

**MINUTES OF THE ARTS & HISTORICAL PRESERVATION
ADVISORY BOARD FOR THE MEETING HELD ON
DECEMBER 3, 2024**

- 1. Call Meeting to order and establishment of a Quorum**
Meeting called to order at 10:00 am
- 2. Roll Call**
Present: Chair Branum, BM Finklea, BM Surinder, Vice Chair Corlie, BM Cawthon, BM Everling arrived at 10:13 am, and BM Richard Boening
Staff: ACS Nellie DeLaFuente, Assistant City Attorney Mehran Jadidi, and SAA Martha Alvarez
Ex Officio CM Alex Porretto; Arts and Cultural Coordinator Antoinette Lynch
Absent: BM Surrinder
- 3. Approval of Minutes from September 18, 2024**
Motion to approve the minutes from September 18, 2024 by Vice-Chair Corlie
Second by CM Cawthon
- 4. Public Comment**
N/A
- 5. Discuss and Review the Rubric/Table**
BM Everling stated that the Code informs the Rubric. The Rubric was developed based on the criteria in the Code. One of the things in the Code is the point waiting for each category which makes the Rubric complex if we go by it. She recommends simplifying that language in the Code so that it is not as at getting some numbers that make sense so that it is easier to actually use it for going “ This is a good proposal... but it does not meet our criteria” and that would really help us to figure out quickly what really should be funded at what percentage.
- 6. Discuss and Review Updating the Current Code**
Chair Branum agreed to move this item to the next meeting in January.
- 7. Review and Discuss the Current and Future Dispositions of Surplus Funds**
Chair Branum mentioned to the Board that Paru from Finance only had numbers from May 2024 and said that she would have the current numbers for the January 2024 meeting. Chair Branum stated that there is about a million and half to two million in surplus funds which by the way, is an overage. Chair Branum stated that the Reserve is shy of \$250,000 which according to the Ordinance the Reserve is to be \$250,000 that’s another issue because there are no parameters as to what to do with that \$250,000; it just stays there.
Chair Branum stated for the new member Richard that we fund 501C3 Entities for Marketing and Advertising. By Ordinance we get 7/8’s of the penny from HOT Collections of that currently, \$250,000 comes out for the Cultural Arts Commission and a percentage comes out for the Reserve Fund which is \$250,000. So the balance of that is then distributed among the applicants that have applied for funds and they are restricted to no more than 20% of their overall operating budget. They get the same amount each year for two years. In the past years, we have done not distributed 100% of it so we have extra money. When Covid hit and everything shut down, any monies not utilized by the end of the fiscal year at that time thanks to City Council voted to let those monies carried over because whenever the City, the State, and the Country opened up they would need those monies for marketing and advertising. So we are looking at the same thing ending up having this overage because after things opened up Galveston really took off collecting HOT tax.
Chair Branum said on a side note that she had heard that there were \$30.5 million collected in HOT tax for ending September 30th 2024 but those numbers are not in yet or verified and as you know these numbers affect next year’s funding. Prior years 100% was distributed and you never know what would happen and it is always good to have something in your back pocket so this is now we

have a Reserve.

Ex-Officio Porretto stated that we had discussed moving it putting a gap year every two terms to where they can't get 3 terms in a row of funding. We discussed using that one off term because Arts & Historic and Council can give Grants and that would be a perfect example of the use of Surplus Funds. Ex Officio Porretto went on to say that it was also discussed that we didn't want the entities to rely on the Grant monies but to be self-sufficient. He also mentioned that it was discussed to use some of the Surplus Funds for Historic Preservation. Chair Branum stated that on Historic Preservation it is part of the Ordinance but there has never been any parameters set for that and that needs to be cleared up because we are either "Arts & Historic Preservation" or we are "Arts" and then you have "Cultural Arts" so we really need a clarification and not only clarification but to set the logistics, the parameters, how to use it, how much do we use of it and there is oversight.

Antoinette did mention that the Park Board funds for Profits. We fund by Ordinance only fund Non-Profits so the question is; Should all funds for events and arts come under the same Ordinance set by Council? Antoinette did say that this would be a good question that Ex-Officio Porretto can bring up to Council.

Asst. City Attorney Mehran stated that the Surplus exist because HOT Tax is awarded on a percentage basis but the Contracts are written on a cash basis. So, when the percentage comes in, it is worth more than what the cash is so, these organizations reach the cash limit in their contract before the percentage is completed. The Reserve is a percentage (5%) and not to exceed 15%. When it hits 15% no more is put into it.

BM Boening asked the question: "Isn't the Reserve the total of the amount in the Surplus is the amount awarded"? Chair Branum responded, "yes" because what was budgeted for funding was less than what the actual HOT collected that we were entitled to. BM Finklea mentioned that it would be excellent if we could use that excess funding for like an incubator funding grant like if any of these organizations wanted to have a brand new event that they have never done before and they wanted extra funding to market that set event.

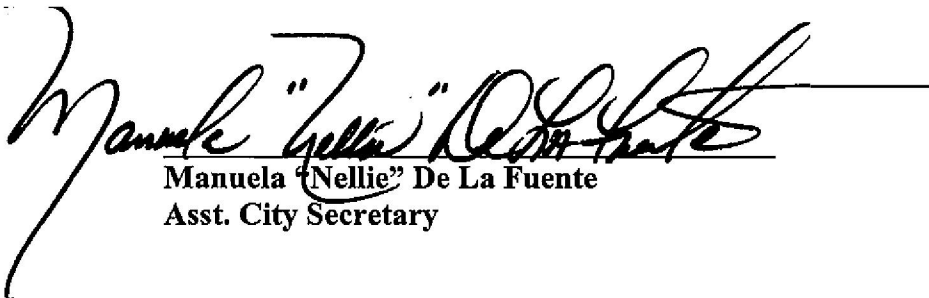
Discussion continued on this topic.

8. Propose Future Agenda Items

9. Propose Future Meeting Dates

Next meeting scheduled on 1/7/2024 at 10:00 AM

10. Adjourn Meeting



Manuela "Nellie" De La Fuente
Asst. City Secretary

Please Note

Members of the City Council may be attending and participating in the discussion.

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY SECRETARY'S OFFICE, SUITE 201, 823 ROSENBERG, GALVESTON, TEXAS 77550 (409-797-3510).