City Hall,
165 Public Works Complex, Fire Station #1, and the Community House, in an amount not to exceed
166 \$55,018.00, effective April 1, 2019 for a three year term.

167
168 **MOTION CARRIED BY UNANIMOUS CONSENT**

169
170 **4.2** Consider and take all appropriate action on a Bid Award and execution of a contract between
171 the City of Seabrook and Tim Broadhead Architects, Inc. for Project 2019-310-01 for Architectural
172 Services for an Interior Remodel of City Hall, in an amount not to exceed \$2,500.00. This is a
173 budgeted item. (Landis)

174
175 Sean Landis, Deputy City Manager, stated that in October 2018 a budget amendment was
176 created and approved by Council for architectural services to remodel City Hall. Staff has
177 reviewed the concept and there are multiple thoughts on how to remodel. A phased approach is
178 recommended and the architect has agreed to a flat rate contract for \$2,500.00 to analyze staff
179 concepts. After the initial analysis, the architect will come back and do the drawing. The budget

180 amendment in October 2018 was for a total of \$9,500.00. This approval is for initial concepts and
181 some drawings.

182
183 Motion was made by Councilmember Hammann and seconded by Councilmember Klein

184
185 To approve a Bid Award and execution of a contract between the City of Seabrook and Tim
186 Broadhead Architects, Inc. for Project 2019-310-01 for Architectural Services for an Interior
187 Remodel of City Hall, in an amount not to exceed \$2,500.00.

188
189 MOTION CARRIED BY UNANIMOUS CONSENT

190
191 **4.3** Consider and take all appropriate action on a Bid Award and execution of a contract between
192 the City of Seabrook and AK Wet Works for Project 2019-316-01, CIP FAC8, for Fire Station #1
193 Apparatus Bay Floor Resurfacing, in an amount not to exceed \$45,823.54. This is a budgeted
194 item. (Goudie)

195
196 Brad Goudie, Director of Emergency Services, stated that last year CIP funds were
197 approved for \$8,000 to resurface the floor at the Fire Station, which is reaching 15 years old with
198 a number of chips and slip spots that are safety issues. The City issued a Request for Proposals
199 and two (2) were submitted. The staff evaluation committee, consisting of Brad Goudie, Jeff
200 Galyean, Brian Craig and Kevin Padgett, made site visits to see the product and it is the same
201 material used in airport hangars. The life expectancy of this product is 15 years, but it is expected
202 to last closer to 20 years. This product is not affected by weather factors, like humidity. The
203 resurfacing should take six (6) days and while it is going on the station equipment will probably
204 be located just outside the fire station, so that response time is not affected. Of course, there will
205 be provisions put into place to guard against theft.

206
207 Motion was made by Councilmember Davis and seconded by Councilmember Machol

208
209 To approve a Bid Award and execution of a contract between the City of Seabrook and AK Wet
210 Works for Project 2019-316-01, CIP FAC8, for Fire Station #1 Apparatus Bay Floor Resurfacing,
211 in an amount not to exceed \$45,823.54.

212
213 MOTION CARRIED BY UNANIMOUS CONSENT

214
215 **5. CONSENT AGENDA**

216
217 **5.1** Approve a permit request submitted by Magellan Pipeline Company, LP to relocate an 18"
218 refined products pipeline to cross Repsdorph Road and Humble Drive, through conventional
219 boring methods, due to the SH 146 Expansion Project. The section of the pipeline not relocated
220 will be removed where feasible or abandoned in place. The proposed construction is scheduled to
221 begin on or around July 2019 and anticipated to be completed by January 2020. (Landis)

222
223
224

225 **5.2** Approve an amendment to the 2019 Public Safety Fund Budget by reducing one line item by
226 \$15,000.00 and adding an additional line item in the amount of \$15,000.00, which will not change
227 the total approved Public Safety Fund Budget. (Galyean)
228

229 **5.3** Approve the annual Racial Profiling Report as mandated by the State of Texas. (Wright)
230

231 **5.4** Approve the minutes of the March 5, 2019 regular City Council meeting. (Hicks)
232

233 Motion was made by Councilmember Machol and seconded by Councilmember Hammann
234

235 To approve the Consent Agenda as presented.
236

237 MOTION CARRIED BY UNANIMOUS CONSENT
238

239 **6. NEW BUSINESS**
240

241 **6.1** Consider and take all appropriate action on first reading of proposed Ordinance 2019-10,
242 "Adoption of an Updated Seabrook Official Zoning Map". (Landis)
243

244 AN ORDINANCE WHICH REPLACES THE CURRENT OFFICIAL CITY OF SEABROOK
245 ZONING MAP DATED THE 19TH DAY OF APRIL, 2006; PROVIDING A PENALTY IN AN
246 AMOUNT OF NOT MORE THAN \$2,000.00 FOR VIOLATION OF ANY PROVISIONS
247 HEREOF BY INCLUSION INTO THE CODE; REPEALING ALL ORDINANCES OR PARTS
248 OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH; AND PROVIDING
249 FOR NOTICE AND SEVERABILITY
250

251 Sean Landis, Deputy City Manager, explained that Section 2.5 of zoning ordinance requires
252 the adoption/approval of an Official Zoning Map. The current official map has not been updated
253 since 2006, and the proposed updated map will show all of the changes in zoning since 2006. The
254 proposed updated map will also be in the GIS system and that the City was able to do the GIS
255 work in-house. The City and Council made a great investment in hiring a GIS staff person. One
256 reason it has taken so long to update the official zoning map is because the last map update cost
257 around \$6,000, which was saved this time with the assistance of the GIS staff person.
258

259 Motion was made by Councilmember Klein and seconded by Mayor Pro Tem Picha
260

261 To approve on first reading proposed Ordinance 2019-10, "Adoption of an Updated Seabrook
262 Official Zoning Map".
263

264 MOTION CARRIED BY UNANIMOUS CONSENT
265
266
267
268

269 **6.2** Consider and take all appropriate action on first of two readings of proposed Resolution 2019-
270 06, "EDC Project Designation for KIWO Inc. and approval of SEDC expenditures for retention,
271 and site improvements due to TXDOT condemnation pursuant to Performance
272 Agreement". (Chavez)

273
274 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEABROOK, TEXAS,
275 APPROVING A PROJECT OF THE SEABROOK ECONOMIC DEVELOPMENT
276 CORPORATION TO PROVIDE BUSINESS INCENTIVES TO KIWO, INC. IN AN AMOUNT
277 NOT TO EXCEED \$84,209.40 FOR BUSINESS RETENTION, EXPANSION, AND
278 CONSTRUCTION OF SITE IMPROVEMENTS DUE TO TXDOT CONDEMNATION FOR
279 146 IMPROVEMENTS, ALL AS PROVIDED FOR IN THE TERMS AND CONDITIONS OF
280 THE "ECONOMIC DEVELOPMENT AGREEMENT", ATTACHED HERETO FOR
281 APPROVAL

282
283 Motion was made by Councilmember Davis and seconded by Councilmember Klein
284
285 To approve on first of two readings of proposed Resolution 2019-06, "EDC Project Designation
286 for KIWO Inc. and approval of SEDC expenditures and performance agreement for retention, and
287 site improvements due to TXDOT condemnation pursuant to Performance Agreement".
288

289 MOTION CARRIED BY UNANIMOUS CONSENT

290
291 **6.3** Consider and take all appropriate action on the last of two optional renewals of a contract
292 with Sprint Waste Services LP for disposal of non-hazardous Municipal Sludge, in an amount not
293 to exceed \$453.00 per dry ton, which is an increase from \$427.00 per dry ton, to begin May 3,
294 2019, for a 12 month term. (Padgett)

295
296 Kevin Padgett, Director of Public Works, stated that this is the final extension allowed
297 under the contract, and staff recommends going forward with this final extension, even with the
298 increase. Factors contributing to the increase are increased landfill costs and operations costs.
299 Seabrook averages just under 300 dry tons per year. When this extension expires, the City could
300 see a significant jump in cost, as other bids were coming in at over \$500 per dry ton.

301
302 Motion was made by Mayor Pro Tem Picha and seconded by Councilmember Machol

303
304 To approve the last of two optional renewals of a contract with Sprint Waste Services LP for
305 disposal of non-hazardous Municipal Sludge, in an amount not to exceed \$453.00 per dry ton,
306 which is an increase from \$427.00 per dry ton, to begin May 3, 2019, for a 12 month term.

307
308 MOTION CARRIED BY UNANIMOUS CONSENT

309
310 **7. ROUTINE BUSINESS**

311
312 **7.1** Report on and Review of the Clear Lake Emergency Medical Corps (CLEMC) monthly and
313 delayed response time reports for February 2019. (Goudie)

314 Brad Goudie, Director of Emergency Services, stated that he wants to start producing
315 reports that are a bit more meaningful to Council. The February reports include data for Seabrook
316 alone as well as for all of CLEMC. A new report is a response time analysis so there is an idea
317 where service is taking place. The Detailed Response Call report is by date and to what facilities
318 the transports are taken, broken down by all of CLEM and then Seabrook only.

319
320 Mr. Goudie continued that the CLEMC Contract with Seabrook calls for an 8 minute or
321 better response time. CLEMC has been asked for a delayed response time report for any calls over
322 9 minutes and the report provided is for anything over 10 minutes. The 9 minute request takes
323 into account any possible difference between the CLEMC clock and the dispatch clock. The
324 number of calls over 9 minutes is significantly increased. Mr. Goudie is willing to provide
325 additional reports or data at the request of Council.

326
327 Council expressed that the additional reports and the breakdown for Seabrook only is a
328 huge improvement, and they thanked Mr. Goudie for putting together these more detailed,
329 additional reports. Council asked why the delayed response times are getting worse. Mr. Goudie
330 explained that the demand has grown and services haven't grown with it. For example, if they are
331 responding in Friendswood, and then get a call in Seabrook, that distance plays a factor. It's
332 important that Council and City staff have a realistic view of the situation. 25% of the calls are
333 greater than 9 minutes in response time. CLEMC is doing what they can with what they have.

334
335 **7.2 Report on and Review of the Seabrook Volunteer Fire Department (SVFD) monthly report**
336 **for February 2019. (White)**

337
338 Brad Goudie, Director of Emergency Services, explained that the SVFD has been
339 providing mutual aid to Deer Park for the ITC tank fires. The oldest truck, a pumper truck, has
340 been assigned to the ITC tank fires, with 5 personnel. Chief Gutacker has made sure that Seabrook
341 will have adequate coverage while those fires are being handled. Mr. Goudie stated that he is
342 proud that SVFD is able to help with the fires. Texans helping Texans.

343
344 In response to Council comment that SVFD seems to rolling out on medical calls, Mr.
345 Goudie explained that with SVFD getting to the scene first, there is someone making contact with
346 patients while they are waiting on an ambulance to arrive. SVFD response time is 3 minutes, and
347 it was pointed out by a member of Council that many of the SVFD volunteers have EMT training
348 or are certified EMT's or are Paramedics.

349
350 **7.3 Review of the Seabrook Police Department monthly report for February 2019. (Wright) –**

351
352 No discussion and no action taken.

353
354 **7.4 Review of the Seabrook Building Department monthly report for February 2019. (Landis) –**

355
356 No discussion and no action taken.

357

358 **7.5** Review of the Seabrook Communications Department monthly report for February
359 2019. (Alvarado)

360
361 No discussion and no action taken.

362
363 **7.6** Approve the Action Items Checklist which is attached and made a part of this
364 Agenda. (Council)

365
366 **TXDOT** – Gayle Cook, City Manager, explained that a TXDOT rep reached out to try to
367 gather area cities for a monthly meeting on March 28. There is not much new to report, other than
368 what everyone is seeing on the road. Updates are being posted to www.SH146.com. Everyone
369 is welcome to subscribe to get the updated on the 146 website. Seabrook is experiencing other
370 issues, as expected, leading into Old Seabrook and residential areas with blocked off roads by
371 TXDOT. The City is keeping a list and conveying issues to TXDOT as we have them.

372
373 **PROJECTS** – Kevin Padgett, Director of Public Works, stated that the Lucky Trail
374 Marathon took place this past weekend and the Public Works Department received lots of
375 compliments about the parks and the trails. The Public Works crew went ahead and moved the
376 trail that leads to the school, ahead of the start of construction for the Lakeside Daycare Project.
377 The contractor is now mobilized and will begin some sidewalk blocking just to the south of that
378 intersection. Sewer Line work is schedule to begin next week. Crews are down to one final
379 manhole on the Todville Project and hopefully that manhole work will be completed by the
380 beginning of next week. There is some patchwork left to do on the roadway and permanent asphalt
381 should be installed tomorrow (March 20). The Marvin Circle paving project went out to bid and
382 bids have been opened and reviewed. The City received good pricing on that project, and the staff
383 recommendation will go before Council for bid award and contract approval. The Rail Spur project
384 is underway and staff worked on drainage and utility offsets last week. The utility portion has
385 stopped, but should resume in the next week or two. The City will meet with TXDOT for a 90%
386 design meeting next Thursday on the Red Bluff Widening Project. Seabrook wants to incorporate
387 its utility relocates into the TXDOT plan for that project. The Fiber Option Connection, to connect
388 the east side to the west side and tie in all of the SCADA project just went out to bid. The next
389 City event will be Trash Bash on Saturday, March 30, at 8:30am

390
391 **GRANTS** – Jeff Galyean, Director of the Office of Emergency Management, stated that
392 Seabrook has recovered at least half of the requested reimbursements from Hurricane Harvey from
393 FEMA and the City is hoping to get an increase on the reimbursement for the Pine Gully Pier.
394 FEMA staff are still discussing and debating the pier and the remaining reimbursements. Mr.
395 Galyean has applied for another grant for flood proofing of City Hall, and FEMA has issued a
396 request for additional information because FEMA does not see the submitted flood proofing plan
397 as a permanent fix; therefore, it would not be covered under Hazard Mitigation. The additional
398 information must be submitted to FEMA by Friday, March 22.

399
400
401
402

403 **COUNCIL EVENTS**

404

405 Klein – Government Affairs Lunch n Learn hosted by the Clear Lake Area Houston
406 Chamber where he learned by 1200 per day are moving to Texas; Yachty Gras and the March
407 HCMCA meeting.

408

409 Davis – CLEMC meetings

410

411 Picha - Economic Alliance Annual Banquet where Merlion was honored as Seabrook’s
412 Business of the Year. Attendees hear how Merlion chose to stay in Seabrook after Hurricane Ike;
413 University of Houston Women’s Studies tabletop event for female elected officials with about 500
414 people in attendance and Seabrook was recognized; BayTran luncheon on March 20;
415 Transportation Policy Council on March 22; and finally a special meeting of TPC to discuss a call
416 for projects for 2045 on April 6.

417

418 Larson – Economic Alliance Annual Banquet where we learned that Merlion credits
419 Economic Development Director, Paul Chavez, with being the sole reason they stayed in
420 Seabrook; Yachty Gras; Career Day at Seabrook Intermediate.

421

422 Hammann - Yachty Gras

423

424 Machol – March HCMCA meeting; Yachty Gras; both days at the Lucky Trails Marathon;
425 and will be participating in the parade for Bay Area Little League Opening Day.

426

427 Kolupski - legislative meeting in Austin with a number of area mayors and BAHEP to try
428 to push forward the legislative agenda that Seabrook City Council approved and some progress
429 was made in those meetings with the tax reform bill, but it is still sitting in limbo. Participants did
430 not hear support for increasing the sales tax; HCMCA March meeting.

431

432 The Mayor thanked Council for attending events. He stated that he and Council are doing
433 a better job of being out in the community.

434

435 **LEGISLATIVE** – Ms. Cook gave a quick update on legislative activity, stating that there
436 is now a bill filed in the house and in the senate for the hotel convention center.

437

438 Motion was made by Councilmember Klein and seconded by Councilmember Machol

439

440 To approve the Action Items Checklist

441

442 **MOTION CARRIED BY UNANIMOUS CONSENT**

443

444 **7.7** Establish future meeting dates and agenda items. (Council)

445

446 There is a special City Council Workshop on March 26 at 6:00pm at Carothers Coastal
447 Gardens.

448 The next regular City Council meeting is on April 2 at 7:00pm at City Hall.

449
450 Upon motion duly made and seconded, Mayor Kolupski adjourned the meeting at 8:36 p.m.

451
452 Approved this 2nd day of April, 2018.

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462

Thomas G. Kolupski
Mayor

Robin Hicks, TRMC
City Secretary



Comprehensive Annual Financial Report (CAFR)
For the year ended September 30, 2018

- Received an “unmodified” opinion

“In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position...” (Page 17)

Condensed Statement of Net Position

• Increase in net position of \$3.1 million or 6%

• Contributing factors:

• Increase in capital assets of \$5.5 million

• Net decrease in deferred outflows of \$1.6 million

• Net decrease in total liabilities of approximately \$445 thousand

	Total Primary Government	
	2018	2017
Current and other assets	\$ 29,061,346	\$ 29,441,584
Capital assets, net	67,354,308	61,808,625
Total Assets	96,415,654	91,250,209
Deferred charge on refunding	288,961	359,419
Deferred outflows - pensions	1,271,548	2,781,736
Deferred outflows - OPEB	19,844	1,352
Total Deferred Outflows of Resources	1,580,353	3,142,507
Long-term liabilities	39,934,311	40,256,966
Other liabilities	2,116,037	2,238,994
Total Liabilities	42,050,348	42,495,960
Deferred inflows - pensions	946,953	92,140
Total Deferred Inflows of Resources	946,953	92,140
Net Position:		
Net investment in capital assets	35,131,245	29,939,732
Restricted	7,431,586	7,377,987
Unrestricted	12,435,875	14,486,897
Total Net Position	\$ 54,998,706	\$ 51,804,616



Condensed Changes in Net Position

- Increase in total revenue of \$1.9 million or 9%
- Contributing factors:
 - Increase in charges for services of \$248 thousand
 - Increase in total grants and contributions of \$430 thousand
 - Increase in property taxes of \$534 thousand
 - Increases in investment earnings of \$220 thousand and other revenues of \$440 thousand
- Increase in total expenses of 3%

	Total Primary Government	
	2018	2017
Revenues		
Program revenues:		
Charges for services	\$ 9,035,789	\$ 8,787,744
Operating grants and contributions	487,907	282,408
Capital grants and contributions	721,960	496,878
General revenues:		
Property taxes	6,975,344	6,441,270
Sales taxes	2,946,279	3,037,188
Franchise fees	1,725,491	1,522,744
Investment earnings	433,096	212,522
Other revenues	1,277,719	837,037
Total Revenues	23,603,585	21,617,791
Expenses		
General government	3,900,540	3,338,192
Public safety	6,629,558	6,668,690
Public works	2,438,285	2,283,662
Economic development	812,566	778,571
Interest and fiscal agent fees	592,887	681,853
Utilities	6,035,659	5,901,487
Total Expenses	20,409,495	19,652,455
Change in Net Position	3,194,090	1,965,336
Beginning net position	51,804,616	49,839,280
Ending Net Position	\$ 54,998,706	\$ 51,804,616



Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2018

	Total Funds
<u>Revenues</u>	
Property taxes	\$ 6,976,364
Sales taxes	2,946,279
Franchise fees and local taxes	823,508
Other taxes	602,973
Licenses and permits	392,499
Fines and forfeitures	514,887
Charges for services	128,184
Intergovernmental	490,391
Investment revenue	221,271
Other revenue	1,058,957
Total Revenues	14,155,313
<u>Expenditures</u>	
Current:	
General government	3,495,141
Public safety	6,099,004
Public works	2,175,847
Economic development	809,430
Capital outlay	193,970
Debt service:	
Principal	1,345,000
Interest and fiscal agent fees	583,780
Total Expenditures	14,702,172
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	(546,859)
<u>Other Financing Sources (Uses)</u>	
Transfers in	2,352,098
Transfers (out)	(690,562)
Total Other Financing Sources (Uses)	1,661,536
Net Change in Fund Balances	1,114,677
Beginning fund balances	13,203,194
Ending Fund Balances	\$ 14,317,871

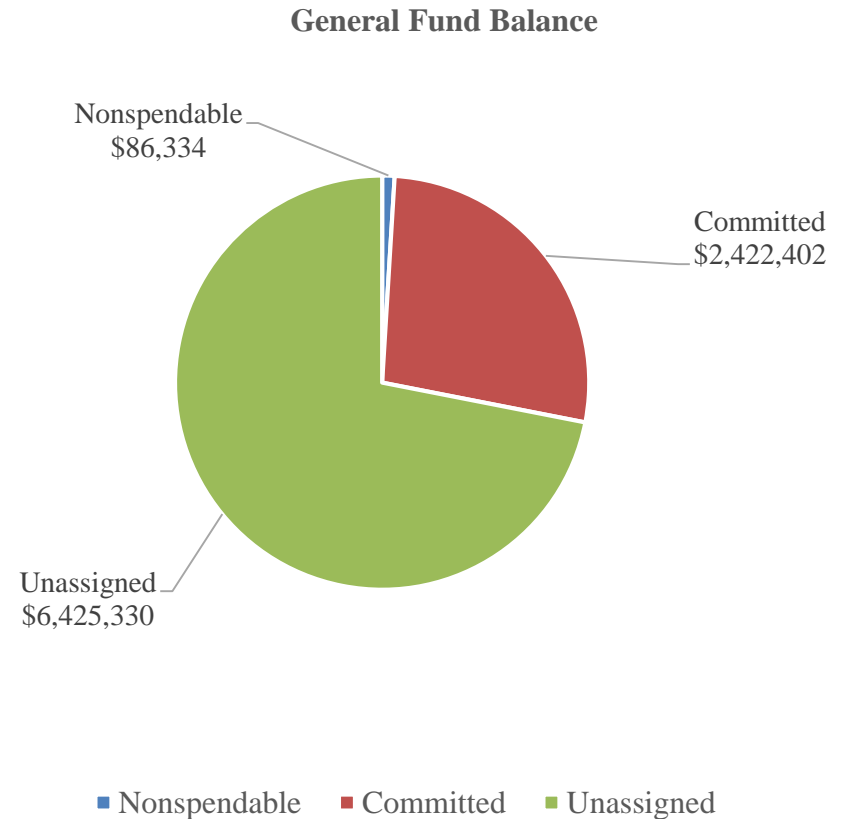


General Fund Ending Fund Balance

- Total ending fund balance was \$8.9 million

- Unassigned represents 58% of annual operating expenditures for 2018; Total fund balance is 81% of annual operating expenditures

- Realized an increase of \$634,350 for the year after a transfer from the Utility fund



Implementation of GASB 68-Year 4

- The City's net pension liability (NPL) decreased from \$5.5 million in the prior year to \$3.3 million in 2018
- Sensitivity of the NPL to changes in the discount rate

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability/(Asset)	\$ 8,126,976	\$ 3,395,137	\$ (528,525)



Implementation of GASB 68, *Continued*

- The City's plan fiduciary net position as percentage of the total pension liability as of 12/31/17 is 90.45% (page 83 of CAFR)

	Measurement Year*			
	2014	2015	2016	2017
Total Pension Liability				
Service cost	\$ 868,525	\$ 848,138	\$ 969,041	\$ 1,025,430
Interest (on the total pension liability)	2,004,153	2,088,380	2,164,619	2,286,065
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	(201,421)	189,720	475,863	(97,278)
Change in assumptions	-	570,417	-	-
Benefit payments, including refunds of employee contributions	(1,487,513)	(1,428,117)	(1,617,253)	(2,059,777)
Net Change in Total Pension Liability	<u>1,183,744</u>	<u>2,268,538</u>	<u>1,992,270</u>	<u>1,154,440</u>
Beginning total pension liability	28,940,249	30,123,993	32,392,531	34,384,801
Ending Total Pension Liability	<u>\$ 30,123,993</u>	<u>\$ 32,392,531</u>	<u>\$ 34,384,801</u>	<u>\$ 35,539,241</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 807,068	\$ 759,316	\$ 807,730	\$ 954,625
Contributions - employee	413,007	379,116	412,107	434,767
Net investment income	1,513,501	40,850	1,852,069	3,996,792
Benefit payments, including refunds of employee contributions	(1,487,513)	(1,428,117)	(1,617,253)	(2,059,777)
Administrative expense	(15,799)	(24,879)	(20,918)	(20,714)
Other	(1,299)	(1,229)	(1,127)	(1,050)
Net Change in Plan Fiduciary Net Position	<u>1,228,965</u>	<u>(274,943)</u>	<u>1,432,608</u>	<u>3,304,643</u>
Beginning plan fiduciary net position	26,452,831	27,681,796	27,406,853	28,839,461
Ending Plan Fiduciary Net Position	<u>\$ 27,681,796</u>	<u>\$ 27,406,853</u>	<u>\$ 28,839,461</u>	<u>\$ 32,144,104</u>
Net Pension Liability	<u>\$ 2,442,197</u>	<u>\$ 4,985,678</u>	<u>\$ 5,545,340</u>	<u>\$ 3,395,137</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.89%	84.61%	83.87%	90.45%
Covered Payroll	\$ 5,413,615	\$ 5,415,949	\$ 5,887,247	\$ 6,210,964
Net Pension Liability as a Percentage of Covered Payroll	45.11%	92.06%	94.19%	54.66%

Implementation of GASB 75

- The City reported a total other postemployment liability or OPEB of \$260,796
- Sensitivity of the total OPEB liability to changes in the discount rate

	1% Decrease in Discount Rate (2.31%)	Discount Rate (3.31%)	1% Increase in Discount Rate (4.31%)
City's Total OPEB Liability	\$ 316,959	\$ 260,796	\$ 217,128

