

DRAFT
MINUTES OF THE CITY COUNCIL OF THE CITY OF GALVESTON
WORKSHOP - APRIL 30, 2020

4/30/2020 - Minutes

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER

With a quorum present, the workshop was called to order at 9:00 a.m.

2. ROLL CALL

Present (via videoconference): Mayor James Yarbrough, Mayor Pro Tem Dr. Craig Brown, Council Member Amy Bly, Council Member David Collins, Council Member Jason Hardcastle, Council Member John Listowski, and Council Member Dr. Jackie Cole.

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. (30 Minutes)

Dr. Cole commended staff on the outdoor lighting item; CM Hardcastle commended staff on Item 11K for showing percentages on the change orders; items 8C and 11J were clarified by staff.

3.B. Update On Corona Virus/COVID-19 (B. Maxwell - 30 Minutes)

City Manager Brian Maxwell provided an update on COVID-19. He reported on the Governor/GLO's order to open the beaches without restrictions effective on May 1. Discussion was held regarding the number of cases in Galveston, testing, the opening of fishing piers and charter fishing boats, licenses to use, wearing masks, modifying the current orders, and extending the disaster declaration. Barbara Sanderson provided an update on efforts to help the homeless population.

3.C. Discuss The Budget Impact Of The COVID-19 Pandemic And Related Economic Issues (M. Loftin - 30 Minutes)

Assistant City Manager Mike Loftin provided the following budget impact of the COVID-19 pandemic and related economic issues.

(1) FY2020 Budget Status of COVID-19 Impact: Estimated \$7.5 million in lost revenue; \$3.06 million (\$2.9 million total in General Fund); Sales tax (\$3.08 million including General Fund and IDC) and Hotel Occupancy Tax (trickel down loss of \$1.28 million); General Fund; \$2.5 million net revenue loss made up with expenditure.

(2) FY2021 Strategic Concerns: Post COVID-19 economy including oil/energy sector in Houston and recession that is already underway; Full impact on city revenue won't be known until real estate market goes through a post-pandemic appraisal cycle Spring of 2021 that produces tax revenue for FY2022; How will Galveston bounce back? Suddenly or over time into calendar year 2021; CIP is important to local economy - water and sewer program had been anticipating additional sale of bonds in last half of FY2021; Current condition in municipal bond market makes any new money sale unwise and impossible.

(3) Other FY2021 Budget Issues: Convention Center Surplus Fund - needs approximately \$2 million for ongoing costs; FY20 HOT revenue is \$785,000 compared with \$2.15 million budget; CARES transit grant - \$4.7 million provided directly to city as long as we are urban system; goes through State if we are considered rural and could be substantially reduced; Island Transit's status as urban system up in 2020 - needs congressional support; "No New Revenue" property tax rate - 3.5% revenue growth limit may not force reduction in ta rate.

(4) FY21-22 Assumptions: Property taxes - initial FY21 tax roll is 15.5 % higher; hearings loss will reduce taxable value to a 6.5%; FY21 includes 1.4% in new construction (\$100 million taxable value) and TIRZ 12 and 14 (\$216 million taxable value); FY22 "High Estimate" shows 4.5 % increase in taxable value; FY22 "Low Estimate" shows flat value increase in taxable property value; Sales Taxes - FY22 "High Estimate" on loss of 200,000 jobs (out of 3.2 million total) in region that are recovered steadily over 3-4 years; FY22 "Low Estimate" is based on no economic growth from FY21 to FY22; Industry specific COVID-19 revenue losses

- 3.D. Discuss Options Available To The City On The Community Development Block Grant Coronavirus (CDBG-CV) Allocation In The Amount Of \$714,670 (A. Law/G. McLeod - 30 Minutes)
Alice Law provided information on CDBG-CV eligible activities. Project categories include Public Service - Non-Profit Assistance for COVID-19 Response Project, Income Subsistence Payments for LMI Owner-Occupied; and Personal Protection Equipment (PPE) Distribution Program; Public Facility Improvements - Non-Profit Assistance for COVID-19 Response Project; and Economic Development - Small Business Loan Program. Deputy City Manager Dan Buckley reported that City Staff is not equipped to administer the loan program. City Manager Brian Maxwell advised the City would have to front the money which puts the City at risk. Discussion was held regarding using funds for the Non-Profit Assistance for COVID-19 Response Project which would include the following direct services: health services, needs and supplies; nutrition services including meals, food, and related services to LMI or Senior Citizens; shelter and services to survivors
- 3.E. Receive And Discuss A Presentation From Vision Galveston On The 2020 Census (M. Jadidi - 15 Minutes)
- 3.F. Discussion Of Beach Maintenance Recommendation From The Beach Access And Dune Protection Plan Review Ad Hoc Committee And The Planning Commission - 30 Minutes (C. Gorman)
- 3.G. Report Of City Council's Park Board Representative (Collins/Yarbrough - 10 Minutes)

4. ADJOURNMENT

Janelle Williams, City Secretary
Date Approved: