

**MINUTES OF THE CITY COUNCIL
OF THE CITY OF GALVESTON
WORKSHOP - JUNE 25, 2026**

6/25/2026 - City Council Minutes

1 DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

Mayor Listowski declared a quorum and called the workshop to order at 9:00 a.m.

2 ROLL CALL

Present: Mayor John Paul Listowski, Council Member Sharon Lewis, Council Member Jeff Taylor, Council Member Bob Brown, Council Member Alex Porretto, Council Member Michael Niebuhr, and Council Member Jason Hardcastle.

3 CONFLICTS OF INTEREST

Council Member Porretto declared a conflict on Workshop Item 5.A.2.

4 DISCUSSION ITEMS

4.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 clarified by Staff: 9E, 12B, 12D, 12E, 12F, 12G, 12J, 12O, 12P, 12Q, 12U, 12V, 12Z, and 12AA.

4.B Presentation and discussion of the Long Range Financial Forecast (C. Ludanyi - 30 min)

Finance Director Csilla Ludanyi presented the City's Long Range Financial Forecast for FY 2027 to 2031, including general fund revenue, property tax, long-term parking revenue and cruise passenger fees, general fund expenditures, public safety, enterprise funds, debt service fund, and hotel occupancy tax. Council discussed the impact of property tax limitations, future infrastructure funding, public safety costs related to tourism, fleet replacement needs, and the potential use of future bond programs to address street and capital improvements.

4.C Discussion of the Draft City of Galveston 2027 State Legislative Agenda (S. Bakko - 30 min)

This item was pulled by Staff and moved to the July 23rd workshop agenda.

4.D Discussion of options for public restrooms downtown (Brown/Listowski - 15 min)

Council Member Brown reported on some recent meetings with downtown stakeholders where public restrooms were identified as their number one priority as a level of service for the downtown area. Executive Director David Smith reported that Staff has been

evaluating locations, with the preferred site near Hendley Green on the east end of the Strand, although using that property may require paying rent. Other possible locations include city right-of-way near 20th Street and a parking lot on Postoffice Street. Staff presented preliminary costs of about \$62,000 for a portable ADA-compliant restroom trailer, plus utility connections, annual maintenance, supplies, and staffing. Council discussed starting with a temporary restroom while Staff continues evaluating locations and refining costs before bringing back a recommendation.

4.E Discussion of the joint Wharves Board/City Council mobility plan
(Brown/Listowski - 20 min)

City Council discussed the proposed joint City and Wharves Board mobility plan to study the traffic and transportation impacts of future cruise terminal expansion on downtown and surrounding neighborhoods. Council reviewed the proposed scope of work and expressed concerns about the City's estimated cost of more than \$530,000. Staff will work with the consultant to refine the scope, reduce costs, and explore potential funding and cost-sharing opportunities with the Wharves Board before bringing the item back to Council for further consideration.

4.F Update on Beach Patrol Headquarters (B. Brown/J. Listowski - 15 min)

Staff reported the project is progressing, with construction documents nearly complete and plans expected to go out for bid in September 2026. Construction is anticipated to begin afterward, with completion targeted for October 2027. The project is on budget and will be funded through City reserves. Council discussed the facility's location at Stewart Beach to ensure it supports Beach Patrol operations while allowing for future development of Stewart Beach.

4.G Update on the Stewart Beach RFP (J. Listowski - 20 min)

Economic Development Coordinator Michele Hay reported that the City received no proposals for the Stewart Beach RFP, though one interested party provided feedback citing concerns with the current structure, including lease terms, infrastructure needs, drainage, parking revenue limitations, and the ability to recoup a significant investment.

The consultant is contacting other potential developers to gather additional feedback and identify common concerns. Council discussed the need to consider changes to the approach, including clearer development opportunities, potential revenue generating uses, and addressing lease limitations before moving forward. Staff will review the feedback and return with recommendations on whether to revise and reissue the RFP or explore other options.

4.H Discussion of enhancements to the 39th Street Corridor (S. Lewis/J. Listowski - 15 min)

Council discussed enhancements to the 39th Street corridor, noting the area's recent economic growth with new and existing businesses, including a new jewelry store, bicycle shop, restaurants, and other local destinations. Concerns were raised about vehicle speeds, lack of pedestrian crossings, and safety issues for the increasing foot and bicycle traffic.

Staff will evaluate the corridor, including traffic speeds, signage, signals, and potential crosswalk locations, with a painted crosswalk expected soon near Avenue K. The Council

also discussed longer-term improvements such as better striping, bike facilities, resurfacing, and addressing angled parking concerns, while recognizing the need to balance safety improvements with maintaining business access and parking.

- 4.I Discussion of a Tourism Public Improvement District (J. Hardcastle/J. Listowski - 20 min)

Park Board CEO Marty Miles discussed with City Council a proposed tourism public improvement district (TPID) that would create a 2% hotel fee to fund additional tourism sales and marketing efforts, focused on attracting conferences, meetings, and group business to Galveston. The program would require approval from participating hotels and generate an estimated \$2.8 to \$3 million annually, managed by a hotel-led board with Visit Galveston handling recruitment efforts. Council expressed support for moving forward with legal review and next steps.

- 4.J Discussion of a bond election for the issuance of pension obligation bonds (B. Maxwell - 20 min)

City Manager Brian Maxwell discussed with City Council exploring the issuance of pension obligation bonds to allow civilian and police employees to transition from the City's private pension plans into the Texas Municipal Retirement System (TMRS).

Management noted that TMRS could improve recruitment, retention, and long-term financial stability by spreading pension risk across a much larger system. The estimated debt could range from \$80 to \$100 million, potentially creating a tax impact of around 5 cents, in addition to other planned debt. Council expressed support for further study, including a cost-benefit and risk analysis, while recognizing the need to carefully evaluate impacts on current employees and retirees. Deputy City Manager Dan Buckley advised that Staff is looking at a bond election for May 2027. Staff will continue researching options and return with additional information, likely using pension reserve funds to hire outside experts.

- 4.K Discussion and direction of Reserve Fund Policy (Porretto/Hardcastle - 15 min)

Council discussed creating a formal reserve fund balance policy supported by a third party best practices review to evaluate reserve levels, compare the City's practices with similar municipalities, and identify opportunities for improved efficiency and transparency. Staff noted a policy is already in place for guidance, but Council would like to review and potentially refine it before formal adoption. Staff will bring the policy back to Council and explore options for an independent assessment.

5 EXECUTIVE SESSION

- A Section 551. 071 - Consultation with Attorney Pursuant to Texas Gov't Code 551.071- Consultation with attorney, an executive session will be conducted to discuss and receive legal advice concerning pending litigation and/or a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter, related to the following:

1. Grants and Housing: Termination of Home Investment Partnership-

American Rescue Plan Supportive Services Funding Agreement - COOM-
of Galveston

2. 21-CV-00359 Sonya Porretto v. City of Galveston Et. Al, in the United States District Court for the Southern District of Texas 21-CV-00359
3. City Claim No. 26-032 - Ruiz Law Firm; City Claim No. 26-037 - Ruiz Law Firm

5.B Pursuant to Section 551.072 - Deliberation regarding real property, an executive session will be conducted to deliberate the purchase, exchange, lease, or value of real properties located in the City of Galveston

City Council convened into Executive Session at 12:28 p.m. and reconvened into Open Session at 1:46 p.m. No action was taken during Executive Session.

6 ADJOURNMENT

The workshop was adjourned at 1:46 p.m.



Janelle Williams, City Secretary

Date Approved: July 23, 2026