



Agenda Item: Discuss and Review Revenue Sharing with the City Pursuant to the Interlocal Agreement

Background: The Park Board is required to make revenue sharing payments to the City of Galveston pursuant to the interlocal agreement between the City and the Park Board. During the COVID pandemic, the Park Board experienced a decrease in revenue. To mitigate the impact of the reduced revenue, the Park Board requested relief from the revenue sharing payment; the City denied the request. During the discussion between the City and Park Board, it was recommended that should the Park Board experience issues as a result of the revenue sharing payment, that the discussion would occur at the Park Board before the budget for the upcoming fiscal year is finalized. The discussion was placed on the Finance Committee’s workplan for fiscal Year 2020-2021.

Historically, the revenue sharing payment has come out of unrestricted revenues from the Parks, particularly Seawolf Park. While restricted funds like beach user fees are limited by law and can’t be used to satisfy the revenue sharing payment, unrestricted funds can be used.

Staff is seeking guidance from the committee on how to make the payment while also providing some relief to Seawolf Park. The goal is to ensure the Park Board makes the payment while still investing in needed capital expenses like the wastewater treatment plant, sidewalk installation and repairs, covered picnic shelter, bulkhead railing replacement, etc. without depleting Seawolf Park’s cash reserves.

Some potential solutions include:

- Transferring unrestricted funds from other departments to Seawolf Park (currently proposed in the draft fiscal year 2020-2022 Park Budgets)
- Increasing fees for parking and fishing at Seawolf – this would likely require coordination and consent from the City
- A combination of the two above referenced solutions

Staff Recommendation: While this is not an approval item, staff currently recommends transferring unrestricted funds from other departments.