



**Park Board of Trustees of the City of Galveston
Finance and Operations Committee Regular Meeting
601 Tremont, Galveston, Texas 77550**

12/16/2020 - Minutes

I. Call Meeting To Order

The meeting was called to order at 1:31 p.m.

II. Roll Call And Declaration Of A Quorum

Roll was called and a quorum declared.

Committee members present: Dave Jacoby, Marty Fluke, Will Wright and Maureen Patton.

Committee members absent: Joan Marshall.

Staff Present: Bryson Frazier and Schel Heydenburg.

III. Conflict Of Interest Declarations

There were no conflicts declared.

IV. Requests To Address The Committee

There were no requests to address the committee.

V. Discuss And Consider Approval Of Meeting Minutes

Motion: Maureen Patton motioned to approve the Finance and Operations Committee meeting minutes for the October 20, 2020 and November 18, 2020 meetings.

Second: Will Wright seconded.

Vote: Approved (4-0).

VI. Discuss And Consider Renewal Of Credit Line And The Certificate Of Deposit At Moody National Bank (Bryson Frazier)

Bryson Frazier reported that the Park Board has a credit line with Moody National Bank that is used for financing equipment and other purchases separate from the FEMA line of credit. This credit line is collateralized by a certificate of deposit. Staff is asking for renewal of this credit line.

Motion: Maureen Patton motioned to approve the renewal of the credit line at Moody National Bank.

Second: Marty Fluke seconded.

Vote: Approved (4-0).

VII. Discuss And Consider Recommended Retirement Plan Investment Change And Creation Of Overview Committee (Bryson Frazier)

Bryson Frazier shared that the Park Board offers a 401K plan to eligible employees through Mass Mutual with Frost Bank as the advisor of the investments. Frost is recommending changing one of the accounts offered due to poor

performance. Mr. Frazier reported that Frost is recommending replacing the Thornburg Value R5 account with the JP Morgan US Equity R5 account which has a much better performance and rating. In addition, Mr. Frazier asked the committee to approve the formation of a committee made up of staff to review these type of recommendations in the future. The committee members did not feel that they were involved enough in 401K accounting to make this type of decision and believed that this should fall under the authority of the staff committee.

Motion: Dave Jacoby motioned to approve the formation of a 401K review committee and to defer decision making on the accounts to the extent that it can be to this committee and determine what level of approval is needed, either by the Finance and Operations Committee or the Board of Trustees via legal counsel and bring back that information to the committee at a future date.

Second: Marty Fluke seconded.

Vote: Approved (4-0).

VIII. Discuss And Consider Approval Of The 2020-2021 Finance And Operations Committee Work Plan (Bryson Frazier)

Bryson reviewed the proposed committee workplan.

Motion: Will Wright motioned to approve the 2020-2021 Finance and Operations Work Plan.

Second: Maureen Patton seconded.

IX. Discuss And Review Fiscal Year 2020-2021 Hotel Occupancy Tax (HOT) Collections, Fiscal Year 2018-2020 HOT Collections And The Impact Of Short Term Rentals, Third-Party Audit Update And Short Term Rental HOT Compliance (Bryson Frazier)

Bryson Frazier shared the September and October 2020 HOT collections and stated that they were outpacing the 2019 actuals due to the very strong September. He reported that November numbers will be down due to the bad weather cancellation of events due to the pandemic. Mr. Frazier shared that short term rentals continue to be a favored option for travelers and at this time make up 42% of HOT collections. He attributed part of this rapid growth to the hotel closures at the beginning of the pandemic as well as the preference of visitors to stay in short term rentals as a form of social distancing. Mr. Frazier discussed the importance of the task force with the city and their efforts for short term rental compliance. He also discussed the work the task force is doing to research voluntary collection agreements (VCA). Marty Fluke would like to discuss the VCAs at the Board meeting and have Mr. Frazier educate the Board on these and how they work.

X. Future Agenda Items

- End of Year 2019-2020 Financials
- Maximus Cost Allocations
- Update on 401K Committee

XI. Announcements

XII. Adjournment

The meeting was adjourned at 2.27 p.m.