

WEST GALVESTON ISLAND PROPERTY OWNER'S ASSOCIATION

MINUTES OF THE BOARD OF DIRECTORS MEETING

September 15, 2007

Jerry Mohn, President, called the Board of Directors meeting for the West Galveston Island POA to order at 9:00 a.m. Directors making up the quorum were, Sidney McClendon – Pirates Beach; Tom Boothe – Condominiums; Clay Lewis of the Sportsman Road POA; Mike McCully – Pointe San Luis, Sharon Ryan – Jamaica Beach Improvement Committee, David Boyd - Spanish Grant Bay, Marty Bilek – Dunes of the West, Willa Nadalin – Terramar, and Peggy Zahler – Spanish Grant Beach. Susan Gonzales – CKM Property Management and Recording Secretary. Marty Baker – Pirates Beach and Advisory Director was also in attendance.

In attendance was Galveston Mayor Lyda Ann Thomas, District 6 City Council member, Dianna Puccetti, Jim Schweitzer – Justice of the Peace, Steve LeBlanc – Galveston City Manager, Kenny Mack – Police Chief, Brandon Wade – Assistant City Manager, Navella Cole – Congressman Ron Paul's office, and Eric Nevelow – Galveston County Sherriff Department. Corporate sponsors recognized were Gary Greene – Gary Greene Realty and Peggy Zahler - Johnson Space Center Credit Union.

Galveston County Sherriff candidate, Eric Nevelow, was introduced.

MINUTES: Minutes of the August meeting were sent by email and reviewed by the Board. Upon motion duly made by Peggy Zahler and seconded by Tom Booth, the following resolution was adopted by unanimous vote.

RESOLVED THAT, the minutes of August meeting were approved as presented.

FINANCIAL REPORT Peggy Zahler gave the financial report. Total cash on hand as of September 1, 2007 is \$30,828 and total assets was \$33,039. Upon motion duly made by Tom Booth and seconded by Clay Lewis, the following resolution was adopted by unanimous vote.

RESOLVED THAT, the financial report was approved as presented.

West End Real Estate Statistics

Alice Melott stated that the national trends are not a reflection of the real estate market for Galveston Island. We are a consistent market. It is a buyers market.

Galveston Island State Park – Angela Deaton

Angela introduced Greg Creacy and Andy Spirov from Texas Parks & Wildlife. Mr. Creacy stated there would be a prescribed burn at the Galveston State Park; it will be a controlled trash burn. The State Park manages properties for multiple purposes, recreational and preservation. We have a fire management plan and it's broken down in units and we burn a section at a time. The plan includes all the safety measures. The plan will be implemented between October through February. Care is taken to protect wildlife during the burn. The burn area or unit is 25-80 acres at a time. The total area will be 300 acres. A few in the audience expressed concern about the animals and Mr. Creacy advised they usually get out of the way to a safe area. This is one reason why they do not burn the entire 300 acres but do it in increments to allow wildlife to seek shelter in other areas of the park.

City Council Report: City Council member Dianna Puccetti stated that the City of Galveston passed an \$81 million budget with a Capital Improvement Plan to address west end needs in fiscal year 2008. For 2008, projects at Jamaica Beach; elevated water storage tank; 13 Mile road to Jamaica Beach with new sewer lines; sewers at Bay Harbor, Ostermeyer, 9 Mile Road, Sunny Beach; and, at Pirates Beach a new outfall line. Water projects at Palm Beach, Terramar & Bay Harbor. Other projects are for drainage improvement, bridge replacement (10 Mile & Sportsman), drainage at Spanish Grant & Terramar, and Wetland Ordinance Development. Once the sewer and water lines are installed then the roads will be re-done.

Marquette will come to council at the end of October or mid November. Height and density study is open with a public comment in early October. Ordinances in the works are for high density, wetland and golf cart use. If the ordinance for wetlands is adopted it will be the first in Texas.

Director of Public Utilities and Assistant City Manager

Brandon Wade discussed trash pick up. Monday is pick up day. Trash service is behind. Volume has increased and fleets are 9 years old. Replacement trucks will be purchased. Discussion is being held on changing pick up on Tuesday due to rentals. People expressed problem with Tuesday pick up is high winds and animals overturn trash barrels and terrible mess. It appears the City will remain with Monday pick up for the west end except to change the route. Currently, the City begins Monday morning at 61st street and goes to San Luis Pass. In order to insure the West End is picked up on Mondays, they will begin at the end of the Seawall and finish at San Luis Pass. Brandon requested cooperation from cleaning people that take care of rentals and weekender homes to put the trash in the containers before the trucks pick up the containers. If the cleaning people deposit the trash after the truck pick up, the barrels are filled. Contact information is 409-797-3630 or pubicworks@cityofgalveston.org

Post Office in Jamaica Beach Update

Navella Cole indicated a private post office box facility is in the process of being finalized with the Computer Store in Jamaica Beach. Doors should open by the end of the month. The post office Department is installing cluster boxes in specific areas.

Galveston Police Dept

Chief Kenny Mack has a staff of 170 officers for three divisions 1) Administrative Division, 2) Criminal Division, and 3) Patrol Division, which is the largest and works three (3) shifts. Over time they have had thirty vacancies and have to compete with surrounding area police departments. We have five (5) million visitors per year. They are reviewing the need to increase staff and updating their computers and communications. There are three (3) designated Officers per eight hour shift from 103rd street to the end of the West End with shifts from 6:00 AM to 2:00 PM; 2:00 PM to 10:00 PM; and, 10:00 PM to 6:00 AM. In addition there is a Sergeant so the west end has 10 officers. Twenty six months ago there were 24 vacancies but only 6 today. There is a lot of competition to hire police officers in Southeast Texas and the City has an active recruiting campaign.

For the entire island, there are 14 to 16 officers on patrol per shift each day on average. Again, the three shifts are Days from 6 AM until 2 PM, Evenings from 2 PM until 10 PM and Nights from 10 PM until 6 AM. A good shift would have 16 officers. Some days there might be as few as 12 officers due to training requirements, sick or other circumstances. As we get closer to full staffing and the rookies complete the various training phases to be released as independent officers, the average number per shift will remain more constantly at 16.

Crime statistics are the lowest in Galveston in 20 years. Last year, property crime was up, mainly theft from automobiles. The Chief asked people not to make it easy for criminals to steal from your property; lock your cars, remove visible objects from the car like a cell phone or I-Pod and always to think defensively. At any given time there are sixteen Officers on patrol island wide.

Although Galveston has a little over 57,000 people, there are over 5 million visitors to the island every year and the Police Department has to gear up for this size. Each visitor is a drain on the City's services. The Chief would like to add staff over the next few years, particularly for the west end with all the growth. The track record for the police department is good with response time in minutes. They respond to minor accidents, dog calls, etc.

To provide a higher level of service, the police cars are being equipped with laptop computers with mobile vehicle terminals (mvt) that will allow an officer to input data right into the system rather than coming back to headquarters and filling out reports. There will be antennas in the fire stations and the Justice Center headquarters will be able to download data the same time the officer is filling out a report on the laptop.

Golf carts were discussed and the Chief advises there is no easy answer. There are currently discussions with the City Attorney to come out with an ordinance to put the issue to bed. Golf carts are a way of life for west end subdivisions and the new ordinance will specify certain criteria that will be met. Golf carts are dangerous and should be driven by licensed drivers only, no children!! In addition, the golf cart cannot be overloaded and persons on the vehicle cannot drink any alcoholic beverage (beer included) in accordance with the Open Container Law.

As far as a substation on the west end, this is not practical with the new computer system. An officer would have to man the sub-station and the Chief would rather the officer is out on patrols and making arrests. If there is a fire on the beach, the fire department is required to respond. After any significant weather event like a major hurricane, the City assigns 5 officers to the west end to patrol, watch out for looters, etc.

There was a question raised later and the Chief replied for evacuation in the event of a storm over the San Luis Pass bridge: **The County and or the State makes decisions on San Luis Pass Bridge. FM 3005 is not an official or a recommended hurricane evacuation route due to the fact it is a low lying roadway, especially along the stretch between Galveston and Surfside. City officials make the decision to request a voluntary or order a mandatory evacuation of the west end communities based on the information provided by the Weather Service regarding potential impact to the island. Once a decision is made for a mandatory evacuation and we go into operations mode for an approaching storm, GPD has the responsibility of manning a traffic control point at the base of the bridge on our side and prohibiting through traffic. The Brazoria County Sheriff's Office has that same responsibility on the mainland side of the bridge. Of course there comes a point when those personnel are recalled for safety reasons, so anyone venturing across the bridge before the traffic control point is set up or after the recall to safety does so at their own risk.**

Mayor of Galveston

Lyda Ann Thomas stated that the Infrastructure Capital Improvement Program (ICIP) is supported by the ½ % sales tax. She is asking for voters to vote yes to the tax in November. This tax is shared by all purchases and decreases property taxes and will allow the continuance of the ICIP. The tax money is used for beach nourishment and for the seawall and infrastructure. In 1994 the sales tax nourished the beach at a cost of \$6 million. The current sewer, street, and drainage programs going on now are a result of the 4B tax.

City of Galveston City Manager

Steve LeBlanc gave a presentation for the 4B Sales Tax for Economic Development for Galveston. It was

passed in 1994 and two of the programs cease the end of 2009 and one expires the end of 2014. The City would like the voters to approve a continuation of the tax for beach and infrastructure related activities.

4B Sales Tax for Economic Development

- Planning Galveston future economic needs
- Funding source needed
- Opportunity to extend an existing tax
- Let the tourists continue to help (they pay 1/3 of the tax)
- Stay flexible/responsive to changing needs
- Want to respond to changing needs of the community

What is a 4B Sales Tax

- Created by the State of Texas to leverage sales tax revenue for job creation and tax base expansion
- Allows up to ½ of 1 penny of sales tax revenue is dedicated to purpose identified by local communities.
- Must have a local election managed by a Local Industrial Development Corp.

What are the Uses of this Tax

Repairs and installation of streets, drainage, and sewer, and for beach nourishment. Other uses are transportation facilities, recycling facilities, Public Safety Building, Telecommunication improvements, Stadiums and Parks.

What are the 2007 Legislative changes

- For the 1994 4B Tax
 - Projects for beach from 10th to 61st only
 - Bonds prohibited early pay off
 - No public participation on projects
- For the 2007 4B Tax extension
 - Projects for the beach is for the entire island
 - Bonds can pay off early
 - Public hearings are required on each project allowing a 60-day window to vote to stop

What is Cost and Value

Current sales tax rate is 8.25%

- 6.25% goes to the State of Texas
- 2.00% stays in Galveston
 - 1.00% or 1 penny to general fund
 - 0.50% or ½ penny is the sales tax offset (\$4 million)
 - 0.50% or ½ penny is the 4B Sales tax, which amounts to \$4.2 Million.
 - ¼ penny goes to sewer (\$2 million)
 - 1/8 penny goes to streets and drainage (\$1 million)
 - 1/8 penny goes to beach re-nourishment (\$1 million)

Value currently ½ penny is \$4 to \$4.2 million in value

What have been the benefits

- Generated \$30 Million in Capital improvements infrastructure improvements in the City of Galveston.
- 2007 legislation allows continuance, infrastructure investments for City plus allows new flexibility for jobs, and tax base expansion
- It will minimize cities need to increase usage fees and taxes
- Provides for accountability through the Industrial Development Corporation

What have we done

- Beach Projects at \$8 Million out of 4B funds, which includes nourishment and the cost of the Feasibility Study.
- Future for Beach Projects
 - Future projects are forecasted to cost \$100 Million.
 - Federal funds are dwindling.
 - 4B generates match funds that are required for large-scale re-nourishment and erosion control.
 - Method available to fund seawall amenities and beachfront improvements.
- Future for Infrastructure Projects
 - IDC Projects funded with 4B Dollars – Streets & Drainage
 - \$7 million spent to date on Stewart Road Repaving, 25th Street repair, Sea Isle Road way and 93rd St. currently under construction.
 - \$15 million spent to date on sewer, Port Industrial, Sea Isle, 10th Street, Jones Drive, Bermuda Beach, Terramar Beach, Main WWTD and Marina Blvd.

What are future uses/ Benefits of the 4B Sales Tax

- Improved infrastructure, beach nourishment, future 2008 projects for sewer at Palm Beach, Ostermeyer, 9 Mile rd, and Harbor side Drive. For Street and drainage at Terramar Beach, Sunny Beach and 11 Mile Rd.
- Leveraging local resources for the General Fund, Enterprise Fund maximized by 4B Sales tax revenue availability and 100 year-old infrastructure needs.

The tax would be in perpetuity verses a subset provision. There can be a petition to end any program with 10% of the registered voters.

Political Consultants

Jerry Mohn stated that the political consultants engaged by the Task Force work on our issues in Austin. He stated that each year we donate a percentage of the \$24,000 cost. Upon motion made by Sidney McClendon and seconded by Peggy Zahler, the following resolution was adopted by unanimous vote.

RESOLVED THAT, the Board approved the payable to the Task Force for engaging political consultants in the amount of \$7,992.

Artist Boat

Jerry Mohn encouraged members to participate in the projects done by this group. They provided the use of 8th graders to plant dunes vegetation. Artist Boat has a grant to fund the planting but they may need funds to buy the plants. Interested members should contact Jerry Mohn with the length of their beach and height of the dunes.

There being no further business to come before the Board the meeting was adjourned at 11:00 AM.

Officers

There is a vacancy for the Vice President position as a result of a resignation. To complete the unexpired terms, the following was adopted with a motion made by Sidney McClendon and seconded by Mike McCully:

RESOLVED THAT, the Board approved the Officer position of Vice President to Peggy Zahler of Spanish Grant Beach and Treasurer to Marty Bilek of Dunes of the West. Jerry Mohn continues as President and James DeFord continues as Secretary. The positions expire the end of February, 2008.

Susan Gonzales
Acting Secretary
