



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

3/8/2022 - Minutes

I. Call Meeting To Order

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

II. Roll Call And Declaration Of A Quorum

Roll was called and a quorum declared.

Committee members present: Dave Jacoby, Marty Fluke, Jason Hardcastle, Will Wright, and Maureen Patton (1:33 p.m.).

III. Conflict Of Interest Declarations

There were no conflict of interests declared.

IV. Requests To Address The Committee

There were no requests to address the committee.

V. Discuss And Consider Approval Of Meeting Minutes (Schel Heydenburg)

Motion: Jason Hardcastle made a motion to approve February 8, 2022 meeting minutes.

Second: Marty Fluke seconded

Vote: Approved (3-0, Wright abstained, Patton not present at time of vote).

VI. Discuss And Consider Approval Of 2020-2021 Park Board Financial Audit (Bryson Frazier/Winky Tsang, 15 Minutes)

Bryson Frazier introduced members of the firm of Ham, Langston and Brezina, (HB&L) who completed the 2020-2021 Park Board Financial Audit. Mr. Frazier shared that there was an audit finding related to the process used for accruing the hotel occupancy tax revenue. He reported that historically the revenue was accrued September through August due to the state rebate being received quarterly. Mr. Frazier stated that with the change to the state rebate now being received monthly the process should have been updated accordingly and will be so moving forward. Winky Tsang with HB&L updated the committee on the reports.

Motion: Marty Fluke made a motion to approve the 2020-2021 Audit.

Second: Maureen Patton seconded.

Vote: Approved (5-0).

VII. Discuss And Consider Approval Of The September 2021 Unaudited Financial Statements (Bryson Frazier, 5 Minutes)

Bryson Frazier reported that FY2021 was a strong year for the Park Board and most of the parks met or exceeded their budgets. He reviewed the highlights of the financial statements.

Motion: Will Wright made a motion to approve the September 2021 financial statements presented.

Second: Jason Hardcastle seconded.

Vote: Approved (5-0).

VIII. Presentation, Discussion And Consider Approval For Purchases Of A Tractor And Wastewater VAC Unit To Support The Mobile Amenities At Stewart Park (Vince Lorefice, 10 Minutes)

Vince Lorefice reviewed the request to purchase a tractor and waste water VAC Unit needed for the mobile amenity units.

Vote: Maureen Patton made a motion to approve the two purchases as presented,

Second: Will Wright seconded the motion.

Vote: Approved (5-0).

IX. Discuss Seasonal Exemption Changes For Beach Parks (Nate Stevens, 10 Minutes)

Kimberly Danesi gave an overview of the changes staff is working on for the beach parks schedules and shared that R.A. Apffel and Stewart Beach operate seasonally from the second week in March to the second week of October, exactly seven months out of the year. She reported that observations show that over the last few years park visitation drops on the weekdays after Spring Break until Memorial Day and after Labor Day, weekday visitation declines however weekend visitation remains elevated and continues as long as weather allows after the parks close for the season. She shared that the parks currently are unable to generate revenue outside of the seven month operating calendar due to the current method used for having seasonal exemption status.

Mrs. Danesi explained that staff has identified an updated method for receiving seasonal exemption that would allow for an operating season longer than the current seven months. She shared that the updated method consists of comparing average revenues over a six-month period and applying the average against the preceding six months. She shared that with the implementation of this 33 1/3% method would allow the parks to operate longer than seven months, capitalizing on the "off-season" visitation and retaining seasonal employees.

The committee supported this plan and directed staff take this recommendation to the Board for approval.

X. Discuss And Review Potential Beach Service Building Project (Bryson Frazier/Sheryl Rozier, 15 Minutes)

Bryson Frazier reviewed the condition of the pavilion at Stewart Beach and reminded the group that the Board approved to decommission the pavilion and explore options to replace its functionality. Sheryl Rozier along with Tyler Swanson of Roger Partners are currently working on a plan for a new facility that would house the park staff and Beach Patrol and Mr. Swanson presented a draft on the findings for the minimal needs at Stewart Beach. Mr. Frazier then discussed available funds and financing options with the committee for a proposed facility.

The committee requested additional information on the project regarding prices, grants and debt services before moving forward.

XI. Discuss And Review IT Security Audit Results (Bryson Frazier, 10 Minutes)

Bryson Frazier shared that the firm hired to perform the IT risk assessments, AltiusIT, has completed their audit and shared the results and action plan being followed to address the findings. As a reminder the three audits performed included: Network Security Audit Penetration, Web Application Security Audit Penetration, and Social Engineering Security.

XII. Discuss And Review An Update Of Short Term Rental Compliance Program (Bryson Frazier, 10 Minutes)

Bryson Frazier updated the Committee on Short term rental registration numbers, Airbnb and VRBO HOT payments, current compliance efforts, and current Taskforce activities. He shared that in the last six months, \$1.7 million has been received from the STR platforms and to date, payments collected are at \$ 6.7 million compared to \$4.9 million last year.

Mr. Frazier reported that the compliance plan is still being finalized and the focus is on getting properties registered and displaying correct registration numbers.

XIII. 2021-2022 Committee Work Plan

The financials will be considered over the next couple of months.

XIV. Future Agenda Items

- Monthly update Short Term Rentals and the Software Request for Proposal project
- Beach Patrol facility

XV. Announcements

The next meeting is scheduled for April 12, 2022.

XVI. Adjournment

The meeting adjourned at 3:37 PM.