MINUTES OF THE CITY COUNCIL
OF THE CITY OF GALVESTON
WORKSHOP - APRIL 24, 2025

4/24/2025 - City Council Minutes

1 DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

With a quorum present, the workshop was called to order at 9:01 a.m.

2 ROLL CALL

Present: Mayor Craig Brown, Mayor Pro Tem Marie Robb, Council Member Sharon Lewis, Council Member David Finklea, Council Member Alex Porretto, and Council Member Beau Rawlins.

Absent: Council Member Bob Brown.

3 DISCUSSION ITEMS

3.A Clarification Of Consent And Regular City Council Agenda Items - This Is An Opportunity For City Council To Ask Questions Of Staff On Consent And Regular Agenda Items (1 Hour)

Items 10A, 10B, and 11G were clarified by Staff.

3.B Pelican Island Bridge Update (D Buckley - 20 min)

Deputy City Manager Dan Buckley provided an update on Pelican Island Bridge. He discussed with Council the ongoing efforts to advance the project, including: (1) TxDOT is moving forward with environmental clearance, detailed design, and construction permits. There is also coordination with local participants for right-of-way agreements and funding; (2) Several Council Members testified in Austin on behalf of the city for a Senate bill, and the MPO (Metropolitan Planning Organization) is working on additional funding; (3) Discussions are ongoing with entities like Texas A&M, Port of Galveston, and Port Houston. Texas A&M is working on right-of-way agreements, while Port Houston's lawyers are involved in negotiations; (4) The City of Galveston has been proactive, being the first to commit to funding. Once all parties approve their respective contributions, the project can proceed. MPT Robb discussed the MPO's working group that is identifying funding and pushing for the bridge to be recognized as an "on-system" bridge to receive more state funding.

3.C Update and Discussion of the Stewart Beach Park's Master Plan/Developer Status (D Anderson - 40 Min)

City Architectural Project Manager Dudley Anderson shared an overview of the development of Stewart Beach Park, the option chosen by consensus of Council at the March 27, 2025 Workshop. The method includes: (1) Rogers Partners working in

collaboration with BRW to update the Master Plan; (2) Begin to assemble resources/contacts for public engagement in preparation for updating the Master Plan; (3) Create a development prospectus , a task for the design professionals responsible for updating the Master Plan; and (4) The final product is a Request for Proposals to Devleopers interested in the development of Stewart Beach Park that allows evaluation of all proposals to determine the best development option for the City. The method for planning and creating a public private partnership for future development at Stewart Beach Park is on today's regular agenda for Council's consideration.

3.D Discussion of Updated Development Policies/Incentives and Expanded 380/TIRZ Agreement Structures (M Hay - 40 min)

This item was pulled by Staff and will be placed on the May Workshop Agenda.

3.E Discussion of Charter Amendments (C Brown -20 min)

Council discussed potential charter amendments for a future election (November 2025 or May 2026), with the following key topics: (1) Term Limits: General support for changing from three two-year terms to two three-year terms with staggered elections; (2) Council Stipend: Mixed opinions; most agreed any stipend would be minimal; (3) Library Representation: Concerns about lack of Council role in library governance despite city funding. Council to explore adding an ex officio seat via MOU rather than charter amendment; (4) City Manager Purchasing Limit: Current $15,000 limit seen as outdated; aligning with state law ($60,000–$100,000) discussed but previously rejected by voters; (5) HOT Tax Language: Charter language conflicts with state law; considered a cleanup item. The next steps will include the City Attorney providing draft language and legal review, and further discussion scheduled for the May agenda.

3.F Juneteenth - 160th Anniversary (Lewis/C Brown - 20 min)

CM Lewis presented an overview of the upcoming 160th Juneteenth celebration in Galveston. She reported that the City is collaborating on numerous events, including a major gathering atMenard Park, which will feature fireworks, kids' activities, live entertainment, and tributes to veterans and historical figures. The City will promote the celebration using trolley ads and will provide logistical support like lighting, trash cans, and restrooms. Key highlights include over 19 events, all listed on the Visit Galveston website, including a scholarship gala, pageant, Emancipation Concert (June 8), Ashton Villa events, and business training sessions. Honorees will include Sheila Jackson Lee and Al Edwards, recognized for their contributions to Juneteenth. Mayor Brown expressed appreciation for CM Lewis, who has been working behind the scenes to help coordinate the city's involvement.

3.G Discussion of the Concept of a Juneteenth Museum and the Possibility of the City Participating in the Funding (C Brown/Lewis - 15 min)

The City Council discussed the idea of creating a Juneteenth Museum in Galveston and the City's potential involvement in its funding. Mayor Brown expressed that while the city shouldn't directly manage or build the museum, it should play a role in supporting its development. Various locations, including the Old Central building and La Morgan, were

discussed as possible sites. There's also potential for collaboration with the Smithsonian. Discussion of the project's feasibility and funding was held, including (1) The use of Hotel Occupancy Tax (HOT) funds for financing, as this would be appropriate for a cultural institution like a museum; and (2) Leveraging state legislation to secure financial support, including potential grants or rebates; and (3) The City demonstrating its commitment to the museum project, regardless of the final location. The Council discussed adopting an official resolution or sending letters of support to federal representatives, including Senator Ted Cruz and Representative Weber, to advocate for the Juneteenth Museum, emphasizing the historical significance of Galveston. Additional discussion held regarding the City moving forward with supporting the museum, including financial backing, and staff exploring grant opportunities. The next steps involve CM Lewis reaching out to Representative Weber to discuss the specifics of the Smithsonian collaboration, while Mayor Brown will coordinate with staff to prepare a resolution for presentation at the next Council meeting.

3.H Update and discussion of the financial needs for existing City Parks (Rawlins/Robb - 15 min)

City Council discussed the financial needs for maintaining and upgrading Galveston's parks, with a specific focus on Jones Park, Shield Park, and the Lassie League Complex. Estimated costs for upgrades and maintenance are around $10 million across these three parks, not including ongoing maintenance or other parks in the system. Detailed Park needs: (1) Jones Park: estimated at $5.3 million (mostly for drainage); (2) Shield Park: cleanup estimated at $650,000; EPA grant pending, and long-term redevelopment may cost several million more; (3) Lassie League Complex: requires major upgrades to lighting, fencing, restrooms, estimated at $2.5–$3 million. Other infrastructure needs include playground equipment, costing $400k–$600k per park, replaced every 12–14 years, and park amenities (tables, benches, trash cans, grills, fountains) add significant ongoing costs. CM Rawlins proposed transferring management of Seawolf and Dellanera Parks from the Park Board to the City, with the goal is to redirect net revenues from those parks to fund improvements across all City parks without raising taxes. This could serve as a dedicated funding stream to address long-term capital and maintenance needs. Christine Bryant (Vision Galveston) shared that EPA is helping with a Brownfields Cleanup Grant for Shield Park. A team will visit June 5 to explain the slow but ongoing remediation. Visioning and redevelopment will follow, with support from EPA and Kansas State University. Shield Park had four underground tanks, but fewer water issues than Jones Park.

3.I Discussion of Moving the Management of Seawolf and Dellanara Parks to the City of Galveston (Porretto/ Rawlins - 40 min)

Deputy City Manager Dan Buckley provided an overview of financial estimates and assumptions related to the transition of park management of Seawolf and Dellanara Parks from the Park Board to the City. He discussed the revenue and expenditure estimates forDellanera, Seawolf, and Urban Seawall Parks. Key points included: (1).Revenue Assumptions: The revenue estimates are based on the Park Board's current budget without adjustments. A slight 1% increase in revenue year-over-year is projected for parks like Dellanera and Seawolf, with some adjustments made for Seawall Urban Park due to

discrepancies in the budget; (2) Expenditure Assumptions: No changes to staffing are proposed, but adjustments are made for pension costs due to differences in benefit plans between the Park Board and the city. The city also plans to continue certain services currently provided by the Park Board, such as maintenance and trash collection, on a fee basis; (3) Fund Balances: The Park Board's fund balances for each park would transfer to the City. Seawall Parking, which is city-owned, would remain a City asset, and funds from the Park Board would be allocated differently to support park operations ; (4) Capital Projects: Capital budgets for parks were maintained based on the Park Board's previous budget, with a focus on improving facilities like the Seawall. Any excess funds would contribute to future capital improvements; (5) Administrative Fees: The City would reduce the administrative fee charged to the parks from 10% to 2.6%, representing a significant decrease in administrative costs; (6) Efficiencies and Savings: The overall estimate for savings and efficiencies from the transition is close to $1 million, with substantial reductions in expenditure related to personnel, administrative costs, and capital projects.

3.J Update and Discussion of the City/Park Board Inter Local Agreement and Moving the Management of HOT Collections to the City of Galveston (D Buckley/C Brown- 40 min)

The City Council discussed the Interlocal Agreement between the City of Galveston and the Park Board, and the potential transition of Hotel Occupancy Tax (HOT) collections management to the City. Staff indicated that if the Council gives direction, negotiations with the Park Board can begin immediately, aiming to finalize changes by the start of the new fiscal year. The item related to transferring management of HOT collections from the Park Board to the City will be added to the next Workshop agenda.

3.K Discussion of Alternate Revenue Sources (C Brown/ B Maxwell - 20 min)

1. Port of Galveston/Park Board
2. Legislative Implications
3. Other Sources

The City Council held a discussion about exploring alternative revenue sources for the City, specifically focusing on three key areas:
1. Port of Galveston/Park Board: The Council previously directed the City Manager to negotiate with the Port of Galveston to potentially increase revenue from a payment in lieu of taxes arrangement. However, after several discussions, the Port is currently not in a position to increase contributions due to their own financial commitments. The City's suggestion of a percentage of gross revenue was not adopted, but the Port is contributing other forms of revenue, such as tariffs and vehicle fees.
2. Legislative Implications: The City is also exploring ways to address the financial burden of tourism-related expenses that fall on residents. However, this discussion is on hold until further developments in Austin (the state legislature) and other local decisions.
3. Other Sources: Ideas were discussed to improve enforcement of existing fines and ordinances. Suggestions included better enforcement of parking regulations, creating a system for escalating penalties for repeat offenders, and a potential amnesty program to

allow people to settle outstanding fines. There's also a proposal to offer local residents some form of parking benefit, such as a small monthly credit for parking fees in the downtown area, to help alleviate costs for workers who live and work downtown. Overall, the meeting highlighted the challenges of balancing the City's revenue generation and maintaining fairness for residents while dealing with ongoing infrastructure needs and tourism-related costs.

3.L Discussion of Golf Cart Inspections (Robb/Rawlins - 15 min)

MPT Robb brought forward citizen concerns about the current annual inspection requirement for residential golf carts, suggesting a shift to inspections every two to three years. This change is in light of a state program that no longer mandates annual inspections, except in certain counties. Discussion was held regarding the challenge of inspections for residents in less accessible areas, like Sea Isle or Bay Harbor, where having a company come out for an inspection can be costly. In contrast, it's easier in town, where residents can drive their carts to a company. The discussion emphasized that inspections mainly focus on safety, including headlights and seat belts, and that the current law mandates inspections when crossing City streets, not just within master-planned communities. The policy decision is left to the Council, with a potential proposal for inspections every two to three years for residential carts, considering the state's shift in requirements.

3.M Update and Discussion on the Findings of the Park Board Audit as it Relates to Lobbying (Robb/Porretto/Rawlins - 15 min)

City Auditor Glenn Bulgherini updated Council on findings from an ongoing audit regarding the use of HOT (Hotel Occupancy Tax) funds by the Park Board, particularly as it relates to lobbying expenses. He reported that the Park Board has spent significant amounts on lobbying from beach nourishment and tourism development funds. There are concerns about whether HOT funds can be legally used for lobbying. Discussions reference legal opinions (e.g., AG opinions) that state it's up to local municipalities to determine whether HOT funds can be used for lobbying. There's also reference to Senate and House bills addressing taxpayer-funded lobbying. The City Auditor has not yet received the necessary invoices to verify the specifics of the lobbying expenditures, despite multiple requests to the Park Board. The audit team plans to follow up with the Park Board to ensure they receive the necessary documents for their audit. There's a push for quicker responses and better cooperation from the Park Board. Overall, the discussion highlighted concerns about the appropriate use of taxpayer funds, transparency in the auditing process, and the legal and ethical implications of using public money for lobbying activities.

3.N Discussion of Enforcement of Ordinances as it Relates to Short Term Rentals (Robb/Porretto - 15 min)

The discussion centers on improving the enforcement of ordinances related to short-term rentals, with a focus on addressing issues like underage drinking and unpermitted activities that often occur at night or on weekends. MPT Robb raised concerns about the current system's inefficiency, citing problems such as a lack of follow-up on violations and a shortage of Marshals. The Council emphasized the need to expand Marshal hours,

particularly on weekends, and to improve coordination by transferring call center responsibilities from the Park Board to the City. A proposal to enhance licensing and enforcement systems for short-term rentals, funded by short-term rental revenues, will be presented in the coming meetings to resolve these issues quickly.

3.O Update of Bond for Streets Mill and Overlay (Robb/Rawlins - 15 min)

The City Council discussed the city's current debt status, street maintenance issues, and potential bond issuance to address infrastructure needs: (1) The City experienced a $700K debt drop-off in FY2024, slightly lowering the debt service tax rate. Future significant drop-offs are not expected until 2033 and 2040. A past opportunity to leverage this was missed; (2) Many city streets are in poor condition. The current "worst-first" repair strategy (based on traffic and condition) may leave some districts underserved. Limited Public Works staffing, especially due to recurring West End sand issues, is delaying other paving projects; (3) The City may consider a $25M bond (estimated to increase the tax rate by 1.5¢) or use infrastructure reserves without raising taxes. Contracting out specific work (like milling) could free city crews for paving (4) The current Fire Station No. 2 cannot house modern fire trucks. A new $7M station is needed soon, especially given area growth and its high elevation. This project may be prioritized for a bond vote. The next steps include evaluating the impact of past street repairs and policy effectiveness, monitoring legislative developments affecting bond election timelines, and looking at long-range financial forecasts coming in June to guide decisions.

3.P Discussion of City Council's authority to determine sand placement on the beach (Robb/C. Brown - 15 min)

The discussion focused on the City Council's authority regarding sand placement on the beach. It seems that the matter was previously discussed and a consensus was reached, but no ordinance was made at the time. This item is on today's agenda for Council's consideration.

4 ADJOURNMENT

The Workshop was adjourned at 1:11 p.m.

Janelle Williams

Janelle Williams, City Secretary
Date Approved: May 22, 2025