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

2/18/2020 - Minutes

I. Call Meeting To Order  
The meeting was called to order at 1:35 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: Maureen Patton, Will Wright, Jan Collier and Dave Jacoby (left at 1:55 p.m. and returned at 2:30 p.m.)

  Committee Members Absent: Marty Fluke

  Staff Present: Michael Moser, Kelly de Schaun, Kimberly Danesi, Deborah Piske, Schel Heydenburg and Reuben Trevino.

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 Meeting Minutes

  Motion: Dave Jacoby motioned to approve the January 21, 2020 Finance and Operations Committee Meeting minutes.

  Second: Jan Collier seconded.

  Vote: Approved (3-0-1, Wright abstained).

VII. Discuss And Consider 2018-2019 Park Board Financial Audit (Michael Moser/Bill Ansell, 15 Minutes)

  Bill Ansell and Neil Hoover with Ham, Langston and Brezina attended the committee meeting and Mr. Ansell presented an overview of the audit report to the committee. He shared that the Park Board has again received an unqualified audit opinion and gave an overview of the audit scope, status and results.

  Motion: Will Wright motioned to approve the 2018-2019 Financial Audit.
Second: Jan Collier seconded.

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

VIII. Discuss And Consider Agreement Terms For Stewart Beach Concession Opportunities (Reuben Trevino, 10 Minutes)

Reuben Trevino gave an overview of the Stewart Beach Concession process. He shared that the only one acceptable bid was received. This bid, from Chris Bessner, proposed a sliding scale for payments based on revenue earnings which Mr. Trevino found acceptable due to the current unknowns at the park. He also reported that the cooler in this concession area is not in working order and repair costs are unknown.

Motion: Jan Collier motioned to approve the agreement terms for Chris Bessner as the Stewart Beach Concessionaire with the change to the proposed fee for the less than $190,000 revenue to include a $10,000 base fee plus 10%, for the cooler repairs to be done and paid for by the Park Board and that any modifications that the concessionaire wants to do to the area must receive prior approval before proceeding.

Second: Will Wright seconded.

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

Motion: Will Wright motioned to amend the agreement to include that the use of the footprint on the beach for additional concession is not an option at this time.

Second: Jan Collier seconded.

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

IX. Discussion And Update On First Quarter Park Admissions (Reuben Trevino, 15 Minutes)

Reuben Trevino explained that at the January Finance and Operations committee meeting, a large revenue discrepancy on the year to date variance report was discovered. After doing some research the numbers causing the large variance are the projections done by the accounting department. Michael Moser shared that these projections are made using a weighted average. Dave Jacoby asked if the park management participated in the process and was informed that this was not the case. Mr. Moser will work with the managers on this.

X. Present East Beach Concessionaire Audit (Kelly De Schaun, 10 Minutes)

Kelly de Schaun shared that the City Auditor was asked to audit the former East Beach concessionaire, Beach Buddies. She explained that this concessionaire also operated a concession for the City and when they performed an audit, they discovered a discrepancy in revenue reported. Mrs. de Schaun reported that there were no significant findings and shared that the City Auditor has recommended a series of best practices for the Park Board to use for concessions.

XI. Discuss Park Board Of Trustees Bylaw Amendment Recommendations: Committees (Kelly De Schaun, 15 Minutes)

The committee directed staff to reach out to each committee chair and vice chair to get their input. The following questions will be part of the survey:

- Validation of size of committee
- Membership make-up of committee
- Citizen at large positions
- Problems with attendance/obtaining a quorum
- recommendations for any changes
XII. Discuss Clarification Of Restricted And Unrestricted Funds In Park Board Of Trustees Reserve Fund Policy (Michael Moser, 15 Minutes)
Michael Moser reviewed the policy and shared that the commitment is not distinguished between restricted funds and non-restricted funds. The reserve fund report does not show committed funds. Mr. Moser will do an analysis and bring back to the committee.

XIII. Discuss And Consider Unaudited First Quarter 2019-2020 Financial Statements (Michael Moser, 20 Minutes)
Michael Moser reviewed the first quarter 2019-2020 Financial statements.

Motion: Will Wright motioned to approve the First Quarter 2019-2020 Financial Statements.

Second: Dave Jacoby seconded.

Vote: Approved (4-0).

XIV. Discuss Visitor Valuation And Hotel Occupancy Tax Review (Michael Woody, 10 Minutes)
Michael Woody shared that the returns on investment (ROI) vary between programs and are calculated based on different criteria. He shared that the overall target ROI is a 7 to 1 return and that this is applied to everything that they are able to measure. Mr. Woody used the convention/meetings market as an example. This area makes up approximately 30% of the annual total room nights and reported that the economic impact was roughly 85 million dollars or an ROI of 12 to 1 for the previous year. Kelly de Schaun asked Mr. Woody to bring back to the committee a information sheet showing the indicators and benchmarks used by the Convention and Visitors Bureau.

XV. 2019-2020 Committee Work Plan
Kimberly Danesi reviewed the March Committee work plan items.

XVI. Future Agenda Items
- Encumbrance Report
- Dellanera RV Park Report on losses
- CVB Indicators and Benchmarks
- Committee Input for Bylaw Review
- Reserve Policy Analysis - Restricted and Non Restricted

XVII. Announcements

XVIII. Adjournment
The meeting was adjourned at 3:42 p.m.