



NOTICE OF REGULAR MEETING
Park Board of Trustees of the City of Galveston
Finance and Operations Committee
Tuesday, March 14, 2023, 1:30 p.m.
Park Board Plaza Board Room - 1st Floor
601 Tremont
Galveston, Texas 77550

- I. Call Meeting To Order
- II. Pledge Of Allegiance
- III. Roll Call And Declaration Of A Quorum
- IV. Conflict Of Interest Declarations
- V. Requests To Address The Committee
The public shall be allowed to provide comment to the committee regarding one or more agenda or non-agenda items. All requests to address the committee must be submitted in writing and can be presented to the committee reporter the day of the meeting or by completing the Public Comment Form available on the Park Board of Trustees website at the following link prior to the start of the meeting:

[HTTPS://WWW.GALVESTONPARKBOARD.ORG/FORMS.ASPX?FID=65.](https://www.galvestonparkboard.org/forms.aspx?fid=65)
- VI. Discuss And Consider Approval Of The February 14, 2023 Finance And Operations Committee Meeting Minutes (Schel Heydenburg)

Documents:

[FINANCE AND OPERATIONS COMMITTEE MEETING MINUTES 02-14-2023.PDF](#)
- VII. Discuss And Consider Approval Of Expenditures For Purchase And Install Of HVAC System For The Park Board Plaza Renovation Project (Schel Heydenburg, 5 Minutes)

Documents:

[HVAC EXPENDITURES.PDF](#)
- VIII. Discuss And Consider Approval Of The Fiscal Year 2023 2nd And 3rd Quarter Request For Hotel Occupancy Tax Funding From The City Of Galveston (Bryson Frazier, 10 Minutes)

Documents:

[HOT DRAW REQUEST - AGENDA ITEM OVERVIEW.PDF](#)
- IX. Future Agenda Items
- X. Announcements

XI. Adjournment

I certify that the above Notice of Meeting was posted in a place convenient to the public, in accordance with Chapter 551 of the Texas government Code, on or before March 10, 2023, 5:00 p.m.

Approved

Dave Jacoby, Chair, FOC

Approved

Marty Fluke, Chair, Park Board of Trustees

Approved as to Format

Kelly de Schaun, Chief Executive Officer

Please Note Members of the City Council may be attending and participating in the discussion.

In accordance with the provisions of the Americans with Disabilities Act (ADA), persons in need of a special accommodation to participate in this proceeding shall, within three (3) days prior to any proceeding, contact the Park Board Administration

Office, 601 Tremont, Galveston Texas 77550 (409-797-5147)



**Park Board of Trustees of the City of Galveston
Finance and Operations Committee**

2/14/2023 - Minutes

I. Call Meeting To Order

The meeting was called to order at 1:30 p.m.

II. Pledge Of Allegiance

The pledge was recited by those present.

III. Roll Call And Declaration Of A Quorum

Roll was called and a quorum declared.

Committee members present: Dave Jacoby, Jason Hardcastle, Jeff Ossenkop and Spencer Priest.

IV. Conflict Of Interest Declarations

There were no conflicts declared.

V. Requests To Address The Committee

There were no requests to address the committee.

VI. Discuss And Consider Approval Of The January 10, 2023 Finance And Operations Committee Meeting Minutes (Schel Heydenburg)

Motion: Jason Hardcastle motioned to approve the January 10, 2023 Finance and Operations Committee meeting minutes.

Second: Jeff Ossenkop seconded.

Vote: Pass (4-0).

VII. Discuss And Consider Approval To Award A Contract To Flamingo Landscape For Upgrades At Dellanera RV Park (Vince Lorefice, 5 Minutes)

Vince Lorefice shared photos of the current landscaping at Dellanera RV Park and reported on the proposed upgrades for the park which include planting shrubs, trees and plants more resilient to the coastal conditions. He shared that TXDOT is removing some of the palm trees by the ferry and the Park Board is expected to receive these which will result in savings for this project.

Motion Spencer Priest motioned to approve awarding the landscaping upgrade contract to Flamingo Landscape.

Second: Jason Hardcastle seconded.

Vote: Pass (4-0).

VIII. Discuss And Consider Approval To Award A Contract To Immaculate Painting For Retiling The Restrooms And Laundry Room At Dellanera RV Park (Vince Lorefice, 5 Minutes)

Vince Lorefice presented the current tiling at the park in the restrooms and laundry room and shared that the new tiling would tie in to the flooring of the recent remodel of the building.

Motion: Jason Hardcastle motioned to approve awarding the retiling contract to Immaculate Painting and Construction for the retiling project at Dellanera.

Second: Spencer Priest seconded.

Vote: Pass (4-0).

IX. Discuss And Consider Approval To Purchase Access Matting From AccessRec (Vince Lorefice, 5 Minutes)

Vince Lorefice shared that this purchase is part of the recent grant received for mobility as East Beach from the National Environmental Education Foundation. He reviewed the plan which includes the purchase of 300 feet of access matting, use of 200 feet of existing access matting, installation of 10 handicapped spaces near the beach template, installing signs and painting the bollards.

Motion: Dave Jacoby motioned to approve the purchase of the access matting from AssessRec.

Second: Jeff Ossenkop seconded.

Vote: Pass (4-0).

X. Discuss And Consider Approval Of A Budget Amendment To Nourished Beach For The Dellanera Beach Repair (Sheryl Rozier, 10 Minutes)

Sheryl Rozier reported that this amendment is being requested due to the contract awarded by the Texas General Land Office coming in at a higher rate of almost \$2 million more than was estimated by FEMA for this Hurricane Harvey related nourishment project. She shared that the overage was reported to FEMA via the Texas Division of Emergency Management (TDEM) and they are currently reviewing the cost change request. The request is supported by TDEM and it is expected to be approved. The budget adjustment is needed due to the significant amount of the overage.

Motion: Spencer Priest motioned to approve the budget adjustment.

Second: Jeff Ossenkop seconded.

Vote: Pass (4-0).

XI. Discuss And Consider Approval To Dispose Of Park Board Vehicle 3704 (Bryson Frazier, 5 Minutes)

Bryson Frazier shared that this vehicle was involved in an automobile accident on November 11, 2022 which resulted in heavy damage beyond repair per the insurance carrier, TML. He reported that TML has offered two options: (1) TML Takes possession of the vehicle salvage and pays us a settlement of \$27,233.24 or (2) the Park Board keeps the vehicle salvage and TMP pays \$22,225.93. Staff does not believe that they could get a higher salvage to cover what TML offers in the first option and recommends accepting that option in the amount of \$27,233.24.

Motion: Jason Hardcastle motioned to approve accepting option 1 from TML.

Second: Spencer Priest seconded.

Vote: Pass (4-0).

XII. Discuss And Consider Approval Of Addition Of Professional Services And Legal Services Procurement Procedures To The Park Board Purchasing Policies, Procedures And Controls Manual (Bryson Frazier, 10 Minutes)

Bryson Frazier reported that as requested, procedures for procuring professional and legal services have been drafted for inclusion into the Park Board Purchasing Policies, Procedures and Controls Manual. He reviewed these procedures which include requiring a written contract before proceeding. This contract must include a scope of services, deliverables, and description of services rendered including a summary cost of all fees including hourly rates as applicable for individuals performing services. A draft of the proposed procedure was included for the committee to review.

Motion: Jason Hardcastle motioned to approve the addition professional services and legal services procurement procedures to the Park Board Purchasing Policies, Procedures and Controls Manual.

Second: Jeff Ossenkop seconded.

Vote: Pass (4-0).

XIII. Discuss And Review Process For Requesting Hotel Occupancy Tax Funds From The City Of Galveston (Bryson Frazier, 15 Minutes)

Bryson Frazier reported that the exact process is unknown currently but will be delineated in the interlocal agreement currently being discussed with the City. At this time, it is expected that the requests will be made on a quarterly basis and will include a report on the previous quarter's actual revenue and expenditures. Mr. Frazier shared that staff is hoping to have the request ready for the Board meeting at the end of the month but that future requests will be reviewed by the Finance and Operations Committee before taking it to the Board. He stated that he believes this request would then go to City staff for review and then to council for final approval.

Jason Hardcastle expressed concern over the time consumed by this process and the timing of approvals as it relates to the Park Board's cash and believes this is a completely unrealistic process. Jeff Ossenkop also shared his concern over the possibility of cash flow issues.

XIV. Discuss And Consider Approval Of Coastal Zone Management Facility Loan Term Renewal (Bryson Frazier, 15 Minutes)

Bryson Frazier reported that the loan for the Coastal Zone Management facility will be maturing on February 22, 2023 with a balance still due of \$312,638.42. He stated that the original loan was on a twenty-year amortization schedule with a maturity of 15 years and a renewal option for the last five. Mr. Frazier is recommending exercising this option and renewing the loan for the last five years of the loan.

Motion: Jason Hardcastle motioned to approve the renewal of the loan for the last five years of the amortization schedule.

Second Jeff Ossenkop seconded.

Vote: Pass (4-0).

XV. 2022-2023 Committee Work Plan

Bryson Frazier reported that there are several items on the schedule that will need to have the dates amended due to the additional work that has been required with the new City ordinances related to the Park Board funding.

XVI. Future Agenda Items

There were no requested future agenda items.

XVII. Announcements

There were no announcements.

XVIII. Adjournment

The meeting was adjourned at 2:10 p.m.



Agenda Item: Discuss and Consider Approval of Expenditures for Purchase and Install of HVAC System for the Park Board Plaza Renovation Project

Background: At the February 28, 2023, Board of Trustees meeting, staff presented and received approval for the Park Board Plaza Renovation Expenditures minus the purchase and installation of the needed HVAC system. During the planning phase for this renovation, it was discovered that the current allocation of air from other units to this area will not handle the load required to properly cool/heat this space. This cost was not anticipated when the budget for the project was estimated, and staff needed to determine funding before submitting for approval.

Johnson Controls was the contractor for the installation of the current HVAC equipment and controls. This system is very complicated and their knowledge of how it works is invaluable. In addition, Johnson Controls currently does all maintenance and repairs at the Plaza and are currently under contract through 12/31/2024. Utilizing the Sourcwell Purchasing Coop Contract with Johnson Controls, the cost for this unit and installation is \$105,511.65. In addition, the electrical work required for this system has been quoted by Competitive Electric in the amount of \$7,499.01.

To pay for this system, staff is recommending the use of the Park Board’s Line of Credit with Moody National Bank. There is currently \$487,330 available with \$52,695 outstanding. The rate for this loan is %1.95% and would be on a three-year amortization term.

Staff Recommendation: Staff is recommending approval to award the HVAC system purchase and install to Johnson Controls via the Sourcwell Contract in the amount of \$105,511.65, and add the electrical updates to Competitive Electric in the amount of \$7,499.01 to the previously awarded contract for the renovation electrical work. Staff also recommends approval to finance these costs, not to exceed \$114,000, utilizing the Park Board’s Line of Credit with Moody National Bank.

Funding Source (if applicable): The costs will be allocated to each department based on their usage of space for the renovation project:

	Percentage	Cost Per Department
\$ 114,000.00		
GF50 - 5250	44%	\$ 50,666.67
GF60 - 5250	4%	\$ 5,066.67
NB70 - 5250	4%	\$ 5,066.67
TD70 - 7002	27%	\$ 30,400.00
DP52 - 5250	2%	\$ 2,330.67
RA51 - 5250	2%	\$ 2,330.67
SB51 - 5250	2%	\$ 2,330.67
SW70 - 5250	2%	\$ 2,330.67
UP51 - 5250	12%	\$ 13,477.33
Total	100%	\$ 114,000.00



Agenda Item: Discuss and Consider Approval of the Fiscal Year 2023 2nd and 3rd Quarter Request for Hotel Occupancy Tax Funding from the City of Galveston

Background: Ordinance 22-073 calls for the City and Park Board to enter into a contract for the distribution and use of Hotel Occupancy Tax (HOT). Per Ordinance 22-073, this contract is to be in place to provide a process for quarterly payments of HOT to the Park Board to support the council approved budget. Park Board and City staff have been negotiating the HOT contract.

While an agreement should be reached soon, the Park Board is getting prepared for the busy summer season and needs an injection of HOT cash. Historically this is an intense ramp up period for the organization as it prepares for the peak season; staffing up 150 additional seasonal employees, obtaining necessary heavy and lifesaving equipment and deploying 'summer season' advertising campaigns. Special project funds for the sponsorship of 4th of July activities, Juneteenth and beach construction projects are also forecasted to make this quarter a high resource utilization period.

Tourism Development, Coastal Zone Management, Nourished Beach, and Beach Patrol are HOT dependent departments. This draw request will fund the activities for these departments for the upcoming 3rd quarter (4/1/2023 to 6/30/2023) and reimburse the expenses for the current quarter (1/1/2023 to 3/31/2023). Even though a contract is not yet in place, City staff has indicated they would support a request for funding.

In preparation for the initial quarterly HOT funding draw request, executive staff have prepared forecasts for quarterly expenses. This draw request includes funding for personnel (fulltime, part-time, and seasonal), maintenance and operations, and capital purchases. Currently, the third quarter HOT funding draw request is scheduled to be submitted to the City by March 15, 2023, to ensure a timely payment of funds to the Park Board by April 1, 2023.

Staff Recommendation: Staff recommends the committee approve the draw request and direct staff to submit the request to the City.